

Operational Programme

for the use of financial resources under the
European Economic Area Financial Mechanism
and the Norwegian Financial Mechanism

**includes amendments accepted by the Polish Council of Ministers on 14 November 2006 and
on 22 June 2007**

Warsaw, July 2005

MINISTRY OF REGIONAL DEVELOPMENT

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Appendix 1 Donor states guidelines

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Introduction

Pursuant to the provisions of art. 128 of the European Economic Area Treaty, new member countries of the European Union join, upon submitting a relevant application, the European Economic Area (EEA). A relevant agreement was signed by the Polish government on 14 October 2003.

One of the elements the aforementioned agreement provides for is the award, for Poland and for other new EU members, of financial resources under the so-called EEA Financial Mechanism and the Norwegian Financial Mechanism. The resources are donated by three EFTA (European Free Trade Association) countries – Norway, Island and Liechtenstein, which form, along with the European Union, the European Economic Area. In exchange for taking advantage of the common market freedoms, the said countries undertook to provide financial assistance to the least affluent members of the European Union.

In order to make the resources available, Poland signed, with the donor countries, agreements in the form of Memoranda of Understanding – the Memorandum of Understanding on the implementation of the Norwegian Financial Mechanism was executed on 14 October 2004, while the Memorandum of Understanding on the implementation of the EEA Financial Mechanism on 28 October 2004. Poland has been awarded, under both Mechanisms, the total of 533.51 million euro for the years 2004-2009. The resources will be used for supporting projects implemented within strictly defined priority sectors between 2004-2009.

Both of the Mechanisms have been covered by the same principles and procedures, and are subject to a single system for their management and implementation in Poland. The role of a coordinating authority is performed by the Ministry of Regional Development.

The first version of the Operational Programme was approved by the Council of Ministers on 26 July 2005. The changes applied to the original version of document were approved by the Council of Ministers on 14 November 2006. Modifications made to the original version of the document based on the experience from the first open call for proposal in 2005. In the current version of the document the changes considering the new financial flow system were introduced. The new financial flow system prepared by the Ministry of Regional Development in cooperation with the Ministry of Finance improves the financial liquidity of the projects implemented under the Financial Mechanisms.

The Operational Programme provides for a detailed description of the Financial Mechanisms' priority sectors. It also specifies the activities that will be feasible within the framework of such sectors, and indicates general criteria and procedures to be applied for submitting and selecting projects, the types of eligible expenses, and the types of beneficiaries. It also determines the financing framework and an outline of the management and implementation system, including the principles of monitoring, financial supervision and audit. The Operational Programme may change as a result of review on implementation of the Financial Mechanisms in Poland during annual meetings with donor - countries.

In accordance with the provisions of the articles: 5, 7 and 8 of the Memoranda of Understanding – during annual meetings with donor – countries, use of assistance within priority sectors and horizontal funds shall be reviewed.

In connection with the above-mentioned meetings this document may be modified.

This document has been drawn up by the Ministry of Regional Development, in cooperation with the Ministry of Finance, Ministry of Environment, Ministry of Culture and National Heritage, Ministry of Internal Affairs and Administration, Ministry of Health, Ministry of

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Scientific Research and Higher Education, as well as the Office of the Committee for European Integration.

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1. Objectives and principles

The objectives and principles related to applying for financial resources provided within the framework of the European Economic Area Financial Mechanism (EEA) and the Norwegian Financial Mechanism, hereinafter jointly referred to as the Financial Mechanisms, are common for both of the Mechanisms.

Objectives

The main objective for which the resources provided by donor countries under the European Economic Area Financial Mechanism (EEA) and the Norwegian Financial Mechanism will be earmarked is the implementation of growth-stimulating projects contributing to the reduction of economic and social disparities in the European Economic Area. Additionally, implementation of the said projects will strengthen bilateral cooperation between Poland and donor countries.

The projects to be implemented are to comply with priorities of the country's social and economic policy, as well as with the objectives of the European Union's relevant policies.

Furthermore, all activities undertaken under the Mechanisms should be in line with different cross-cutting horizontal issues, which increase the quality of the realized projects, and hereby enhance the impact on achieving economic and social cohesion. The main cross-cutting issues are:

1. Sustainable development integrating the environmental, economic and social dimensions of human endeavor
2. Gender equality
3. Good governance determining the participation of the wide group of partners in decision-making process, making decisions within the law and transparent manners
4. Multilateral relations
5. Cross-border activities

In Poland, the use of resources provided within the framework of the Mechanisms will play a supplementary role for actions implemented with the use of EU structural funds and the Cohesion Fund.

Priorities

Poland has been awarded, under both Mechanisms, the total of 533.51 million euro for the years 2004-2009. The resources will be used for supporting projects implemented within strictly defined priority sectors.

Financial resources under the EEA Financial Mechanism will be available for the implementation of projects within the six following priority sectors:

- Protection of the environment, including the human environment, through, inter alia, reduction of pollution and promotion of renewable energy,
- Promotion of sustainable development through improved resource use and management,
- Conservation of European cultural heritage, including public transport and urban renewal,
- Human resource development through, inter alia, promotion of education and training, strengthening of administrative or public service capacities of local government or its institutions, as well as strengthening of democratic processes that support it,

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- Health and childcare,
- Academic research.

Financial resources under the Norwegian Financial Mechanism may support efforts undertaken within all 6 priorities of the EEA Financial Mechanism, but with preference, within the four following priority sectors:

- Implementation of Schengen *acquis*, support of National Schengen Action Plans, as well as strengthening the judiciary,
- Protection of the environment, with a particular emphasis on strengthening the administrative capacity to implement relevant *acquis* crucial for the execution of investment projects,
- Regional policy and cross-border activities,
- Technical assistance relating to implementation of *acquis communautaire*

General principles

1. The implementation of the mechanisms involves institutions of the beneficiary-states as well as the donor countries. The overall responsibility for the implementation of resources is delegated to the National Focal Point, which tasks are performed in Poland by the Ministry of Regional Development. On the donors' side, the EEA Financial Mechanism Committee manages the EEA Financial Mechanism and the Norwegian Ministry of Foreign Affairs manages the Norwegian Financial Mechanism. The Financial Mechanism Office in Brussels assists the above-mentioned institutions and is responsible for the day-to-day operations of the Mechanisms, including contacts with the National Focal Point.
2. The process of projects selection provided within the framework of the Mechanisms is performed on the domestic, as well as on the donors' side. For the approval by the institutions of the donor countries, the Polish side will submit only those projects, which positively passed the selection process in Poland. The institutions of the donor countries take final decisions on the granting and the amount of financial assistance. The contribution from the EFTA EEA States in the form of grants shall be determined on a case-by-case basis, taking all relevant factors into account. European Community ceilings for co-financing shall not be exceeded in any case.
3. The laws of the Kingdom of Norway shall govern the co-operation between the donors and the Beneficiary States institutions.
4. Commitments under both mechanisms will be given to 30 April 2009.
5. With a reference to Article 4 of Protocol 38a, the following rules on the grant rate ceilings shall apply:
 - (a) *Grant rate up to 60%*; With the exceptions referred to in subparagraphs (b) and (c) below, the grant rate shall not exceed 60% of the project cost.
 - (b) *Grant rate up to 85%*; Where 15% or more of the project costs is co-financed by central, regional or local government budget allocations, the EEA Financial Mechanism may provide a grant for the remainder of the project cost.
 - (c) *Grant rate up to and above 85%*; For grant assistance set up to support NGO activities (including social partners), or to provide seed money or scholarships, the EEA Financial Mechanism and the Norwegian Financial Mechanism may be applied in combination in order

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to allow grant rates above those described in sub-paragraph (a) and (b) of this Article, but generally not above 90%. Domestic co-financing will normally be required.

6. A grant agreement will be concluded between the National Focal Point and the relevant institution of the donor countries for each approved project. The grant agreements shall set out the terms, conditions and amount of grant assistance as well as the roles and responsibilities of the parties.
7. Expenditures incurred before the date of grant decision by the Financial Mechanism Committee/the Norwegian Ministry of Foreign Affairs are not eligible for grant support. The final date for eligibility will be fixed in the grant agreement. This will be 24 months after the planned date of the project completion, but not later than 30 April 2011.
8. Grant assistance shall be given as reimbursements of already incurred documented costs according to an agreed disbursement schedule. An advance payment may be made in some and justified cases.
9. All payments must be based on legally binding contracts or agreements, and must be supported by receipted invoices or accounting documents of equivalent probative value.

The subsequent chapters of the present Programme comprise the detailed description of the above rules. In addition, Appendix No. 1 (these documents are also available in the internet site; www.eog.gov.pl) contains set of guidelines prepared, among others by the donor countries, with reference to the procedures for the implementation of the Financial Mechanisms.

State aid

According to Art. 4 of the Protocol 38a on the EEA Financial Mechanism and to Art. 4 of the Agreement of 14 October 2003 between the Kingdom of Norway and the European Community on a Norwegian Financial Mechanism for the period 2004 – 2009, it is necessary to comply with state aid rules.

The implementation of the Operational Programme does not require notification of the planned aid to the European Commission in an operating mode of Art. 88 paragraph 3 of the European Community Treaty. Grant assistance within the Financial Mechanisms will be admitted while taking into consideration conditions for admissibility of state aid, defined in the *acquis communautaire*.

Verification of the compliance with the state aid rules will be conducted during assessment of the application forms by proper Intermediate Bodies. Another verification will be made by the European Commission, while evaluating each submitted application.

Applicants

Generally, all public or private sector bodies and non-governmental organizations (NGOs) constituted as legal entities in Poland and operating in the public interest¹ may apply for assistance. In particular, the applicants may be: national, regional and local government entities, education/research institutions, environmental and branch bodies, social

¹ Statement that the project submitted by the applicant from the private sector act in public interest is made by the Intermediate Body. To this end the Intermediate Body may take the opinion of the relevant Marshal Office.

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organizations and Public-Private Partnerships. The detailed list of beneficiaries, who will be given a preference within individual priorities, is presented in chapter titled "Description of priorities".

Private sector bodies may apply for assistance pursuant to the relevant legal provisions, the Law of 30 April 2004 on proceeding in case of public aid (Dz. U. 2004 number 123 position 1291). Additionally, the applicants from the private sector must prove that the co-financed project will act in the public interest.

Types of projects

Assistance available under the Norwegian Financial Mechanism and EEA Financial Mechanism may be awarded in the form of support for individual projects, programmes (groups of projects) or specific forms of grant assistance - block grants and seed money facility.

Co-financing for the individual projects and groups of projects (programmes) may be granted within the framework of particular priority areas. The remaining types of projects (grant blocks and seed money fund) are of horizontal character.

Appendix No. 1 of the present Programme contains guidelines prepared by the donor countries for the particular types of projects (documents also available in the internet site; www.eog.gov.pl). The shortened description of the said guidelines is presented underneath.

Individual projects

An individual project is an economically indivisible series of works fulfilling a precise technical function and with clearly identifiable aims. An individual project may include one or more coherent sub-projects.

An individual project generally addresses a single issue of economic, environmental or social need within any one of the priority sectors of the EEA Financial Mechanism and/or the Norwegian Financial Mechanism. It is an investment which may stand alone, or be composed of several sub-projects. All elements of the individual project, including any sub-projects and beneficiaries, must be clearly identified for appraisal at the outset.

The amount of grant assistance applied for cannot be less than € 250 000.

Groups of projects

A programme (group of projects) is a co-ordinated portfolio of separate projects developed by a representative partnership and aimed at achieving common spatially/sectorally/thematically defined objectives. They are intended to facilitate the implementation of more comprehensive and cost-intensive strategies.

A programme (group of projects) consists of component projects linked by a common theme or shared objective proposed at the regional, sub-regional or local level, or target specific national themes. Well-targeted and well-managed programmes can achieve a greater socio-economic impact than the sum of their component projects standing alone.

Programmes (group of projects) are typically drawn up by partnerships who will be representative of all those with a key interest in the proposed activities to be carried out.

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These partnerships will operate within a recognized strategy and will appoint a lead partner – the programme intermediary – who will be responsible to the given Intermediate Body and the National Focal Point for the implementation of the programme under delegated authority. The programme intermediary will act as an accountable body with full financial responsibility for the delivery of the programme and the transfer of payments to the promoters of component projects.

Applications on programmes (group of projects) must give a detailed and comprehensive account of all aspects of the proposed programme: its main objectives, an indication of the project activities that will form the programme and a delivery plan with proposed implementation arrangements including criteria and procedures for selection of component projects. This description must include details on the systems proposed to ensure proper accountability for disbursements as well.

The programme intermediary is obliged to co-finance a programme, according to the general guidelines on co-financing. This co-financing is made separately to the co-financing contributed by the end-recipients and is a part of the programme fund that will be spent for the realization of particular projects.

Bearing in mind the role of the programme intermediary in the process of selecting projects, he/she cannot be a beneficiary of this programme. When the programme is managed by a partnership, partners also cannot be beneficiaries of this programme.

Block grants

A block grant is a fund, set up for a clearly defined purpose that may be used to provide assistance to individuals, organizations or institutions. Block grants are intended to facilitate the implementation of projects where each sub-project or end recipient is too small to be identified a priori or to be administered cost-effectively on an individual basis.

Block grants enable EEA Financial Mechanism and Norwegian Financial Mechanism resources to be made available more easily to organizations which are often well placed to respond to specific development issues (e.g. social inclusion, or local development initiatives) but not necessarily well equipped to deal with the demands of the application process themselves. Block grant intermediaries will be responsible to the National Focal Point and the EEA Financial Mechanism and/or the Norwegian Financial Mechanism for the implementation of the block grant under delegated authority.

Seed money fund is a specific form of grant assistance, which is to be established in order to support the preparation of applications that are to be submitted to the Financial Mechanisms, in particular to support innovative approaches, complex project themes and the establishment of new partnerships created for the purpose of designing new projects. The fund is limited to the projects submitted by the Polish entities in partnership co-operation with the donor-states entities. Chapter 3 contains a description of the fund.

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2. Description of priorities

According to Annex B of the Memorandum of Understanding on the implementation of the EEA Financial Mechanism 2004-2009 and Annex B of the Memorandum of Understanding on the implementation of Norwegian Financial Mechanism 2004-2009, specific types of projects under the Financial Mechanisms have been defined within the framework of individual priorities.

This chapter presents a detailed description of Memorandum of Understandings' provisions, including additional information on the preferred types of eligible projects, the expected eligible expenditures and the beneficiaries who may apply for the assistance.

Projects and beneficiaries listed below must be considered as examples (preferred) and shouldn't be perceived as closed catalogue of the projects and entities eligible to apply for the assistance under the Mechanisms.

Memoranda of Understanding as well as rules and procedures of the donor states constitute the bases for the implementation of the Financial Mechanisms in Poland and their provisions are treated as prevailing.

Individual projects and programmes will be implemented under the below presented priority areas. Block grants may be set up if they are additionally agreed with the donor states. The amount of grant assistance applied for shall normally not be less than € 250 000 (in the case of an individual project). However, some deviations are possible in the case of priorities, where the minimum value of the project constitutes one of the selection criteria.

According to article 7 of Memoranda of Understanding, priority areas and types of projects detailed in Annex B will be subject for review during annual meetings with donor-states and due to that fact may change.

2.1. Protection of the environment, including the human environment, through, inter alia, reduction of pollution and promotion of renewable energy

Description and justification of the priority

The process aimed at improving the condition of Poland's natural environment requires not only that the current undertakings be continued, but also calls for intensified efforts in those areas that have so far received less funding, or that have not been subsidized at all. According to this, the following list of needs has been drawn up:

- limiting the displacement of pollution,
- saving energy sources,
- increasing the share of energy from renewable sources in Poland's energy balance,
- managing segregated waste,
- collecting and treating agglomeration² waste waters.

Objective of the priority

The main objective of the priority is to reduce the quantity of pollution in the environment through, protection of air and surface waters and rational waste management³.

² As specified in the Water Management Act of 18 July 2001 (Journal of Acts of 2001, No.115 item 1229 with amendments);

³ The scope of action is determined by the following acts:

- Environment Protection Act of 27 April 2001 (Journal of Acts of 2001, No.62 item 627 with amendments);
- Water Management Act of 18 July 2001 (Journal of Acts of 2001, No.115 item 1229 with amendments);
- Waste Act of 27 April 2001 (Journal of Acts of 2001, No. 62 item 628 with amendments);

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Types of eligible projects

The priority assumes the implementation of projects consisting in the construction and modernization of environmental protection infrastructure in the following areas:

1. Restrictions in usage of individual heating systems in favor of communal/municipal heating networks.

The project concerns the connection of downtown areas (densely developed with apartment blocks) that are still heated by small local boiler houses and stoves to municipal heating networks, particularly for those areas in which the permissible air pollution levels are exceeded.

2. Replacement of obsolete heating energy sources by modern, energy-saving and ecological ones.

The project concerns the liquidation of obsolete coal-fired boiler plants powered 1 - 20 MW, and to replace them by modern, preferably combined-type boiler houses.

3. Thermal-insulation work in public utility buildings.⁴

The project concerns the complex thermo-modernization (insulate walls and partitions, change entrance doors and windows, modernize the building's heating sources and systems, with a preference given to comprehensive undertakings) of public utility buildings and their complexes belonging to a single beneficiary (also if situated at different locations).

This measure is covered by a programme (group of projects). There will a separate call for proposal for projects.

4. Investment in the field of renewable energy sources, i.e. the use of hydropower (small hydropower plants of up to 5 MW), solar energy and biomass energy in individual heating systems.

The project concerns:

a) construction of mini (50 kW – 5 MW) hydropower plants on existing waterfall, (on the areas not covered with programmes on restitution of migratory fish) equipped with safe fish pass and automatic systems limiting the turbines' consumption of water at low river levels;

b) construction of solar battery systems with the area exceeding 100 m² and photovoltaic systems for public utility buildings and housing buildings;

c) construction of 1 – 10 MW biomass-powered heating systems using local fuel resources.

5. Construction, rebuilding or modernization of municipal waste water treatment plants and sewage pipeline systems.

The project concerns the construction, rebuilding or modernization of sewage pipeline systems and waste water treatment plants for agglomerations⁵ of 2,000 – 15,000 RM⁶ .

6. Organization of selective solid waste collection and its subsequent reuse through recycling.

The project concerns to add to the system of municipal waste management by collecting and recycling one or more given wastes: electronic and electric equipment, or/ and package waste, as well as management of construction wastes (not concerns

⁴ Defined in the Regulation of Minister of Infrastructure of 12.04.2002 r. on technical conditions, buildings should fulfill, and their placement (Official Journal. No 75 item 690 of 2002 r. with amendments). This concerns only public utility buildings for education, culture, healthcare, social purposes.

⁵ An agglomeration means an area with the population or economic activity is adequately concentrate to collect sewage that will be sent to the sewage plants (the Water Law of 18 July 2001)

⁶ One equivalent inhabitant is a quantity of organic biodegradable substances expressed as an indicator of 120 hour-biochemical demand for oxygen in amount of 60 grams per 24 hours (art. 43 ust.2 act of 18 July 2001 r. Water Law).

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asbestos), or/ and wastes from the reconstruction of roads infrastructure . However other types of solid waste are also possible.

Specification of possible eligible expenses:

Within this priority (only if a given project is accepted for implementation), those expenditures may be considered eligible that have been borne in compliance with the principles set out in the “Detailed eligibility provisions – expenditures. The EEA Financial Mechanism and the Norwegian Financial Mechanism 2004-2009” – a document adopted by the donor – countries, as well as the expenditures that have been incurred after receiving from the donors a grant offer letter for co-financing a project.

The above may be, in particular, expenses borne for the following:

1. Preparatory work, including:
 - cost of tender dossier preparation, tender preparation expenses, including the cost of tender notices publication;
 - purchase of land of non-agricultural character, if such a purchase is inseparably linked with the project’s implementation.
2. Financial fees, taxes and overheads:
 - bank charges for opening and administering accounts;
 - legal fees for advice, notary fees, the costs of financial expertise, and accountancy or audit costs;
 - cost of guarantees provided by a bank or other financial institutions, if such guarantees are deemed necessary in the case of advance payments made under the Mechanisms;
 - VAT (only if the tax cannot be recovered);
 - in-kind contribution (the provision of land or real estate, equipment or materials, research or professional activity, or unpaid voluntary work);
 - overheads, provided that they are based on real costs which relate to the implementation of the operation co-financed by the EEA Financial Mechanism and/or by the Norwegian Financial Mechanism, and are allocated proportionally to the operation according to a duly justified, fair and commonly accepted method.
3. Investment and investment process related work, including:
 - purchase of real estate, provided that there is a direct link between the purchase and the project’s objective;
 - preparing the site for construction work, earthworks, construction and assembly, installation and finishing work;
 - construction (cost of labour, materials, equipment usage, permanent equipment used during construction work);
 - equipment (purchase or construction of equipment of permanent character);
 - remuneration of personnel directly involved in project implementation;
 - translation costs (apart from the costs of translation of the application and supporting documents);
4. Costs of information and project publicity;
5. Cost of project management, in cases where additional management structures are created for the project, with staff hired exclusively for this purpose (excluding the costs of purchasing the computer systems for the management, monitoring and evaluation). These costs cannot exceed 10 % of total eligible cost of the project, if they are well justified and the cost effectiveness is assured.

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Project selection criteria

- minimum of a grant assistance for an individual project is EUR 250 000 and maximum of a grant assistance provided by EEA FM and NFM for an individual project is EUR 2 million;
- achievement of a measurable environmental effect as a result of the realization of the project.

Types of beneficiaries

All public or private sector bodies and non-governmental organizations (NGOs)⁷ constituted as legal entities in Poland and operating in the public interest may apply for the assistance.

2.2. Promotion of sustainable development through improved resources use and management

Description and justification of the priority

Sustainable development consists in the effective use of natural resources, without harming the stability of nature's functioning and its natural diversity, as well as in providing future generations with an equal chance to access environmental resources.

The projects were selected for implementation in the framework of institutional strengthening, related to the integration of environmental issues with the policy applied in individual branches of the economy.

The said projects relate mainly to the following:

- introducing environmentally friendly production and consumption patterns;
- maintaining the stability of biological diversity;
- enhancing the social and economic function of forests;
- expanding the knowledge and increasing the awareness of persons and institutions, with regard to solving of local employment and environment-related problems;
- cooperation and communication between entities involved in pro-ecological education;
- supporting the maintenance of existing and the creation of new environmental protection jobs (so-called "green workplaces");
- supporting activities related to the so-called "green procurement", i.e. ensuring that purchases made by governmental and local administration apply a preference to products and services with a lesser environmental impact.

Objective of the priority

The main objective of this priority is to promote and bring into effect the principles of sustainable development amongst authorities and communities.

Types of eligible projects

Within this priority sector those projects may be eligible for assistance that provide for institutional strengthening and for the expansion of knowledge on sustainable development of the country in the following areas:

⁷ Non-government organizations are, pursuant to the provisions of the Public Benefit Activity and Voluntary Work Act of 24 April 2003, legal persons or entities without a legal personality that were established pursuant to the provisions of legal acts, that are not public finance sector entities, as understood by public finance regulations, and that do not act with a view to generate profit, including foundations and associations.

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1. Reduction of energy, raw material and water consumption of manufacturing and service activities by improving the efficiency of productive resources use.

The project concerns:

- a) the development of programme for given industrial plant or/ and service enterprises, providing for their modernization to reduce energy, water and raw materials consumption, as well as to minimize the production of waste,.
- b) consumer campaigns promoting purchase of environmentally friendly products.

2. Use of alternative energy sources.

The project concerns the development of a strategy, being part of individual gminas' energy-related plans.

3. Support for the creation of “green workplaces” and “green procurement”.

The project concerns the preparation and the training, by offices and business entities, on creating “green workplaces” and on conducting “green procurement”.

4. Enhancement of environmental education through creation of networks for environmental learning.

The project concerns the educational campaigns (including: seminars, workshops, contests, information campaigns, e-learning platforms) based on the constant cooperation between non- governmental organizations and local authorities and local communities, devoted to the creation of environmentally friendly attitudes.

5. Activities encouraging protection, improvement and restoration of biodiversity, including marine resources and areas included in the Nature 2000 sites.

The project concerns the activities promoting the active protection of endangered plant and animal species, as well as of ecosystems endangered by human activity, in areas included in the network of Nature 2000 sites and on marine areas.

6. Activities for supporting forest management.

The project concerns the activities for sustainable development of multifunctional forest management, supporting its role in development of rural areas, as well as persistence of forests and maintaining the stability of biological diversity in forests' ecosystems.

In the case of model projects (concerns points 5 and 6) it is allowed to undertake justified investment activities.

Specification of possible eligible expenses:

Within this priority (only if a given project is accepted for implementation), those expenditures may be considered eligible that have been borne in compliance with the principles set out in the “Detailed eligibility provisions – expenditures. The EEA Financial Mechanism and the Norwegian Financial Mechanism 2004 - 2009” – a document adopted by the donor – countries, as well as the expenditures that have been incurred after receiving from the donors a grant offer letter for co-financing a project.

The above may be, in particular, expenses borne for the following:

1. Preparatory work, including:
 - o costs of preparing the tender dossier, tender preparation expenses, including the cost of tender notices publication;
 - o costs of preparing land (concerns points 5 and 6), also for species protection including marking.
2. Financial fees, taxes and overheads:
 - o bank charges for opening and administering accounts;
 - o legal fees for advice, notary fees, costs of financial expertise, and accountancy or audit costs;

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- VAT (only if the tax cannot be recovered);
- in-kind contribution (the provision of land or real estate, equipment or materials, research or professional activity, or unpaid voluntary work);
- overheads, provided that they are based on real costs which relate to the implementation of the operation co-financed by the EEA Financial Mechanism and/or by the Norwegian Financial Mechanism, and are allocated proportionally to the operation according to a duly justified, fair and commonly accepted method.

3. Expenditure on project implementation, including:

- facility rental cost;
- conference and training service costs;
- lecturer remuneration costs;
- travel, accommodation and board expenses of coaches, researchers and experts;
- remuneration of persons executing administrative tasks and translations;
- costs of preparing the programme, strategy, campaign, educational activity (if it is assumed objective of the project);.
- costs of training materials;
- remuneration of personnel directly involved in project implementation;
- purchase of software (e.g. for trainings, exercises and presentations);
- translation costs (apart from the costs of translation of the application and supporting documents).

4. Investment activities, in case of model projects (concerns points 5 and 6), including:

- cost of land adaptation;
- costs of creating species protection and activities connected with active protection;
- cost of purchase of breeding material;
- cost of purchasing of software (with licenses) and hardware that will be directly used for the realization of a project
- cost of labour force, usage of equipment and making necessary appliances (e.g. view point).

5. Costs of information and project publicity.

6. Cost of project management, in cases where additional management structures are created for the project, with staff hired exclusively for this purpose (excluding the costs of purchasing the computer systems for the management, monitoring and evaluation). These costs cannot exceed 10 % of total eligible cost of the project, if they are well justified and the cost effectiveness is assured.

Project selection criteria

- the amount of grant assistance provided by EEA FM and NFM cannot be less than € 250 000
- a connection is shown with planned or currently executed investment;
- a serious problem is solved in the field of environmental pollution reduction, protection of valuable areas or species, strengthening stability and biodiversity of ecosystems and sustainable relations between increase of resources of forests and the level of its usage, and in the case of point 3 and 4 also role of local authorities and social partners in the creation and implementation of the project.

Types of beneficiaries

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All public or private sector bodies and non-governmental organizations (NGOs) constituted as legal entities in Poland and operating in the public interest may apply for the assistance.

2.3. Conservation of European cultural heritage including public transport and urban renewal

Description and justification of the priority

Culture serves an extremely important purpose in the social life by integrating, as well as by establishing the perception of regional and national identity. It is also a universal instrument for developing international cooperation and for shaping a common cultural and social identity of Europe. By improving the regions' attractiveness for their inhabitants, tourists and investors, culture is, at the same time, a significant factor impacting the country's economic development, as it contributes to the generation of GDP, creation of new jobs and improvement of the citizens' quality of life.

Objective of the priority

The main objective of operations undertaken within this priority is to preserve and reconstruct the European cultural heritage and its surroundings, as well as to create national cultural tourism products in historical Polish cities (especially Warszawa, Kraków, Gdańsk, Wrocław, Poznań).

Types of eligible projects

In the frame of the priority, it is possible to carry out projects in the fields of:

- revitalization⁸, conservation, renovation, modernization 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 products⁹;
- revitalization of historical urban areas¹⁰;
- revitalization, conservation, renovation, modernization and adaptation of fortification complexes and buildings for cultural purposes;
- revitalization of post-industrial objects with a high historical value for cultural purposes, in particular for modernity museums;
- renovation, protection and preservation of martyrdom and memory sites;
- building and extension of public and non-profit cultural institutions of European meaning;
- building, extension, reconstruction and adaptation of cultural infrastructure in places of symbolic importance for Polish culture;
- complex conservation programmes and digitalization of mobile monuments and history book collections, literature and archives important for the European cultural heritage;
- creation of protection systems for illegal removal of works of art and protection of mobile and immobile monuments against robbery and destruction.

Projects under this priority shall not be for commercial purposes.

⁸ The notion of Revitalization in all types of projects should be understood as: combination of technical activities (e.g. renovations) with programmes of economic revival and with activities for solving the social problems on the areas with: high unemployment, crime and without demographic balance.

⁹ Strategies for the development of cultural tourism products are separately functioning strategies, or strategies functioning within the framework of general social and economic development strategies, that aim at the promotion of cultural tourism.

¹⁰ Revitalization of historical urban areas is considered as a restitution of an area that is socially, economically and environmentally degraded or a replacement of its function into new ones. Revitalization is a combination of technical activities (e.g. renovations) with programmes of economic revival and with activities for solving the social problems on the areas with: high unemployment, crime and without demographic balance.

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Projects of “design and build” cannot be realized within this priority.

Specification of possible eligible expenses

Within this priority (only if a given project is accepted for implementation), those expenditures may be considered eligible that have been borne in compliance with the principles set out in the “Detailed eligibility provisions – expenditures. The EEA Financial Mechanism and the Norwegian Financial Mechanism 2004-2009” – a document adopted by the donor - countries, as well as the expenditures that have been incurred after receiving from the donors a grant offer letter for co-financing a project.

The above may be, in particular, expenses borne for the following:

1. Preparatory work, including:

- cost of tender dossier preparation, tender preparation expenses, including the cost of tender notices publication,
- purchase of land of non-agricultural character, if such a purchase is inseparably linked with the project’s implementation (up to 10% of the investment’s total eligible expenditures).

2. Financial fees, taxes and overheads:

- bank charges for opening and administering accounts;
- legal fees for advice, notary fees, the costs of financial expertise, and accountancy or audit costs;
- cost of guarantees provided by a bank or other financial institutions, if such guarantees are deemed necessary in the case of advance payments made under the Mechanisms;
- VAT (only if the tax cannot be recovered);
- in-kind contribution (the purchase of estate or real estate, equipment and material, research and professional activities or unpaid voluntary work);
- overheads, provided that they are based on real costs which relate to the implementation of the operation co-financed by the EEA Financial Mechanism and/or by the Norwegian Financial Mechanism and are allocated proportionally to the operation, according to a duly justified, fair and commonly accepted method.

3. Investment and investment process related work, including:

- purchase of real estate, provided that there is a direct link between the purchase and the project’s objective;
- costs of scientific researches, if they are a part of a project (e.g. conservation researches);
- preparing the site for construction work, earthworks, construction and assembly, installation and finishing work;
- supervision, on behalf of the investor, over the correctness of investment implementation, as well as conservator’s supervision;
- construction (cost of labour, materials, equipment usage, permanent equipment used during construction work);
- equipment (purchase or construction and implementation of the software and information technologies, costs of purchase of license and hardware directly used in the project);
- remuneration of personnel directly involved in project implementation;
- translation costs (apart from the costs of translation of the application and supporting documents);

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- remuneration of personnel performing administration and office-related services
- outside services.

4. Costs of information and project publicity.

5. Cost of project management, in cases where additional management structures and are created for the project, with staff hired exclusively for this purpose (excluding the costs of purchasing the computer systems for the management, monitoring and evaluation). These costs cannot exceed 10 % of total eligible cost of the project, if they are well justified and the cost effectiveness is assured.

Project selection criteria

Projects fulfilling the following formal and content-related criteria shall be executed within this priority sector:

- minimum value of an individual project and group of projects (programmes) is EUR 1 million;
- compliance with the Local Revitalization Programme – with regard to projects related to revitalization of historical urban areas;
- project's compliance with the National Cultural Development Strategy 2004-2020;
- project's importance from the state's cultural policy point of view.

Projects concerning items entered in the register of monuments will be given a priority.

Types of beneficiaries

These are the following beneficiaries:

- Ministry of Culture and National Heritage;
- regional and local government entities;
- unions and alliances of local government entities;
- national, regional and local culture institutions and film institutions;
- public schools and universities of art;
- state universities
- state archives
- non-governmental organizations from the field of culture, operating in the frame of public interest;
- churches and religious associations;
- state-owned enterprises and non-profit budgetary enterprises of local government entities,¹¹;
- private sector bodies operating in the public interest

2.4. Human resources development through, inter alia, promotion of education and training, strengthening of administrative or public service capacities of local government or its institutions, as well as strengthening of democratic processes that support it

Description and justification of the priority

Development of human resources on all levels of local administration calls for continuous improvement of the personnel's professional qualifications – an objective that can be achieved by creating conditions stimulating common participation in general education and professional courses. The processes of civil society's democratization and development are

¹¹ It concerns only those beneficiaries whose activity is related to the conservation of culture heritage.

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significantly boosted by the enhancement of non-governmental organizations' ability to operate and function efficiently. It is crucial, on the one hand, that non-governmental organizations – constituting an integral part of every civil society – be involved in such system transformations that guarantee their participation in the process of exercising authority, and on the other hand, that the Polish non-governmental sector be strengthened institutionally.

Operations undertaken within this priority sector shall place a particular emphasis on gender equality.

Objective of the priority

The objective of this priority is the enhancement of local government administration through broadening of knowledge and enhancement of skills of the representatives of public administration at province, powiat and gmina level.

In addition, the priority aims at institutional strengthening of civil society through enhancement of the non-governmental sector, with particular attention paid to the implementation of the principle of equal rights for men and women.

Types of eligible projects

The following operations fall within the scope of this priority sector:

1. Promotion of vocational training for the broad group of province, powiat and gmina level employees, e.g.

Training projects for entities dealing with personnel management and devoted to the promotion of modern human resources management methods, as well as to research and analysis of training needs will be preferred.

2. Development of training curricula on the basis of identified tasks of local government administration, including issues relating to equal rights for men and women, e.g.

Preferred training topics:

- Violence against women – identification of the phenomenon, its scale, circumstances (domestic violence), cooperation between local governments, police and non-governmental organizations operating for the benefit of women;
- Health – training for welfare employees – topics dealing with healthcare, including reproductive health of women in all stages of life (girls, women in reproductive age, pregnant women, women after the menopause, old-age women);
- Education – training for employees of the educational sector, as well as for healthcare employees working in schools (school physicians, nurses, hygienists) – topics dealing with introducing information on all modern family planning methods to school curricula, as well as those related to education in the field of human sexual life;
- Cooperation between local governments and non-governmental organizations operating for the benefit of women – problems related to women healthcare, counteracting domestic violence, education and professional activation of women;
- Professional activation of women, in particular those from rural areas;
- Disseminating knowledge on men's and women's equal rights in all spheres of life, with a particular emphasis put on rights related to maternity and parenthood, as well as counteracting gender discrimination in employment;
- Expanding the share that non-governmental organizations have in establishing and running care-taking, as well as care-taking and educational facilities;

3. Elaboration of competence standards in the area of EU integration.

4. Training for employees of province, powiat and gmina administration, e.g.

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Training and courses (e.g. post-graduate studies) will be preferred that stem from an in-depth analysis of the beneficiary's training-related needs.

5. Support for consultancy and information activities for local government administration and the non-governmental sector, e.g.

The following projects will be preferred:

- the expansion of employees' specialist qualifications with the help of coaching¹² and mentoring¹³, on the basis of identification and popularization of best practice;
- preparation, promotion and organization of trainings and other forms devoted to expanding employees' and volunteers' qualifications, including organizations conducting projects related to trainings, research and continuing education; supporting the process of expanding training and advisory offer addressed to non-governmental organizations and increasing its level and quality;
- supporting the process of financial and institutional strengthening of non-governmental organizations stability through initiatives related to personnel development, preparing organizations to broaden present activities or to start new programmes, working out financial independence, making management system more efficient;
- training and consultancy in the field of implementation of the records concerning delegation of public tasks to non-public entities and creation of co-operation standards;
- training and consultancy in the field of e-Governance.

6. Development of appropriate educational tools and promotion of local partnerships.

Preferred projects include, e.g.:

- elaboration of modern educational platforms with the use of e-platforms;
- support for development of innovative systems of continuing education for representatives of public administration, exchange of practical experiences and ensuring continuation of educational activities;
- supporting activities aiming to develop social confidence, networks of human and intersectoral relations related to solving common problems (among others – supporting creation of the coalitions and partnerships between non-governmental organizations, organizations and entities of various sectors: self-government, or private sector) undertaken in order to solve local and regional problems as well as to create common strategies social and economic, local and regional, supporting actions for Public - Private Partnership, for social activation and aiming to involve different social groups into community life, development of voluntary work, promotion and implementation of rules of social business responsibility – issues referring to the participation of business sector in life of local communities in the area of its economic activity, as well as ethical relations with employees, shareholders and business partners, promotion of charity;
- increasing the share of social partners (forms of civil dialogue and public consultations) in planning and executing projects for local communities (e.g. supporting the role of

¹² Coaching is a series of systematic and planned meetings with an employee (employees), a set of specific techniques and methods serving the purpose of professional development of a subordinate (subordinates), by conducting system-character conversations. In this case we make an assumption that every manager applies some kind of methods for personnel development, therefore we have to supply them with techniques and tools that will improve the quality of this process. It is worth stressing that development is understood as a change in the subordinate's behavior.

¹³ Mentoring is a process in which a person with significant experience and a history of professional success takes on the challenge of introducing someone to the company, and of supporting the development of other employees. Irrespective of the form this process may take, its distinctive feature is a fact that it allows for an active application of the experience the company (institution) possesses, and to optimally adjust the level of task difficulty to the ability of a given person. Organizations that apply various forms of mentoring in practice generally treat it as a rule that every employee, regardless of the position they are to take, is cared for, for a specific period of time, by his mentor (counselor).

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non – governmental organizations in elaborating social and economic strategies on regional level, e.g. National Strategy of Social Integration, NAP on social inclusion, NAP on employment, strategies of regional development, strategies of rural development), in which they are entitled to participate as partners, support for the co-operation between local authorities and non - governmental organizations on the basis of the Public Benefit Activity and Voluntary Work Act of 24 April 2003.

7. Modernization of voivodship, poviat, gminas government services and improvement of efficiency and implementation of best business practices through the use of latest IT software and technology.

Preferred projects will also include e.g. innovative organizational approaches of the beneficiaries.

8. Support for co-operation between local governments and non - governmental organizations, including support for programmes concerning *participatory governance* (programmes related to common recognition of local problems, social consultations, implementing rules of *open government*, monitoring of local authorities), support for actions constituting platform for solid co-operation and exchange of experiences between the entities offering social services or operating in the same area (e.g. between non – governmental organizations and local and regional authorities).

Specification of possible eligible expenses

Within this priority (only if a given project is accepted for implementation), those expenditures may be considered eligible that have been borne in compliance with the principles set out in the “Detailed eligibility provisions – expenditures. The EEA Financial Mechanism and the Norwegian Financial Mechanism 2004-2009” – a document adopted by the donor - countries, as well as the expenditures that have been incurred after receiving from the donors a grant offer letter for co-financing a project.

The above may be, in particular, expenses borne for the following:

1. Preparatory work, including:
 - o costs of expertise,
 - o costs of preparing the tender dossier, tender preparation expenses, including costs of tender notices publication.
2. Financial fees, taxes and overheads:
 - o bank charges for opening and administering accounts;
 - o cost of guarantees provided by a bank or other financial institutions, if such guarantees are deemed necessary in the case of advance payments made under the Mechanisms;
 - o legal fees for advice, notary fees, the costs of financial expertise, and accountancy or audit costs;
 - o VAT (only if the tax cannot be recovered);
 - o in-kind contribution (the provision of land or real estate, equipment or materials, research or professional activity, or unpaid voluntary work);
 - o overheads, provided that they are based on real costs which relate to the implementation of the operation co-financed by the EEA Financial Mechanism and/or by the Norwegian Financial Mechanism, and are allocated proportionally to the operation according to a duly justified, fair and commonly accepted method.
3. Expenditure on project implementation, including:
 - o facility rental cost;

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- conference and training service costs;
- lecturer remuneration costs;
- remuneration of personnel performing administration and office- related tasks, as well as preparing translations;
- cost of travel, accommodation and catering for coaches, researchers and experts;
- cost of training materials,
- costs of preparing database and administrative costs;
- costs of purchase and implementation of the software and information technologies, purchase of e-learning platforms and hardware directly used for trainings, research or expertise, costs of software administration;
- purchase of license;
- translation cost (apart from the costs of translation of the application and supporting documents);
- costs of publishing, elaborations and analyses;
- costs of coaching and mentoring.

4. Costs of information and project publicity.

5. Cost of project management, in cases where additional management structures are created for the project, with staff hired exclusively for this purpose (excluding the costs of purchasing the computer systems for the management, monitoring and evaluation). These costs cannot exceed 10 % of total eligible cost of the project, if they are well justified and the cost effectiveness is assured.

Project selection criteria

- a greater number of beneficiaries participating in the project, a project implemented with the participation of a larger group of local partners;
- projects realized in area suffering from high unemployment;
- project's impact on expanding knowledge and professional qualifications of government and local administration staff at province, poviát and gmina level;
- enhancing organization of the beneficiary's work;
- enhancing the realization of tasks related to the development of an information society;
- project's importance for the task-related and functional enhancement of local government, as well as of government administration entities;
- enhancement of the non-governmental sector's operation, including the development of cooperation between local governments, NGOs, as well as social and economic partners;
- enhancing application of the gender equality principle;
- the beneficiary's previous presence in the field of given entity's human resources development, participation in other programmes of the type.

Types of beneficiaries

The following beneficiaries shall be given a preference:

- local government entities, or organizational entities performing tasks of local government entities;
- unions, alliances and associations of local government entities;
- entities rendering public services to the order of local government authorities, in which the majority of shares or stocks is held by the gmina, poviát or voivodship local government;
- province administration authorities;
- public finance sector entities, local government's budgetary entities;
- non-governmental organizations, including associations and foundations.

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2.5. Health and childcare

Description and justification of the priority

Social and economic coherence within the European Economic Area is directly linked with the quality of the entire society's life, including the quality of healthcare, and with the provision of relevant care for children and mothers. The aforementioned objectives require that complementing, long-term efforts be undertaken in the healthcare system to ensure the provision the highest quality healthcare, with the level of quality and accessibility of medical services being continuously improved.

Shaping the society's healthy living habits is of crucial significance here. It may be achieved through expansion of disease prevention programmes, improvement of social education standards in the field of modern family planning methods corresponding with the current status of medical knowledge, as well as through shaping of mature parenthood attitudes.

The effects of health-harming behaviors, which have been caused by civilization and lifestyle changes, impact the society as a whole. Therefore, significant importance should be attached to efforts counteracting the said unfavorable changes.

Such efforts require the involvement of multiple sectors, but it is the healthcare system that has a specific role to play in this area.

The protection of the mother and the child before and directly after its birth is a very important element. Perinatal, child delivery and post-birth periods shall be considered ones in which the health of the mother and the child ought to be protected in a special manner, due to numerous risks of infection, biological features and related threats, as well as in order to ensure the child's optimal health in the future. The above requires that the mother and the child be provided with relevant medical care, comprising both disease prevention and promotion of healthy behaviors.

Complex childcare should also involve disabled children. That is why it is so important to limit negative effects of their diseases and disability, through actions undertaken for the integration of disabled children with abled children.

Health promotion and disease prevention programmes constitute one of the prerequisites for healthy lifestyle popularization. It is mandatory that continuous health education of the society be provided in order to achieve the aforementioned aims.

Objective of the priority

The main objective of the use of financial resources under the Financial Mechanisms as well as domestic co-financing within the following priority is improvement of health conditions in a society through, among others: health promotion programmes and disease prevention programmes, improvement of the quality of service in selected healthcare facilities, improvement of accessibility to healthcare services and improvement of basic and specialist healthcare

Types of eligible projects (below-mentioned projects are only examples)

1. Prevention and health promotion programmes, for example:

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- promotion of lifestyles diminishing the risk of civilization diseases;
 - prevention and early detection of civilization diseases, including prevention faulty postures, caries and obesity of children and youths.
- 2. Perinatal healthcare improvement programmes, for example:**
 - early detection of fetus defects;
 - promotion of knowledge on proper nutrition during pregnancy.
 - 3. Projects related to increasing social awareness on modern family planning methods and mature parenthood standards, for example:**
 - dissemination information on modern contraception methods;
 - establishment and development of birth schools.
 - 4. Projects aimed at integration of societies menaced by pathology (with special emphasis on overcoming social pathologies like drug addiction and alcoholism), and prevention of juvenile crime, for example:**
 - preventing addictions and their treatment;
 - supporting people with mental disorder - as well as dealing with problems of children from communities menaced by pathologies,
 - creation of groups and circles of interest among children and youths from communities menaced by social pathologies.
 - 5. Projects aimed at the integration of disabled children with fully able children, for example:**
 - creation of kindergarten and school groups combining disabled and fully abled children;
 - programmes preparing children to live in an integrated community.
 - 6. Projects aimed at realization of open air and open access recreation zones for children, for example¹⁴:**
 - organization of extracurricular sports and recreational activities for children;
 - creation of open air and open access recreation zones for children (including: sports field, open access recreation zones for children, playgrounds like Jordan's gardens¹⁵, fitness trail, etc.) except of sports stadiums.
 - 7. Projects related to therapeutic telemedic systems and medical Internet-based education and data collection systems¹⁶, for example:**
 - performance of remote ECG tests with the use of tele IT equipment;
 - construction of medical information platforms and educational systems;
 - creation of statistical data gathering and transferring systems.
 - 8. Projects on the improvement of access to and quality of healthcare, for example:**
 - increasing the availability of medical care through equipping hospital wards with modern medical equipment with assurance that this equipment will be effectively used during the realization of a project ;
 - the improvement of the quality of basic and specialist healthcare through modernization of medical centers
 - improving the quality of healthcare services by increasing the qualifications of medical staff.

Specification of possible eligible expenses

Within this priority, those expenditures may be considered eligible that have been borne in compliance with the principles set out in the "Detailed eligibility provisions – expenditures.

¹⁴ Children are defined as juvenile, young people under 18.

¹⁵ Jordan's Garden – areas with sport facilities for children to exercise, play and amuse in public gardens, firstly designed in Cracow by Henryk Jordan (1842-1907), Polish social worker and physician, professor of Jagiellonian University.

¹⁶ It concerns aggregated data on the level higher than a healthcare unit.

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The EEA Financial Mechanism and the Norwegian Financial Mechanism 2004-2009” – a document adopted by the donor - countries, as well as the expenditures that have been incurred after receiving from the donors a grant offer letter for co-financing a project.

The expenditures will become eligible only when donor countries have allowed grant assistance.

The above may be, in particular, expenses borne for the following:

1. Preparatory work, including:

- cost of tender dossier preparation, tender preparation expenses, including the cost of tender notices publication,
- purchase of land of non-agricultural character (allowed only if recreational zones are created), if such a purchase is inseparably linked with the project’s implementation (up to 10% of the investment’s total eligible expenditures).

2. Financial fees, taxes and overheads:

- bank charges for opening and administering accounts;
- legal fees for advice, notary fees, the costs of financial expertise, and accountancy or audit costs;
- cost of guarantees provided by a bank or other financial institutions, if such guarantees are deemed necessary in the case of advance payments made under the Mechanisms;
- VAT (only if the tax cannot be recovered);
- in-kind contribution (the provision of land or real estate, equipment or materials, research or professional activity, or unpaid voluntary work);
- overheads, provided that they are based on real costs which relate to the implementation of the operation co-financed by the EEA Financial Mechanism and/or by the Norwegian Financial Mechanism, and are proportionally allocated to the operation using a duly justified, fair and commonly accepted method.

3. Investment and investment process related work, including:

- purchase, rental, financial leasing of the necessary equipment and apparatus;
- purchase and construction of equipment of permanent character;
- rental, financial leasing of the buildings strictly linked to the realization of the project;
- preparing the site for construction work and assembly, geodesy works, earthworks, installation and finishing work, engineering supervision;
- construction¹⁷ (cost of labour, materials, equipment usage, permanent equipment used during construction work) – only concerns creating open access recreation zones for children (the cost of building administration rooms, storerooms, changing rooms and toilets are eligible if they do not exceed 30% of total eligible costs of the project, the cost of building gastronomy rooms¹⁸ are not eligible);
- rebuilding¹⁹ of existing buildings (cost of labour, materials, equipment usage, permanent equipment used during rebuilding work) - concerns the projects renovated especially for the realization of projects connected with the

¹⁷ According to the article 3 point 6 of Construction Law of 7 July 1994.

¹⁸ Gastronomy rooms – canteens, fast-food bars, cafeterias, etc.

¹⁹ According to the article 3 point 7a of Construction Law of 7 July 1994.

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improvement of accessibility and quality of healthcare services - concerns the projects renovated especially for the realization of projects connected with the improvement of accessibility and quality of healthcare services; except of termo-modernisation. Termo-modernisation is eligible within the 2.1 priority.

- renovation²⁰ – (cost of labour, materials, equipment usage) - concerns the projects renovated especially for the realization of projects connected with the improvement of accessibility and quality of healthcare services and open air and open access recreation zones for children.

4. Remaining expenditures borne during the realization of the project, including:

- training service costs (including facility rental cost, technical and electronic equipment, catering, cost of training materials)
- travel costs (by car, by train – 1st class, by plane on the distance of more than 800 km in both ways, economy class or cheaper one, if there is such a possibility)
- accommodation and catering of coaches, researchers and experts,
- costs of materials necessary to realize projects
- remuneration costs along with social insurance of personnel directly involved in the realization of the project;
- translation cost (apart from the costs of translation of the application and supporting documents);
- costs of purchase of the software, necessary to realize projects(excluding the costs of purchasing the computer systems for the management, monitoring and evaluation).

5. Costs of information and project publicity.

6. Cost of project management, in cases where additional management structures are created for the project, with staff hired exclusively for this purpose (excluding the costs of purchasing the computer systems for the management, monitoring and evaluation). These costs cannot exceed 10 % of total eligible cost of the project, if they are well justified and the cost effectiveness is assured.

Project selection criteria

Projects covering small town (less than 20 000 inhabitants) and rural areas as well as projects of widest range of impact will be given a priority.

Expenditures on investment²¹ and the costs of planned renovations should not exceed 70 % of overall value of eligible costs of particular projects. The objectives of projects needs to be in accordance with objectives and measures within the priority.

Projects complying with the following detailed criteria shall be undertaken within this priority sector:

- the projects to be implemented need to stem directly from the national, regional or local healthcare development strategies;
- reasoned need to realize the project;
- rationality related to epidemiological and demographic distribution of facilities providing specific types of medical services in a given area;

²⁰ According to the article 3 point 8 of Construction Law of 7 July 1994

²¹ As regards the division of the expenditures between these that are investment or non-investment the Polish law should apply, in particular accounting law, income tax law and public finance law. The expenditures (investment and non-investment) should be connected with each other in a coherent and logic way. Whole expenditures should be indispensable for the realization of a project.

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- rationality of project management (rationality of timetable, clearness of rules of realization);
- justification of project costs (justification of the amount of borne expenditures in relation to expected results of the project);
- defining, by the project promoter, measurable indicators of result and direct objectives and overall objectives;
- increase of an access to specialized and highly specialized medical and healthcare services, the improvement of the quality of medical care, promotion of healthy lifestyle or increase of social awareness in the priority areas;
- having a team of specialists enabling project implementation;
- experience in implementing similar projects in cooperation with domestic and international centers;
- durability and existence of long-term effects of the project – the possibility (financial and institutional) to maintain the project results after the end of financing process;
- financial feasibility .

Types of beneficiaries

All public or private sector bodies and non-governmental organisations (NGOs) constituted as legal entities in the Beneficiary States and operating in the public interest; in particular:

- public and private healthcare establishments;
- the minister relevant for health;
- the minister relevant for education;
- state medical universities or state schools of higher education performing didactic and research tasks in the field of medical science;
- research and development entities operating within the healthcare system;
- local government entities or organizational entities operating on their behalf;
- unions, alliances and associations of local government entities;
- non-governmental organizations;
- bodies running nursery schools, schools or educational facilities (pursuant to the provisions of the Educational System Act of 7 September 1991, uniform wording: Journal of Acts of 1996, No. 67, item 329 with amendments).

2.6. Academic research

Description and justification of the priority

Within this priority, research projects from all areas and scientific disciplines, implemented under the EEA Financial Mechanism and the Norwegian Financial Mechanism can be subsidized. Research projects consist in research activity (both experimental and theoretical) performed with a view to acquire new knowledge on phenomena and facts. Academic research does not include organizational and monitoring operations, gathering of statistical data, training, design work, breeding, construction, accreditation, as well as product control and certification.

Objective of the priority

The principal objective of the priority is to support, through academic research, the implementation of priorities within the EEA Financial Mechanism and the Norwegian Financial Mechanism. This aim will be achieved through the distribution of financial

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resources for research by scientific institutions and research teams, and support in the exchange of science and technology between Poland and the EEA countries.

Types of eligible projects

Support will be provided to all research projects, in all scientific areas and disciplines, implemented under the EEA Financial Mechanism and the Norwegian Financial Mechanism.

Projects concerning the following research fields (among others) may be realized::

1) Protection of the environment, including the human environment, through, inter alia, reduction of pollution and promotion of renewable energy:

- heating industry – scientific justification of using communal/municipal heating networks in favor of individual heating systems;
- energy sector - modern, energy-saving and ecological energy sources, renewable energy sources, small hydropower plants up to 5 Megawatts (MW), use of solar power and biomass in individual heating systems;
- material engineering – new thermal insulation materials;
- environment protection technologies – treatment of waste water, limiting solid and gaseous emissions, collective sewage pipeline systems, waste management technologies taking advantage of recycling.

2) Promotion of sustainable development through improved resources use and management:

- production management – scientific principles of reducing energy, material and water consumption of manufacturing and service activities through improvement of efficiency of productive resources use;
- biology – scientific research contributing to the protection, improvement and restoration of biological diversity, including marine resources and areas included in the Nature 2000 sites;
- forestry – scientific research in the field of forest management.

3) Conservation of European cultural heritage, including urban renewal- research in the fields:

- culture management and cultural studies, therein in particular: research on the cultural impact on urban development, scientific aspects of problems connected with the effectiveness of cultural institutions' activity,
- architecture and urban planning – scientific research aimed at revitalization, conservation, renovation, modernization and adaptation of historical objects and complexes, historical urban areas, fortification complexes and buildings and post-industrial objects for cultural purposes,
- history of art – among others: documenting the history of collections, scientific objects and complexes,
- conservation of monuments, therein in particular scientific research in the field of conservation of immobile monuments, techniques and technologies of conservation applied for preservation of monuments,
- protection and conservation of cultural landscape,
- library and museum management – in particular scientific research aimed at complex conservation programmes and digitalization of mobile monuments, as well as history book collections and archives,
- material engineering – materials and technologies for conserving and protecting monuments and their complexes,
- information technologies and telecommunications – scientific rudiments required for devising systems preventing illegal removal of works of art and protecting monuments against robbery and destruction.

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- 4) **Human resources development through, inter alia, promotion of education and training, strengthening of administrative or public service capacities of local government or its institutions, as well as strengthening of democratic processes that support it:**
 - humanities and social science – scientific basis of training methodology, social communications, issues related to equal status of men and women.
- 5) **Health and childcare:**
 - pediatrics – scientific research in all areas of pediatrics, including research related to perinatal care and programmes providing for integration of disabled and fully abled children;
 - epidemiology and disease prevention – scientific principles of health promotion and disease prevention programmes, programmes aiming at integration of societies menaced by pathologies, as well as at prevention of juvenile crime (with special emphasis on overcoming social pathologies like drug addiction and alcoholism);
 - information technologies and telecommunications – scientific research in the field of telemedic systems and medical Internet-based education and data collection systems;
 - health service organization and management – scientific bases for improving the availability and quality of medical services.
- 6) **Implementation of Schengen acquis, support of National Schengen Action Plans, as well as strengthening the judiciary:**
 - criminology – research identifying scientific bases of Schengen-related issues;
 - interdisciplinary research, e.g. in the field of biology, social science and advanced technologies, aimed at supporting the priority's implementation.
- 7) **Protection of the environment, with particular emphasis on strengthening the administrative capacity to implement relevant acquis and to invest in infrastructure and technology, with priority given to municipal waste management:**
 - legal science – scientific research aimed at supporting the priority's implementation;
 - organization and management – scientific bases of devising and implementing environment protection programmes.
- 8) **Regional policy and cross-border activities:**
 - Interdisciplinary research, e.g. in the field of organization and management, spatial planning, environment protection, humanities and social science including studies of migration, aimed at supporting the priority's implementation.
- 9) **Research projects related to areas specified under items 1-8, implemented in cooperation with an EFTA EEA country (countries), e.g. a young scientist exchange programme.**

Specification of possible eligible expenses

Within this priority (only if a given project is accepted for implementation), those expenditures may be considered eligible that have been borne in compliance with the principles set out in the “Detailed eligibility provisions – expenditures. The EEA Financial Mechanism and the Norwegian Financial Mechanism 2004-2009” – a document adopted by the donor - countries, as well as the expenditures that have been incurred after receiving from the donors a grant offer letter for co-financing a project.

The above may be, in particular, expenses borne for the following:

1. Preparatory work, including:
 - o cost of tender dossier preparation, tender preparation expenses, including the cost of tender notices publication;
2. Financial fees, taxes and overheads:
 - o bank charges for opening and administering accounts;

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- legal fees for advice, notary fees, the costs of financial expertise, and accountancy or audit costs;
- VAT (only if the tax cannot be recovered);
- in-kind contribution (the provision of land or real estate, equipment or materials, research or professional activity, or unpaid voluntary work);
- overheads, provided that they are based on real costs which relate to the implementation of the operation co-financed by the EEA Financial Mechanism and/or by the Norwegian Financial Mechanism, and are allocated proportionally to the operation according to a duly justified, fair and commonly accepted method.

3. Expenditure on project implementation, including:

- costs of research;
- costs of purchase of research and scientific equipment;
- costs of purchasing computer software required for project's realization;
- materials and intangibles;
- costs of international cooperation;
- costs of domestic trips;
- costs related to the publication of projects results;
- outside services;
- project's administration and finance related service;
- renovation and maintenance of machinery, equipment and facilities;
- translation costs (apart from the costs of translation of the application and supporting documents).

4. Costs of information and project promotion.

5. Cost of project management, in cases where additional management structures are created for the project, with staff hired exclusively for this purpose (excluding the costs of purchasing the computer systems for the management, monitoring and evaluation). These costs cannot exceed 10 % of total eligible cost of the project, if they are well justified and the cost effectiveness is assured.

Project selection criteria

The following project selection criteria shall be applied:

- originality of the research subject, project theses and the proposed research methodology;
- project's scientific and utility value;
- importance of the research subject, including practical implications;
- correctness of research assumptions;
- a mature concept of the solution to the scientific problem in question;
- the results' potential to be implemented by research recipients;
- scientific achievement of the project manager and beneficiary;
- planned expenses commensurable with the subject and scope of research;
- the entity's and the project beneficiary's reliability in meeting previously undertaken obligations;
- submitting the application by an authorized entity, i.e. a scientific entity, as defined in the Science Subsidy Act of 8 October 2004 (Journal of Acts No. 238, item 2390), according to Art. 2 point 2 a) and 2 b).

The notion of 'scientific entities' shall mean the following entities performing scientific research or development work on a regular basis:

- a) primary organizational units of schools of higher education or schools of higher vocational education, as understood by provisions of those schools' statutes;
- b) scientific centers of the Polish Academy of Sciences;

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- c) research and development entities;
- d) international scientific institutes established pursuant to separate regulations;
- e) organizational entities with the status of a research and development entity;
- f) Polish Academy of Arts and Sciences;
- g) other organizational units, not specified under items a-f, based in Poland and having Polish legal personality.

Types of beneficiaries

The following beneficiaries shall be given a preference:

- primary organizational units of schools of higher education or schools of higher vocational education, as understood by provisions of those schools' statutes;
- scientific centers of the Polish Academy of Sciences;
- research and development entities;
- organizational entities with the status of a research and development entity;
- Polish Academy of Arts and Sciences;
- non-governmental organizations.

2.7. Implementation of Schengen acquis, support for National Action Plans and strengthening the judiciary

Description and justification of the priority

The Schengen Treaty does away with inspections on internal borders, which allows EU citizens, third country tourists, asylum seekers and legal immigrants to move freely throughout the Community's territory. Such an approach requires, however, that the control on EU's external borders be reinforced.

Due to Poland's joining the Schengen Treaty, the country has been obliged to ensure free movement of persons and goods through the borders it shares with other EU member states. Poland has also been obliged to ensure proper security standards on its land border with Russia, Belarus and Ukraine, as well as on its sea and air borders that will play the role of EU's and the so-called Schengen Area's external frontier (the aforementioned obligations are also provided for in the tasks that members states have been assigned in the Treaty on the European Union).

Objective of the priority

The objective of this priority is to assure adequate standards of protection of land, sea and air borders, ensure the implementation of Schengen acquis, an increase in national and Schengen Area security, as well as the service system of the mixed migration movement within the Schengen Area.

Types of eligible projects

The following (among others) undertakings will be provided with support within this priority sector:

1. Strengthening border - crossing points (inter alia, e.g. building, extension, modernization and equipping the border crossings);
2. ITC infrastructure for secure access to Schengen information systems, VIS and VISION, as well as ITC infrastructure for the justice system and for customs administration;
3. Infrastructure on EU's external borders and equipment for combating cross-border crime, organized crime and illegal immigration;

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4. Infrastructure for customs services;
5. Migration and asylum infrastructure;
6. Information systems to improve the work of justice system units, and training in the scope of the systems;
7. Training on the Schengen principles for the Ministry of Internal Affairs and Administration, as well as for services subordinated to the MIAA;
8. Combating transnational organized crime, including terrorism, human trafficking, smuggling, money-laundering, fraud and corruption;
9. Strengthening the cooperation between Police and Border Patrol forces, including development of a communications infrastructure;
10. Training in the preventive aspects of policing and Border Patrolling through research and widened co-operation between the Police and academic institutions;
11. Competence building within the Police force, Border Patrol and the judiciary to enhance efficiency and integrity;
12. Competence building related to the processing of visa and asylum applications;
13. Competence building related to the prevention of women and children from being trafficked.

Specification of possible eligible expenses

Within this priority (only if a given project is accepted for implementation), those expenditures may be considered eligible that have been borne in compliance with the principles set out in the “Detailed eligibility provisions – expenditures. The EEA Financial Mechanism and the Norwegian Financial Mechanism 2004-2009” – a document adopted by the donor - countries, as well as the expenditures that have been incurred after receiving from the donors a grant offer letter for co-financing a project.

The above may be, in particular, expenses borne for the following:

1. Preparatory work, including:
 - o cost of tender dossier preparation, tender preparation expenses, including the cost of tender notices publication;
 - o purchase of land of non-agricultural character, if such a purchase is inseparably linked with the project’s implementation (up to 10% of the investment’s total eligible expenditures);
 - o preparing the site for construction work, including measurements;
 - o administration fees.
2. Financial fees, taxes and overheads:
 - o bank charges for opening and administering accounts;
 - o legal fees for advice, notary fees, the costs of financial expertise, and accountancy or audit costs;
 - o cost of guarantees provided by a bank or other financial institutions, if such guarantees are deemed necessary in the case of advance payments made under the Mechanisms;
 - o VAT (only if the tax cannot be recovered);
 - o in-kind contribution (the provision of land or real estate, equipment or materials, research or professional activity, or unpaid voluntary work);
 - o overheads, provided that they are based on real costs which relate to the implementation of the operation co-financed by the EEA Financial Mechanism and/or by the Norwegian Financial Mechanism, and are allocated proportionally to the operation according to a duly justified, fair and commonly accepted method;

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- provision of services on the ground of IT networks' maintenance and periodic review, reparations and certification of equipment.

3. Investment and investment process related work, as well as project implementation related work, including:

- purchase of real estate, provided that there is a direct link between the purchase and the project's objective;
- construction (cost of labour, materials, equipment usage, permanent equipment used during construction work);
- construction, extension and/or reconstruction of facilities and technical infrastructure required for project implementation;
- earthworks, construction and installation work (on ground or in the air, depending on the technology applied), finishing work, including consolidation work and greens, demolition work, engineering supervision;
- reconstruction of technical infrastructure interfering with the project;
- equipment (purchase or construction of equipment of permanent character);
- facility rental cost;
- conference and training service costs;
- lecturer remuneration costs;
- travel, accommodation and board expenses of coaches, researchers and experts;
- cost of training materials.
- translation costs (apart from the costs of translation of the application and supporting documents);
- remuneration of personnel directly involved in project implementation.

4. Costs of information and project promotion.

5. Cost of project management, in cases where additional management structures are created for the project, with staff hired exclusively for this purpose (excluding the costs of purchasing the computer systems for the management, monitoring and evaluation). These costs cannot exceed 10 % of total eligible cost of the project, if they are well justified and the cost effectiveness is assured.

Project selection criteria

- compatibility with other projects' assumptions and pursuit of objectives specified in documents of strategic character (inter alia Action Plan on implementation of Schengen acquis in Poland, Integrated Border Management Strategy for 2003 – 2005);
- direct impact on securing the European Unions' external border;
- project's location directly on EU's external border or in its direct vicinity or strict connection with security of external border and EU's territory;
- continuation of previous projects financed by EU assistance funds,
- measures to compensate for the increased security risk following the lifting of the inner border control.

Types of beneficiaries

The following beneficiaries shall be given a preference:

- Ministry of Internal Affairs and Administration and its subordinated entities;
- Ministry of Transport and its subordinated entities;
- Ministry of Justice and its subordinated entities;
- Customs Service (Ministry of Finance);

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- voivodships;
- public utility institutions;
- province, powiat and gmina local governments, as well as public institutions subordinated to them
- non-governmental organizations for whom combating human trafficking is a statutory activity.

2.8. Protection of the environment, with particular emphasis on strengthening the administrative capacity to implement *acquis* relevant to investment projects

Description and justification of the priority

European Union membership requires that all national legal systems be adapted to the EU legislation binding in all areas of the so-called *acquis communautaire*. The process of adjusting environment-related legislation aims at guaranteeing full compatibility of national regulations with the requirements set out by the community law, and at preparing public administration services to implement regulations related to the protection of the environment.

Objective of the priority

The priority's objective is to reinforce the capabilities and potential for action of administration at central and local government level, and of other bodies responsible for implementing EU legislation in the area of environmental protection.

Types of eligible projects

Within this priority action will be undertaken aimed at institutional strengthening – i.e. support will be provided in enabling the offices and agencies responsible for environment protection to achieve the working standards and behaviors required of them (consulting, training). Projects in the following fields shall be also entitled to seek subsidies:

1. Making implementation and enforcement of environmental law more smooth and efficient.

The projects concern:

- a) the development of documents (e.g. legal evaluation) for new legislative acts or amending acts in the field of environment protection and water management, so that the Polish legislation is fully compatible with the EU legislation;
- b) making methods and forms of work more efficient and smooth and equipping environment protection inspection and Regional Boards of Water Management with modern controlling and measurement devices to enable effective supervision over observance of the law.

2. Support for the development of capacity building in environmental administration.

The project concerns the training for administration in environment protection law.

3. Gathering and dissemination of information on best available techniques (in line with guidelines of Directive 96/61/EC) as well as on “clean production”;

The project concerns the development of reports on the best available technologies from various sectors, as well as on examples of “clean production”, which reports are then placed in the promoter's website and bulletins.

4. Development of environmental management systems.

The project concerns the training on the requirements that need to be fulfilled by entrepreneurs seeking to obtain an integrated permit for environmental emissions (ISO 14 000, EMAS or similar).

Specification of possible eligible expenses:

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Within this priority (only if a given project is accepted for implementation), those expenditures may be considered eligible that have been borne in compliance with the principles set out in the “Detailed eligibility provisions – expenditures. The EEA Financial Mechanism and the Norwegian Financial Mechanism 2004-2009” – a document adopted by the donor - countries, as well as the expenditures that have been incurred after receiving from the donors a grant offer letter for co-financing a project.

The above may be, in particular, expenses borne for the following:

1. Preparatory work, including:
 - cost of tender dossier preparation, tender preparation expenses, including the cost of tender notices publication.
2. Financial fees, taxes and overheads:
 - bank charges for opening and administering accounts;
 - legal fees for advice, notary fees, the costs of financial expertise, and accountancy or audit costs;
 - VAT (only if the tax cannot be recovered);
 - in-kind contribution (the provision of land or real estate, equipment or materials, research or professional activity, or unpaid voluntary work);
 - overheads, provided that they are based on real costs which relate to the implementation of the operation co-financed by the EEA Financial Mechanism and/or by the Norwegian Financial Mechanism, and are allocated proportionally to the operation according to a duly justified, fair and commonly accepted method,
3. Expenditure on project implementation, including:
 - facility rental cost;
 - conference and training service costs;
 - lecturer remuneration costs;
 - travel, accommodation and board expenses of coaches, researchers and experts;
 - remuneration of persons executing administrative tasks and translations;
 - costs of preparing the programme, strategy, campaign, educational activity (if it is assumed objective of the project);
 - cost of training materials;
 - remuneration of personnel directly involved in project implementation;
 - costs of preparing report, analysis, expertise, study, etc. (if it is assumed objective of the project);
 - cost of purchasing and implementation of software, except of management, monitoring and evaluation systems;
 - cost of purchasing of software licenses and hardware that will be directly used for the realization of a project;
 - translation costs (apart from the costs of translation of the application and supporting documents);
 - costs of purchase of modern controlling and measurement devices within environment protection inspection (this concerns the environmental protection inspection units).
4. Costs of information and project publicity.
5. Cost of project management, in cases where additional management structures are created for the project, with staff hired exclusively for this purpose (excluding the costs of purchasing the computer systems for the management, monitoring and evaluation). These costs cannot

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exceed 10 % of total eligible cost of the project, if they are well justified and the cost effectiveness is assured.

Activities within this priority will be realized fully out of Norwegian Financial Mechanism. It is indicatively assumed that about 40% of amount allocated for that priority will be designated for fulfillment of above-mentioned tasks. The rest of the financial resources will support activities within priorities 2.1 and 2.2.

General project selection criteria

With regard to projects in support of priorities 2.1 and 2.2, the there formulated criteria shall apply.

With regard to the remaining projects:

- the minimum amount of grant assistance provided by EEA FM and NFM is € 250 000;
- specific expectations are formulated with regard to institutional support by authorized administration units;
- support for the scope and the amount of the expected subsidy is shown by the supervising entity's manager.

Types of beneficiaries

All public or private sector bodies and non-governmental organizations (NGOs) constituted as legal entities in Poland and operating in the public interest may apply for the assistance.

2.9. Regional policy and cross-border activities

Description and justification of the priority

Cross-border cooperation is a very important instrument used for promoting international cooperation between regions and gminas, to enhance the flow and exchange of information, knowledge, and good practices. International cooperation may serve as a means stimulating the development of "weaker" regions, by providing them with access to the experience, knowledge and know-how possessed by more advanced areas. Cross-border activities are performed, to a large extent, within the INTERREG Community Initiative aimed at supporting cross-border, international and interregional cooperation both at EU's internal and external borders. In addition, Poland also participates in programmes carried out under the auspices of the Council of the Baltic Sea States. Operations undertaken within the framework of this priority shall focus, inter alia, on projects dealing with partner cooperation systems, e.g. in the field of ecological tourism, exchange of information and experiences related to regional development, as well as exchange of the best system solutions available. The carrying out of cross-border activities will also enhance social and economic coherence in all EEA regions, and will expand the scope of Poland's cooperation not only by EEA states, but also by the countries bordered on Poland from East: Belarus, Russian Federation – Kaliningrad Region and Ukraine.

Objective of the priority

The objective of this priority is to improve the social communication and cross-border cooperation between the inhabitants and authorities of Poland and the European Economic Area and EFTA countries, the Baltic Sea region countries and Poland's Eastern Europe neighbours: Belarus, the Russian Federation (the Kaliningrad region) and Ukraine. Additionally, the significant aim of this priority is to promote the development on local and regional level in Poland.

Types of eligible projects

Non-investment projects in the following (among others) fields may be implemented:

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1. **Creation and implementation programmes of bi- and multilateral cross-border cooperation aimed at improving the functioning of local governmental administration, including the exchange of experiences, as well as at stimulating social and enterprise development initiatives in the regions.**

Plans concerning this priority assume organization of conferences, seminars, workshops, and establishment of cross-border local agreements enhancing the exchange of experiences, with the participation of local governments, Euroregions, as well as social and economic organizations.

2. **Knowledge transfer from more to less developed regions.**

Plans concerning this priority assume organization of meetings, seminars, workshops, promotional campaigns, training and educational cycles, knowledge fairs.

3. **Promoting regional and local development in Poland.**

Activities will be aimed at preparing information materials, leaflets, brochures and promotional campaigns dealing with regional and local development in Poland.

4. **Ensuring social communication and information exchange system development.**

Plans concerning this priority assume organization of meetings, seminars and workshops concerning electronic exchange of information, electronic data archiving, development of e-services and creation of public institutions' websites.

5. **Cooperation in the field of cross-border ecological tourism in developing regions.**

Plans concerning this priority assume organization of conferences, seminars, workshops enabling the exchange of experiences and information concerning cross-border ecological tourism, and, in particular, the use of national and landscape parks' potential, etc.

6. **Training for governmental and local governmental administration in EEA countries to obtain higher qualifications.**

Training sessions will be given a preference that are a product of an in-depth analysis of training-related needs of government and local government administration staff.

Project selection criteria

- justified need of implementation of the project,
- management rationality of the project (schedule rationality, clarity of the implementation rules);
- project's cost justification (cost-benefit analysis-CBA)
- specification of the measurable monitoring indicators of the overall objective, direct objectives and results.

Specification of possible eligible expenses

Within this priority (only if a given project is accepted for implementation), those expenditures may be considered eligible that have been borne in compliance with the principles set out in the "Detailed eligibility provisions – expenditures. The EEA Financial Mechanism and the Norwegian Financial Mechanism 2004-2009" – a document adopted by the donor - countries, as well as the expenditures that have been incurred after receiving from the donors a grant offer letter for co-financing a project.

The above may be, in particular, expenses borne for the following:

1. Preparatory work, including:
 - o cost of tender dossier preparation, tender preparation expenses, including the cost of tender notices publication.
2. Financial fees, taxes and overheads:
 - o bank charges for opening and administering accounts;
 - o legal fees for advice, notary fees, the costs of financial expertise, and accountancy or audit costs;

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- cost of guarantees provided by a bank or other financial institutions, if such guarantees are deemed necessary in the case of advance payments made under the Mechanisms;
- VAT (only if the tax cannot be recovered);
- in-kind contribution (e.g.: the provision of equipment or materials, research or professional activity, or unpaid voluntary work);
- overheads, provided that they are based on real costs which relate to the implementation of the operation co-financed by the EEA Financial Mechanism and/or by the Norwegian Financial Mechanism, and are allocated proportionally to the operation according to a duly justified, fair and commonly accepted method.

3. Expenditure on project implementation:

- cost of preparation of crossborder programmes and strategies
- cost of information materials, booklet, leaflets and promotion campaigns concerning regional and local development
- facility rental cost;
- conference and training service costs;
- lecturer remuneration costs;
- remuneration of personnel performing administration, office and translation-related services;
- travel, accommodation and board expenses of coaches, researchers and experts;
- travel, accommodation and board expenses of training and workshop participants
- remuneration of personnel directly involved in project implementation;
- translation costs (apart from the costs of translation of the application and supporting documents);
- costs of participation in internships and trips to EFTA EEA countries;
- cost of training materials
- cost of purchasing of software and hardware necessary and directly connected with the realization of a project.

4. Costs of information and project promotion.

5. Cost of project management, in cases where additional management structures are created for the project, with staff hired exclusively for this purpose (excluding the costs of purchasing the computer systems for the management, monitoring and evaluation). These costs cannot exceed 10 % of total eligible cost of the project, if they are well justified and the cost effectiveness is assured.

Types of beneficiaries

The following beneficiaries shall be given a preference:

- central administration and its subordinated institutions;
- local government entities;
- institutions subordinated to local government entities;
- unions, alliances and associations of local government entities;
- NGOs.

2.10. Technical assistance relating to the implementation of *acquis communautaire*

Description and justification of the priority

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Correct implementation of the *acquis* means not only a timely implementation of directives, but also activities related to the interpretation of community regulations, creation of legislative and institutional support for the effectiveness of regulation rules, implementation of community decisions that require a transposition to the national legal order, and the application of rulings of the European Court of Justice (ECJ) and The Court of First Instance (CFI). In this context, it is essential that member countries introduce legislative measures that allow a timely and correct implementation of EU law. The possibility of influencing the *acquis* by participation of a member country in ECJ legal proceedings has additional significance.

At the same time, the active participation of a member country in the legislative process has an enormous significance on the implementation of the *acquis*. A constructive and fast reaction on new legislative projects and documents of non-legislative character (ex., Green and White books, notice, strategies) will increase the influence on the shaping of community initiatives to reflect recognized interests. Also, social and economic partners of the government that are to a large extent the recipients of EU law, must be equipped with instruments that allow to analyze initiatives of the EU. The results of this analysis must be efficiently communicated to and discussed with the government.

Because of the development of EU law, constant access to current information about EU law must be assured. Since the so-called new member states lack experience in implementation of EU law, cooperation with EU institutions that create the *acquis*, and evaluation of the compliance of national legislation with EU law, compared to the experience of the old fifteen member states, the public administration must be provided with the opportunity for benefiting from the experience of old fifteen member countries. If the Polish government's evaluation of national law compliance with EU law differs from the evaluation of the EC, civil servants of the public administration must be provided with expert knowledge, including training on subjects related to ECJ legal proceedings.

Objective of the priority

The general goal is the development of administrative and institutional capabilities in the area of correct and timely implementation of EU law. Above all, public administration responsible for shaping and implementing EU law, as well as for evaluation of national legislation compliance with EU law (including ECJ rulings), must be supported. In this context, it is especially important to provide access to legal expertise, analyzes, exchange of experience and trainings related to the representation of a country before the ECJ.

Types of eligible projects

Within the priority, the following activities will be possible:

1. training for public administration in the area of *acquis* implementation and proposed changes to EU law.
2. technical assistance in the area of evaluation of consistency of national legislative solutions with EU law, including proposals of new solutions (expert advice, legal opinions, etc.).
3. technical assistance in the participation of Poland in ECJ legal proceedings (expert advice, opinions, training).
4. technical assistance in the organization and means of *acquis* implementation (studies, procedures, etc.).
5. promotion of legislative solutions that assure a correct implementation of the *acquis*, and of new legislative proposals that are consistent with EU law and ECJ rulings (conferences, seminars, etc.).

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6. support of non-governmental organizations and employer organizations in activities related to *acquis* implementation and giving opinions on projects of legal acts and non-legislative documents of the European Union.
7. technical assistance in the area of public administration participation in the process of shaping of the *acquis* and of non-legal documents (expert advice, opinions, etc.).

Specification of possible eligible expenses

Within this priority (only if a given project is accepted for implementation), those expenditures may be considered eligible that have been borne in compliance with the principles set out in the “Detailed eligibility provisions – expenditures. The EEA Financial Mechanism and the Norwegian Financial Mechanism 2004-2009” – a document adopted by the donor - countries, as well as the expenditures that have been incurred after receiving from the donors a grant offer letter for co-financing a project.

The above may be, in particular, expenses borne for the following:

1. Preparatory work, including:
 - cost of tender dossier preparation, tender preparation expenses, including the cost of tender notices publication.
2. Financial fees, taxes and overheads:
 - bank charges for opening and administering accounts;
 - legal fees for advice, notary fees, the costs of financial expertise, and accountancy or audit costs;
 - cost of guarantees provided by a bank or other financial institutions, if such guarantees are deemed necessary in the case of advance payments made under the Mechanisms;
 - VAT (only if the tax cannot be recovered);
 - in-kind contribution (the provision of land or real estate, equipment or materials, research or professional activity, or unpaid voluntary work);
 - overheads, provided that they are based on real costs which relate to the implementation of the operation co-financed by the EEA Financial Mechanism and/or by the Norwegian Financial Mechanism, and are allocated proportionally to the operation according to a duly justified, fair and commonly accepted method.
3. Work directly related to project implementation, including :
 - costs of expertise, analyses, study works related to law harmonization and assessment of new legislative regulations;
 - costs of preparation of the procedures concerning *acquis* implementation and improvement of work organization in beneficiaries institutions;
 - costs of expertise, analyses, study works related to coordination of Polish participation in proceedings before the European Court of Justice and The Court of First Instance.
 - costs of expertise, analyses, study works concerning Polish participation in proclaiming process of *acquis* and documents of non-legislative character.
 - facility rental cost;
 - conference and training service costs;
 - lecturer remuneration costs;
 - remuneration of personnel performing administration and office tasks, as well as preparing translations;
 - travel, accommodation and board expenses of coaches, researchers and experts;

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- cost of training materials (including possible translations);
- costs of translations at the conferences, seminars with the participation of foreign experts;
- costs of translations (apart from the costs of translation of the application and supporting documents);.

4. Costs of information and project publicity.

5. Cost of project management, in cases where additional management structures are created for the project, with staff hired exclusively for this purpose (excluding the costs of purchasing the computer systems for the management, monitoring and evaluation). These costs cannot exceed 10 % of total eligible cost of the project, if they are well justified and the cost effectiveness is assured.

Project selection criteria

- compliance of actions with assumed budget;
- direct impact of the project in acquis implementation in Poland;
- enhancing organization of the beneficiary's work;
- project's impact on expanding knowledge and professional qualifications of government administration staff.

Types of beneficiaries

The following beneficiaries shall be given a preference:

- Public administration
- Non-governmental and non-profit organizations;
- Entrepreneurs' organizations;
- Universities and research and development entities.

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3. Specific forms of grant assistance

According to Annex C of the Memorandum of Understanding on the implementation of the EEA Financial Mechanism and Annex C of the Memorandum of Understanding on the implementation of the Norwegian Financial Mechanism, financial resources of both Mechanisms may be also disbursed on block grants in the following forms:

- a) technical assistance fund,
- b) seed money fund,
- c) fund for non - governmental organizations,
- d) scholarship and training fund,
- e) research programme.

Description of block grants has been presented in block grants guidelines prepared by the Financial Mechanism Office in Brussels (Appendix No. 1, (documents also available in the internet site; www.eog.gov.pl).

Block grants have been covered by the unanimous principles and procedures (unless donor states decide otherwise), as other types of grant assistance – individual projects and groups of projects (programmes). Nevertheless, management system and application procedures of block grants vary from the other types of projects.

The preparation of block grants scope and implementation basis (apart from research programme) lies within the responsibility of the Focal Point. The European Committee of the Council of Ministers (ECCM) is to approve them. Intermediaries will be responsible for managing particular grants.

In the case of the technical assistance fund, the Focal Point will become Intermediary. In the case of the fund for non – governmental organizations, candidates for Intermediaries will be selected on the basis of an open call. The call for Intermediaries will be announced and organized by the Focal Point. In case of other funds the procedure of selecting the intermediary will be established separately on the basis of an agreement between the National Focal Point and the donor-states.

As a result of a call, the Focal Point selects three best candidates for Intermediaries. Next the Focal Point submits to the Financial Mechanisms Office in Brussels grant application together with a short list of recommended Intermediaries. After appraisal and approval of the application by the donor countries, as well as selection of fund Intermediary, a grant agreement shall be signed with the Focal Point. Then an agreement shall be concluded between the Intermediary and the Focal Point.

Call for proposals (grants), within the fund, and assessment of the applications will be conducted by the Intermediary for a particular fund. The way of organizing call for proposals, terms and selection criteria will be stipulated in a grant agreement, prepared on the basis of the application form.

Beneficiaries of the fund submit application forms in Polish language on the form prepared by the Focal Point or fund Intermediary (the form varies from the standard application form used for individual projects and groups of projects). Applications are submitted to the block grant Intermediary in form of and with respect to the rules stipulated in the call for proposals.

Technical assistance fund

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Beneficiaries of the technical assistance fund will be all institutions involved in the implementation of the Financial Mechanisms, i.e. the Focal Point, Intermediate Bodies, Auxiliary Bodies as well as Paying and Audit Institutions. The fund shall be used for assistance in the management, implementation, monitoring and control of the realization of projects financed from the Mechanisms. The fund may support the projects related to: the information and promotion, management, implementation system and preparation of projects, temporary employment of personnel working in the institutions directly involved in the projects realization within the Financial Mechanisms, the purchase of the stationery as well as preparation process and participation in Steering Committees and Monitoring Committee. Additionally, financial resources within the technical assistance fund may be spent on monitoring, control and audit of the projects.

Seed money fund

Seed money facility will cover projects aiming to elaborate concept of the individual projects and group of projects (programmes) of significant meaning for the priority areas of the Financial Mechanisms. The fund is limited to the projects submitted by the Polish entities in partnership co-operation with the donor-states entities. In particular, co-financing will include the creation of innovative concepts, complex project themes and partnerships created for the purpose of designing new projects (e.g. organization and participation in the conferences, technical documentation). Additionally, the fund shall finance the preparatory work, including cost of expertise, technical analyses, preparation of a feasibility study or financial analyses, archeological and geologic research, environmental impact report, work of designers, architects, cost of conservators' opinions.

The grant assistance within the seed money fund will account for 5 000 to 20 000 euro.

*Fund for Non – governmental organizations*²²

The fund aims to support institutional building of the civil society by supporting the non-governmental sector and developing civil dialogue. It is assumed that direct effect of the support will be an improvement of non-governmental services quality in a social dimension as well as in strengthening democratic processes. The following projects will be eligible within the fund: promotion and support for social and civil dialogue, institutional (building) of the civil society as well as 'watch-dog'²³ institutional support. It is also possible to realize projects related to international co-operation and social services unification. Grant applications will be submitted in the following areas: democracy and civil society, environmental protection and sustainable development as well as equal opportunities and social integration. Above-mentioned sectors of intervention will be constituted in co-operation with non- governmental organizations.

The possible intervention areas have been described in the NGO Fund framework document which is available on www.eog.gov.pl (www.eeagrants.pl).

Non – governmental organizations, applying for the support from the NGO fund, may ask for a grant of up to 90 % of total eligible costs of the project. The remaining proportion of the total eligible cost of the project will be incurred by end-recipients as the co-financing.

²² Promoters of this fund may be, among non-governmental organizations, also organizations of employers and employees, including trade unions.

²³ 'Watch-dog' institutions deal with the following fields: corruption prevention, monitoring and control.

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Scholarship and training fund

A framework document for the Scholarship and Training Fund has been elaborated, based on the donor states guidelines "Establishing Scholarship Block Grants under the EEA Financial Mechanism and Norwegian Financial Mechanism, and sent to the Financial Mechanisms Office in Brussels for approval. The talks on the scope of the Fund have been initiated in May 2006.

It is initially planned that the fund will support the co-operation and common training programmes between universities in Poland and EEA EFTA states. The fund will embrace, among others, the following projects: exchange of Master and PhD students, internships in didactic units of donor countries, as well as didactic equipment of universities, which organize courses on language and culture of donor states. Additionally, the fund will support co-operation and enable exchange of information and experiences between science/research units in Poland and EEA EFTA states (internships, participation in the seminars and conferences). The Cultural and Exchange Fund was single out from the Scholarship and Training Fund. The purpose of the Fund is promotion of the cultural cooperation between Polish and donor sides, in a field of i.a. music, theater and literatures.

Research programme

Ministry of Scientific Research and Higher Education, in collaboration with the Norwegian Ministry of Foreign Affairs and the Norwegian Research Council, has decided to establish the Polish-Norwegian Research Fund. The Fund will support Polish-Norwegian projects in line with the framework document prepared by a joint Polish-Norwegian working group. More information on the Fund is available on www.eog.gov.pl and www.mnisw.gov.pl.

The fund will be established by the Ministry of Scientific Research and Higher Education within the priority „Academic research” and within financial allocation designated indicatively on that priority.

Financial allocations

Financial resources for block grants from Annex C were indicatively set aside of the overall allocation granted to Poland and amount to 65,21 mln euro for the whole programming period.²⁴

Indicative distribution of financial resources to particular funds is presented by the table below. In order to picture the amount of possible contribution of beneficiaries, a proper column has been added to the table. It has been assumed that in the case of the fund for non-governmental organizations and scholarship and training fund, the level of co-financing on beneficiary level is 10 %, in case of the seed money fund- 20% on average²⁵. As regards the technical assistance fund the level of co-financing is 15%.

Table 1. Estimated distribution of financial resources to funds from Annex C between 2004 and 2008 [in mln euro]

Name of fund	Contribution of MF EOG/NMF	Contribution of beneficiaries	% of allocation for Poland
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²⁴ Overall allocation of 533,51 mln euro will be available in equal annual installments accounting for 106,70 mln euro, during next five programming years (i.e. up to 2008 inclusively).

²⁵ Due to wide range of potential beneficiaries maximum grant assistance may vary from 60% to 90% of total eligible costs of the project.

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Fund for non-governmental organizations	37,34	4,15	7%
Seed money fund	2,0	0,5	0,4%
Scholarship and training fund	16,01	1,78	3%
Technical assistance fund	9,86	1,5	1,8%
Annex C in total	65,21	7,93	12,2%

According to article 8 of Memoranda of Understanding, specific forms of assistance detailed in Annex C will be subject for review during annual meetings with donor-states and due to that fact may change.

4. Financial plan

The total indicative ²⁶ amount allocated to Poland for implementation of activities under both Financial Mechanisms between 2004-2009 equals EUR 559 million. The said amount, reduced by management costs to be borne by the institutions of donor countries, i.e. by the Financial Mechanism Office, the EEA Financial Mechanism Committee and the Norwegian Ministry of Foreign Affairs, equals EUR 533.51 million²⁷. In addition, this amount will be charged with expenses relating to applications appraisal, monitoring and ex-post evaluation carried out by the institutions of the donor countries.

Allocation of 533,51 mln euro will be made available in equal annual tranches of 106,70 mln euro, for five subsequent programming years (i.e. until 2008 inclusive). Uncommitted resources shall, at the end of each year, be rolled forward into the following year's allocation.

31 January 2009 is the final date of submitting to the FMO applications positively assessed during the selection procedure on the national level. The deadline for concluding grant agreements between Poland and donors' side is 30 April 2009. Upon the said date no new grant agreements will be concluded, and those already signed will be realized according to the agreed disbursement schedules.

For the whole programming period the amount of 452,15 mln euro was indicatively allocated for individual projects and groups of projects (programmes) within all priority sectors for both Financial Mechanisms (Annexes B). The indicative amount of 65,21 mln euro was set apart for grant blocks specified in Annexes C of the Memoranda.

The allocations for individual groups of expenditures may change. Reallocation of resources may take place during the whole commitment period, upon application of an Intermediate Body submitted to the Focal Point, or upon the Focal Point's application based on the monitoring process. The Focal Point transfers the application for reallocation to the Monitoring Committee for approval, then notifies the FMO about reallocations²⁸. Applications for funds reallocation on individual groups of expenditures and categories within those groups will be justified mainly by the degree of resource absorption during the previous year.

The table below shows an indicative distribution of financial resources available under both Financial Mechanisms to groups of expenditures, together with indication of annual resources

²⁶ In November 2006 and in November 2008 a review of resource absorption will be carried out by the donor countries with a view to possible reallocation of available funds among Beneficiary States.

²⁷ The costs equal 4% of the entire EEA Financial Mechanism amount and 5% of the entire Norwegian Financial Mechanism respectively.

²⁸ The representative of the Financial Mechanism Office participates in the meetings of the Monitoring Committee.

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amount within particular groups. Additionally, the relevant column was created in order to show the estimated contribution from state and local government budgets, with assumption that applicants receive an average co-financing of 85 % and will be beneficiaries of the whole annual allocation. The detailed table showing distribution of resources into block grants (annex C) is displayed in chapter 3.

Table 2. Indicative financial plan 2004-2008 (in million euro)

Group of expenditures	EEA FM/ NFM contribution	State budget and local government budgets contribution*
ANNEX B	452,15	79,77
<i>Environmental protection</i>	<i>102,18</i>	<i>18,03</i>
<i>Promoting sustainable development</i>	<i>8,00</i>	<i>1,41</i>
<i>Conservation of European cultural heritage</i>	<i>78,65</i>	<i>13,88</i>
<i>Human resources development</i>	<i>29,04</i>	<i>5,12</i>
<i>Health and childcare</i>	<i>42,93</i>	<i>7,58</i>
<i>Academic research</i> ²⁹	<i>33,32</i>	<i>5,88</i>
<i>Implementation of Schengen acquis</i>	<i>113,46</i>	<i>20,02</i>
<i>Environmental protection</i>	<i>16,94</i>	<i>2,99</i>
<i>Regional public and cross border activities</i>	<i>24,88</i>	<i>4,39</i>
<i>Technical assistance relating to the implementation of acquis communautaire</i>	<i>2,75</i>	<i>0,49</i>
ANNEX C	65,21	7,93
Reserve**	12,15	3,02
EFTA EVALUATION AND MONITORING	4,00	0,00
Total	533,51	90,74

* It is not assumed that the entire programme will beco-finance from the state budget. However, in case the beneficiaries are public finances entities, their expected contribution will come from the budgets of those entities.

** The reserve of 6,15 mln EUR will be allocated for these priorities that in the next call for proposals will have the highest demand for the financial resources. Remaining 6 mln EUR will be allocated for the appraisal, monitoring and ex-post evaluation conducted by the donor states.

Principles of financing

The general principles with reference to grant assistance under Financial Mechanisms are:

- a) Additionality of resources in relation to other sources of finance (the Financial Mechanisms support shall not replace other sources of finance including local grants, subsidies, bank loans or export credits).
- b) Co-financing (contribution from domestic resources in project financing)
- c) Reimbursement of expenditures (in general, financial assistance will be provided in the form of refunds of eligible expenses - after submitting payment claim; an advance payment may be made only in justified cases)

²⁹ The allocation for the academic research priority area includes 13 mln EUR allocation for the Polish-Norwegian Research Fund.

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- d) Reimbursement of eligible costs (not all types of expenses are eligible - expenditures incurred before the date on which the donor countries' institutions officially notify to the Focal Point granting the assistance for a given project and acceptance of the Offer of assistance by the beneficiary are not eligible; detailed list of eligible expenditure is specified in relevant guidelines - Appendix No. 1, documents also available in the internet site; www.eog.gov.pl, and in the description of individual priorities - chapter 2 of the current document).
- e) Reimbursement on the basis of the rules and within the deadlines specified in financial plan (financial plan will be an integral part of the grant agreement; a proposal of financial plan is submitted along with the application).

For individual projects the minimum amount of grant assistance applied for may not be less than 250 000 euro. In the case of the priority areas, which determined the minimum or maximum value of the project as one of the eligibility criteria, deviations from this rule are admissible.

Co-financing of projects

One of the conditions that needs to be fulfilled to gain access to funding is the provision of co-financing by domestic sources. The amount that can be received as co-financing depends on the domestic source of funding.

With a reference to Article 4 of Protocol 38 a, the following rules on the grant rate ceilings shall apply:

- (a) *Grant rate up to 60%*; With the exceptions referred to in subparagraphs (b) and (c) below, the grant rate shall not exceed 60% of the project cost.
- (b) *Grant rate up to 85%*; Where 15% or more of the project costs is co-financed by central, regional or local government budget allocations, the EEA Financial Mechanism may provide a grant for the remainder of the project cost.
- (c) *Grant rate up to and above 85%*; For grant assistance set up to support NGO activities (including social partners), or to provide seed money or scholarships, the EEA Financial Mechanism and the Norwegian Financial Mechanism may be applied in combination in order to allow grant rates above those described in sub-paragraph (a) and (b) but generally not above 90%. Domestic co-financing will normally be required.

For the projects financed on the domestic side from the state budget or local and regional government budgets or other resources (e.g. private), the grant rate will be calculated on the basis of the following formula:

100% of the total eligible expenditure – x% of resources from state budget and/or local government budgets – y% of other financial resources = z% of donors' grant rate

whereby x% is > or = 15%, For grant assistance set up to support NGO activities (including social partners), or to provide seed money or scholarships, x% is > or = 10%.

In the case of the projects realized by non-governmental organizations within the framework of NGO's fund (see chapter 3), the maximum grant rate is 90%.

The level of co-financing will be determined, by relevant institutions of donor countries, individually for each project, and will be based on a thorough application assessment. The said assessment will take into consideration the following factors: net revenue generated by the project, the "polluting party pays" principle, project's impact and efficiency of expenditure, including long-term advantages for the beneficiary state.

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Advance payment

In principle, financial assistance will be provided in the form of refunds of incurred eligible expenses, pursuant to the spending schedule determined in the Grant Agreement. An advance payment, however, may be paid in justified cases. When applying for an advance payment, an applicant must fill in appropriate section of the application form.

Advance payment will be granted to a given project on the basis of the following general principles:

- a) for individual projects – up to 10%,
- b) for programmes (groups of projects) – up to 10%³⁰,
- c) for block grants – no upper limit³⁰.

³⁰ Concept of the advance payment in case of individual projects and block grants is understood with accordance to the rules of the Disbursement Guidelines

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5. Management and implementation system

The system for management and implementation of the EEA Financial Mechanism and the Norwegian Financial Mechanism has been drawn up on the basis of a system framework provided for in Annex A to the Memorandum of Understanding on the implementation of the EEA Financial Mechanism and in Annex A to the Memorandum of Understanding on the implementation of the Norwegian Financial Mechanism. While determining the system's assumptions, current institutional, legal and financial solutions in Poland have been taken into consideration. In addition, experience gathered from the functioning of the EU structural funds and the Cohesion Fund management and implementation has been utilized.

The management and implementation system is based on the following key elements:

- a) an institution performing general supervision over the use of the Financial Mechanisms' resources, i.e. the implementation of this Operational Programme – the Focal Point;
- b) institutions responsible for the management and implementation of the Financial Mechanisms' individual priority sectors – Intermediate Bodies;
- c) institutions supporting the Intermediate Bodies in the implementation of their tasks – Auxiliary Institutions;
- d) an institution responsible for financial management – the Paying Authority;
- e) an institution responsible for financial control and audit – the Audit Institution;
- f) a collective body monitoring the use of funds provided within the Financial Mechanisms – the Monitoring Committee;
- g) collective bodies assessing and recommending eligible projects within individual priority sectors – Steering Committees.

5.1. Managing the Financial Mechanisms

The Minister of Regional Development bears the overall responsibility for the performance of obligations expressed in the Memorandum of Understanding on the implementation of the EEA Financial Mechanism and in the Memorandum of Understanding on the implementation of the Norwegian Financial Mechanism. The services for the Minister of Regional Development shall be provided by the Ministry of Regional Development.

Focal Point

Tasks of the Focal Point shall be performed by the Department for Aid Programmes and Technical Assistance in the Ministry of Regional Development.

The Focal Point has the overall responsibility for the management of both Financial Mechanisms' activities in Poland, 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:

- to supervise the implementation of projects within individual priority sectors, including the correct performance of functions by Intermediate Bodies;
- to collect applications from Intermediate Bodies and verify project eligibility against the general criteria;
- to submit the eligible projects, with its reasoned opinion, to the Financial Mechanism Office;

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- to chair the Monitoring Committee;
- to ensure efficiency and correctness of use of available funds;
- to draw up annual reports on implementation, forward them for approval to the Monitoring Committee and then submit to the Financial Mechanism Office;
- to ensure a complete and sufficient audit path in all engaged institutions;
- ensure information and publicity about the Financial Mechanisms;
- to provide general supervision over the implementation of Grant Agreements,
- to store documents relating to the performance of functions of the Focal Point,
- to maintain daily relations with donors' institutions.

Intermediate Bodies

While performing its general supervision functions over the implementation of the Operational Programme, the Focal Point entrusts, pursuant to a signed agreement, specific tasks with an Intermediate Body, exceeding beyond the records of the present document. The Intermediate Body is responsible for the efficiency and accuracy of the management and implementation of activities within a given priority sector. The Intermediate Body is responsible to the Minister of Regional Development.

The functions of Intermediate Bodies for priority sectors of the EEA Financial Mechanism and/or the Norwegian Financial Mechanism shall be performed by the following:

Priority	Intermediate Body	Auxiliary Institution
Protection of the environment, including the human environment, through, <i>inter alia</i> , reduction of pollution and promotion of renewable energy	Ministry of Environment	National Fund for Environmental Protection and Water management
Promotion of sustainable development through improved resources use and management	Ministry of Environment	National Fund for Environmental Protection and Water management
Conservation of European cultural heritage including public transport and urban renewal	Ministry of Culture	
Human resources development through, <i>inter alia</i> , promotion of education and training, strengthening of administrative or public service capacities of local government or its institutions, as well as strengthening the democratic processes that support it	Office of the Committee for European Integration	
Health and childcare	Ministry of Health	Office for Foreign Aid Programmes in Health Care
Academic research	Ministry of Scientific Research and Higher Education	
Implementation of Schengen acquis, support of National Schengen Action Plans, as well as strengthening the judiciary	Ministry of Internal Affairs and Administration	Implementing Authority for European Programmes
The environment, <i>inter alia</i> , with emphasis on strengthening the administrative capacity to implement relevant acquis and investments in infrastructure and technology with priority given to municipal waste management	Ministry of Environment	National Fund for Environmental Protection and Water management

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Regional policy and cross-border activities	Ministry of Regional Development	Implementing Authority for European Programmes
Technical assistance relating to the implementation of <i>acquis communautaire</i>	Office of the Committee for European Integration	

Specific tasks of an Intermediate Body shall include the following:

- to announce together with the Focal Point the possibility of submitting application forms and collect applications for projects from final beneficiaries;
- to appraise and select applications;
- to ensure good management of projects;
- to monitor project implementation, in particular preparation, for the Focal Point, of periodical reports on the use of financial resources;
- to prepare applications for amendment (reallocate financial resources within priorities) and transfer these to the Focal Point;
- to detect irregularities and report these to the Focal Point;
- to inform the general public about the implemented projects;
- to store all documents relating to the functions of Intermediate Body, including the implemented projects.

Auxiliary Institutions

The Intermediate Body can delegate certain tasks related to priority sector management to an Auxiliary Institution. To this end, the Intermediate Body and the Auxiliary Institution will sign, upon obtaining approval of the Focal Point, a legal agreement on the taking over, by the Auxiliary Institution, of some of the managerial and implementation functions related to undertakings within a specific priority sector. The Auxiliary Institution is fully responsible, for the performance of its tasks, to the Intermediate Body.

Appointment of the Auxiliary Institution (if such an institution was not appointed in the Memorandum of Understanding) must take place in compliance with the procedure set forth in the Public Procurement Law or with other national legal regulations. The Auxiliary Institution must show an appropriate scope of skills and experience, as well as relevant human resources.

If certain task are entrusted with an Auxiliary Institution, the Intermediate Body remains responsible for the efficiency and accuracy of the management and implementation of activities within a given priority sector.

Steering Committees

The Steering Committees are appointed by the proper Intermediate Body for each given priority sector. In the case of the priorities related to the environment, the Ministry of Environment appoints one joint Committee.

The Steering Committee operates in an open and transparent manner, ensuring observance of the principle of representation.

The Committee is made up, along representatives of the Intermediate Body, of representatives of regional and local authorities, as well as social and economic partners. Representatives of

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the Focal Point and of Paying Authority attend meetings of the Steering Committee as observers. The Steering Committee is chaired by the Intermediate Body, which also ensures the services required for its operation. The representatives of the Financial Mechanism Office in Brussels are also invited to the meetings as observers.

Steering Committee's tasks include giving an opinion and making recommendations, to the Intermediate Body and the Focal Point, on the list of eligible projects for support within the EEA Financial Mechanism and/or the Norwegian Financial Mechanism. The list is submitted to the members of the Committee by the Intermediate Body (see point 5.3).

In order to evaluate projects, the Steering Committee may create working groups and use the services of individual experts or other institutions.

In the case of the Implementation of Schengen acquis, support of National Schengen Action Plans, as well as strengthening the judiciary, functions of the Steering Committee are performed by the Interministerial Team for the use of Schengen Fund Resources and Norwegian Financial Mechanism, appointed by means of the Disposition No. 75 of the President of the Council of Ministers, dated 12 August 2004. Additionally, representatives of the Financial Mechanism Office in Brussels should be invited, as observers, to the meetings of the Steering Committee for this priority.

5.2. Submission of projects

The project submission and selection process is of multi-stage character and consists of the following steps: calling for projects, submission of applications, evaluation of application, selection of eligible projects, submission of recommended applications to the Financial Mechanism Office in Brussels, evaluation and selection of projects by donor countries. The process is concluded with the signing of Grant Agreements that constitute a basis for realization of the project.

Conducting the calls for projects and the first stage of the project evaluation process is the responsibility of domestic institutions. As a general rule, the final decision on awarding support for the implementation of a given project is made by donor countries' institutions. In case of block grants and seed money appraisal and approval process of sub-projects is performed only domestic side and their award depends on a decision taken by intermediary for a given block grant, in accordance with criteria and rules determined in the Grant Agreement.

Due to its multi-stage character, the process of calling for proposals and selecting projects lasts for several months. The period may be shortened for block grants.

Call for proposals

Calls for proposals, their frequency, scope and allocation are announced in agreement with the donor states.

Calls for proposals are to be announced in an open and transparent manner in line with particular guidelines of donor states (Appendix No. 1, documents also available in the internet site; www.eog.gov.pl). Before publication, the announcement for call for proposals must be accepted by the Financial Mechanism Office in Brussels.

The minimum requirement that needs to be satisfied in order for a call for proposals to be considered open and transparent is to publish the announcement on the call in a national daily and to place it on the Focal Point's website www.eog.gov.pl, on the websites of Intermediate Bodies and of the Financial Mechanism Office in Brussels- www.eeagrants.org.

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The announcement shall comply with the formal requirements, and shall contain information concerning the following:

- a) place and deadline for submitting applications (deadline cannot be shorter than 2 months since the date of launching the announcement);
- b) manner of submitting applications, form, the application should be submitted in (signed electronic version and hard copy) as well as the number of originals and/or copies of submitted applications;
- c) bodies legitimate to submit applications;
- d) the priority sectors within which the call for proposals is being launched;
- e) the information on the place from which application form can be obtained along with instruction how to fill it in;
- f) the sum of grant assistance available from financial mechanisms;
- g) rules on co-financing the projects;
- h) website address www.eog.gov.pl and website of the Intermediate Body, where detailed information on financial resources under the financial mechanisms can be found;
- i) euro exchange rate that should be used in application forms.

Calls for proposals, their frequency, scope and allocation are announced in agreement with the donor states.

Submitting applications

Applications submitted within priority sectors may be in a form of :

- individual projects;
- programmes (groups of projects).

Specific information concerning the aforementioned project types is available at www.eog.gov.pl (Appendix No.1).

Applications are prepared in Polish with the use of application forms that can be obtained from a location specified in the call for projects (only applications recommended by the Steering Committees will be translated by applicants into English). A standard application form, prepared by the donor-states is available on www.eog.gov.pl together with the instructions how to fill it in. Relevant appendices are to be attached to the application, in compliance with the requirements specified by the Intermediate Bodies for a particular priority.

Example supporting documents for application form are(depending on the kind of project):

- feasibility study
- logical framework documentation
- map and localization plan (graphic description of project localization)
- financial plan
- detailed analyses of financial sources
- co- financing confirmation
- financial analysis
- economic analysis (it may be a part of the feasibility study)
- permissions and decisions
- energetic audit (if applicable)
- risk analysis (it may be a part of feasibility study)

The final list of supporting documents required for a call for proposals will be placed on the website of the Intermediate Bodies/ Auxiliary Institutions and on www.eog.gov.pl.

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Beneficiary submits application in Polish language. Applications need to be submitted in hard copy and in an electronic version, in a number of copies that complies with the requirements set out in the announcement. Applications are collected at a location and in time specified in the announcement.

Upon submission, applications are subject to registration by the Intermediate Body (Auxiliary Institution). The applications can be supplemented after registration only in terms of administrative criteria and only on the request from the Intermediate Body/Auxiliary Institution and only in time specified by the Intermediate Body/Auxiliary Institution.

Applications failing to meet the formal requirements, and not supplemented or supplemented inadequately on the request of the Intermediate Body/Auxiliary Institution will not be appraised further and will be returned to the applicant. One original copy of the application remains with the Intermediate Body.

5.3. Appraisal and selection of projects

The project appraisal process carried out by domestic institutions consists of three stages. The project selection process performed by the Polish side is based on two types of criteria – formal criteria (including administrative and eligibility criteria), as well as content-related and technical criteria.

Stage I:

Once the application submission stage is completed, the Intermediate Body (or an Auxiliary Institution acting to its order) performs a preliminary selection of applications based on the administrative requirements. Should any deficiencies or irregularities be discovered, Intermediate/Auxiliary Body asks the beneficiary to supplement indicated faults or correction of irregularity within 48 hours. Next, the Intermediate/Auxiliary Body evaluates the applications against eligibility criteria. The positive evaluation of application according to administrative and eligibility criteria finalise the formal appraisal. Projects that fulfill all formal criteria will be sent to the content-related appraisal.

The appraisal procedure results in the preparation of a list ranking eligible projects on a scale of highest to lowest score awarded. The ranking list is submitted, along with a justification, by the Intermediate Body, to Steering Committee members. The said justification regards the decision on the selection of a given project and its position in the ranking list, in light of the formal, as well as content-related and technical criteria.

Formal criteria

Projects submitted for co-financing by the Financial Mechanisms' resources must comply with all of the criteria specified below. The said criteria stem from the objectives that the instruments seek to achieve, and from the general assumptions of this Operational Programme.

Administrative criteria:

- appropriate application form has been used,
- application has been submitted in line with formal criteria defined in the announcement of call for proposals³¹,
- application form and supporting documents are presented in Polish,

³¹ In particular: application has been submitted in line with a determined form, number of copies, place and deadline

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- application is complete and supporting documents are attached according to the relevant list of supporting documents.
- application is signed by applicant.

Eligibility criteria:

- a project is in a catalog of measures qualified within a priority area,
- project promoter is in the group of eligible beneficiaries within a priority area (particular attention will be given to these projects),
- the type of project indicated by the project promoter is in line with the rules and procedures of donor-states;
- the amount of grant assistance is line with the rule of Donor States and with detail information on limits within a priority area.
- a time-frame of project is not longer than the deadline of costs eligibility, 30 April 2011

Content-related and technical criteria

After the formal appraisal the Intermediate/ Auxiliary Body is appraising projects according to the content-related criteria. Basic content-related and technical criteria consist of six groups of requirements:

1. Management of the project

- experience of the project promoter in the field of managing the projects,
- solid and sufficient source of co-financing,
- project promoter possess sufficient professional knowledge (in the field of project).

2. Significance of the project

- level of compliance with the needs and requirements of target groups and final beneficiaries,
- a project is in compliance with national/ regional/ local programmes or strategies within a priority area,
- sustainable development impact (inc. environmental, social, economic),
- projects with partnerships from the donor countries
- good governance project,
- influence on the equal opportunities of women and men.

3. Methodology

- the activities proposed by the project promoter are proper, practical and directly related to objectives and expected results,
- how transparent and feasible is the plan of actions,
- how much the target groups and final beneficiaries are involved in the preparation and the realization of the project,
- to what extent the application contains indicators of assumed activities that may be objectively verified.

4. Durability of the project

- does the project contain probable multiplier's effects (including the possibility of project continuation, prolongation of project's impact and transmission of information),
- are the expected results of the projects financially durable (how will the project be financed when the financial resources of the Financial Mechanisms are no longer disbursed) or institutionally (will the structures allow the continuation of activities in the future or will the effects of the project remain under the control of local institutions).

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5. Budget and cost effectiveness

- the expenditures have been considered eligible in compliance with the provisions of the document “Detailed eligibility provisions – expenditures. The EEA Financial Mechanism and the Norwegian Financial Mechanism 2004-2009”,
- is the relation between estimated costs and expected outcomes satisfactory,
- are the proposed expenses necessary to realize activities assumed in the project.

6. Specific criteria defined for particular priority areas

Stage II:

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 mechanisms projects on the ranking list. In accordance with the Committee’s regulation an additional appraisal may be ordered, from an independent expert or the panel of experts constituted especially for this purpose by the Intermediate Body.

The Steering Committee submits, through the Intermediate Body, to the Focal Point, the recommended list of projects eligible for support under the EEA Financial Mechanism and/or the Norwegian Financial Mechanism. The list is presented in the form of a ranking list and contains a justification of the projects selection.

After establishing final list of projects, Intermediate Body informs the applicant that the project has been qualified. Furthermore, the information about qualified and refused projects has to appear on the website of a particular Intermediate Body and of the Focal Point. Applications that have not been received recommendations are return to the applicants. One original application is stored by the Intermediated Body. After receiving information about approving the project by the Steering Committee, the applicant is obliged to prepare within 10 working days English version of the application and supporting documents. English version has to be identical with the Polish one, approved by the Committee. If the number of pages of appendix in Polish version exceeds 20³², the applicant may translate into English only the summary of this appendix. If the applicant decides to present only a summary of the appendix, he/ she is obliged to send to the Intermediate/ Auxiliary Body both Polish and English version of this summary. Appendices with fewer pages need to be translated as a whole. After submitting English version of an application form and Appendices to the Intermediate Body, translation will be verified within next 10 working days. Intermediate Body is responsible for the correctness of a translation the moment it signs on the confirmation of compliance of the translation with the original.

Application forms confirmed with regard to language correctness are submitted by Intermediate Body to the Focal Point.

Stage III:

The Focal Point verifies the applications for their compliance with the general objectives and rules of the Financial Mechanisms. Appraisals drawn up in such a manner are attached to individual applications. In the case of a negative assessment, the Focal Point returns the application, along with its evaluation, to the Intermediate Body, which then communicates the decision of the Focal Point to the Steering Committee and the applicant, and presents the justification of the said decision (evaluation). The Focal Point through Intermediate Body/ Auxiliary Institution may request an applicant for supplementing the documentation when

³² Taking into consideration the following provisions: font –12; space- 1,5; margin- 2,5 cm; including maps and graphics.

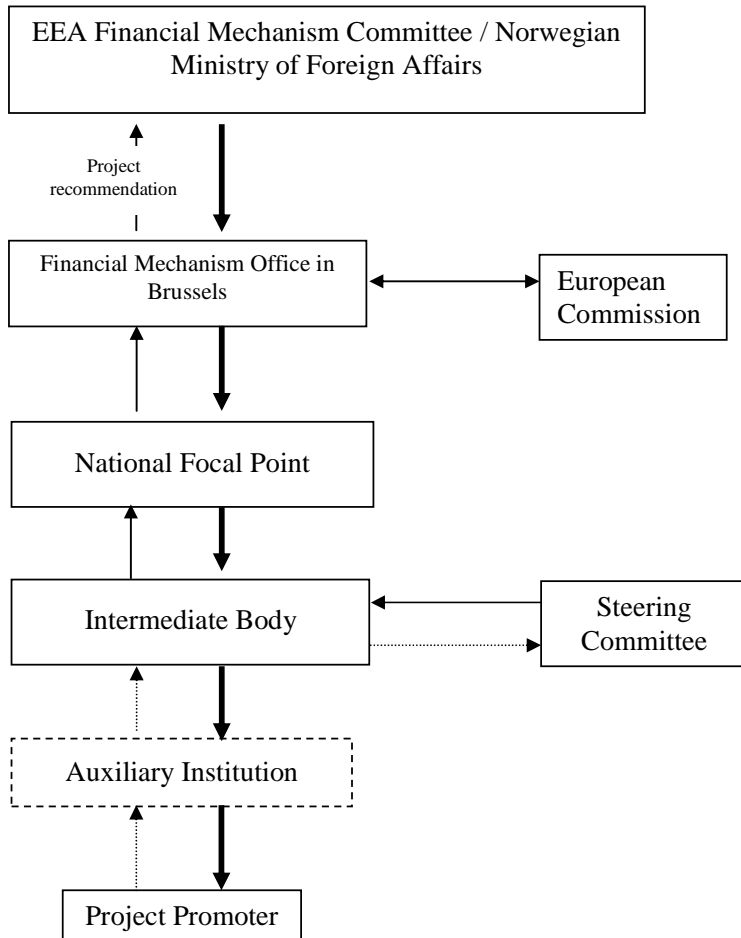
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some additional information may improve the application and increase the chance for the project approval by the donor-states.

The Focal Point submits, within 30 calendar days from the receipt, from the Intermediate Body, of the approved by the Steering Committee projects along with the justification, to the Financial Mechanism Office in Brussels.

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The chart below presents the process of evaluating and selecting projects, as performed by domestic and donor countries' institutions.



.....→	Project
—→	Project accepted at national level
—→	Project accepted by donors' institutions

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Appeal procedure

The appeal procedure is made in two instances. In the first instance, the appeals are submitted to the Intermediate Body or Auxiliary Institution. In the second instance, the appeals are submitted to the Focal Point.

Any applicant may appeal against the decision of refusal of its application, only with regard to the compliance with formal requirements. A decision on rejecting an application should be justified by the Intermediate Body or Auxiliary Institution in a way giving the applicant a possibility to refer to the reasons of rejecting the application. An applicant cannot appeal against the decision of a content-related character. No appeals have been envisaged with regard to the decisions of the Steering Committee and the Focal Point.

To examine an appeal in the first instance, the Intermediate Body or Auxiliary Institution repeat a formal appraisal of the application taking into account the arguments of the applicant included in the appeal.

No appeals will be examined after a 10-day period for submitting appeals is over. The beginning of the appeal procedure dates from the 5th day after the Intermediate Body/Auxiliary Institution sends the applicant an information about the rejection of his/her application.

In order to examine an appeal in the second instance, the Focal Point may request the Intermediate Body or Auxiliary Institution to present the manner of conducting and score of particular project selection criteria. Decision of the Focal Point is final.

No appeals shall be examined after a 10-day period for submitting appeals to the Focal Point is over. The beginning of the appeal procedure dates from the 5th day after the Intermediate Body sends the applicant information about the rejection of his/her application.

A project that receives a positive opinion in the appeal procedure is sent to the content-related appraisal. If this project awards a sufficient score, required for the second stage of appraisal will be placed on the ranking list and submitted to the Steering Committee appraisal.

Decision on co-financing a project

The final decision on awarding financial resources for the implementation of a project under the EEA Financial Mechanism and/or the Norwegian Financial Mechanism is to be made by institutions of the donor - states. These include the following:

- in the case of the EEA Financial Mechanism – the Financial Mechanism Committee;
- in the case of the Norwegian Financial Mechanism – the Norwegian Ministry of Foreign Affairs.

The result (either positive or negative) of application appraisal conducted by the donor countries' institutions is communicated to the Focal Point in the form of Offer of assistance or Refusal with the reasoned opinion. Offer of assistance should be considered as a basis to the acceptance of terms of grant agreement. In case of Refusal, it is allowed to submit amended project proposal, however in the next call for proposals.

The Focal Point immediately conveys the information of the donor countries' institution to the Intermediate Body, which then immediately notifies the applicant about the decision. The moment project promoter receives the information about Offer of assistance and its approval, she/he may commence the realization of the project. The costs borne from this moment will

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be qualified as eligible. Positively approved application is a subject to registration in the Focal Point's database.

Grant Agreement

A positive decision with regard to a given application, issued by the donor countries' institutions, constitutes a basis for signing two Grant Agreements. The first Grant Agreement will be executed between the Financial Mechanism Committee and/or the Norwegian Ministry of Foreign Affairs (depending on the source of financing) and the Focal Point. The other Agreement will be executed between the Intermediate Body and the applicant.

5.4. Monitoring and Reporting

Monitoring is the process of systematic collection and analysis of quantitative and qualitative information concerning the implemented projects and the whole programme in factual and financial aspects in order to ensure the compliance of project realization with approved assumptions and objectives. On the basis of the transferred information within the framework of the monitoring system it is possible to identify all emerging irregularities relating to the programme and projects implementation, and afterwards undertaking adequate amendments.

Reporting is one of the basic instruments for the continuous and constant monitoring of the whole programme and particular projects. The responsibility for monitoring of the progress of project realization lies within every institution involved in the implementation of financial resources available under both Financial Mechanisms, i.e. beneficiaries, the Intermediate Bodies, the Auxiliary Institutions, the Paying Authority and the Focal Point. Due to the operational programme centralization, most of information essential for the process of monitoring and reporting will be generated and transformed on the local level. On the basis of the quarterly, annual and final monitoring reports will be drawn up.

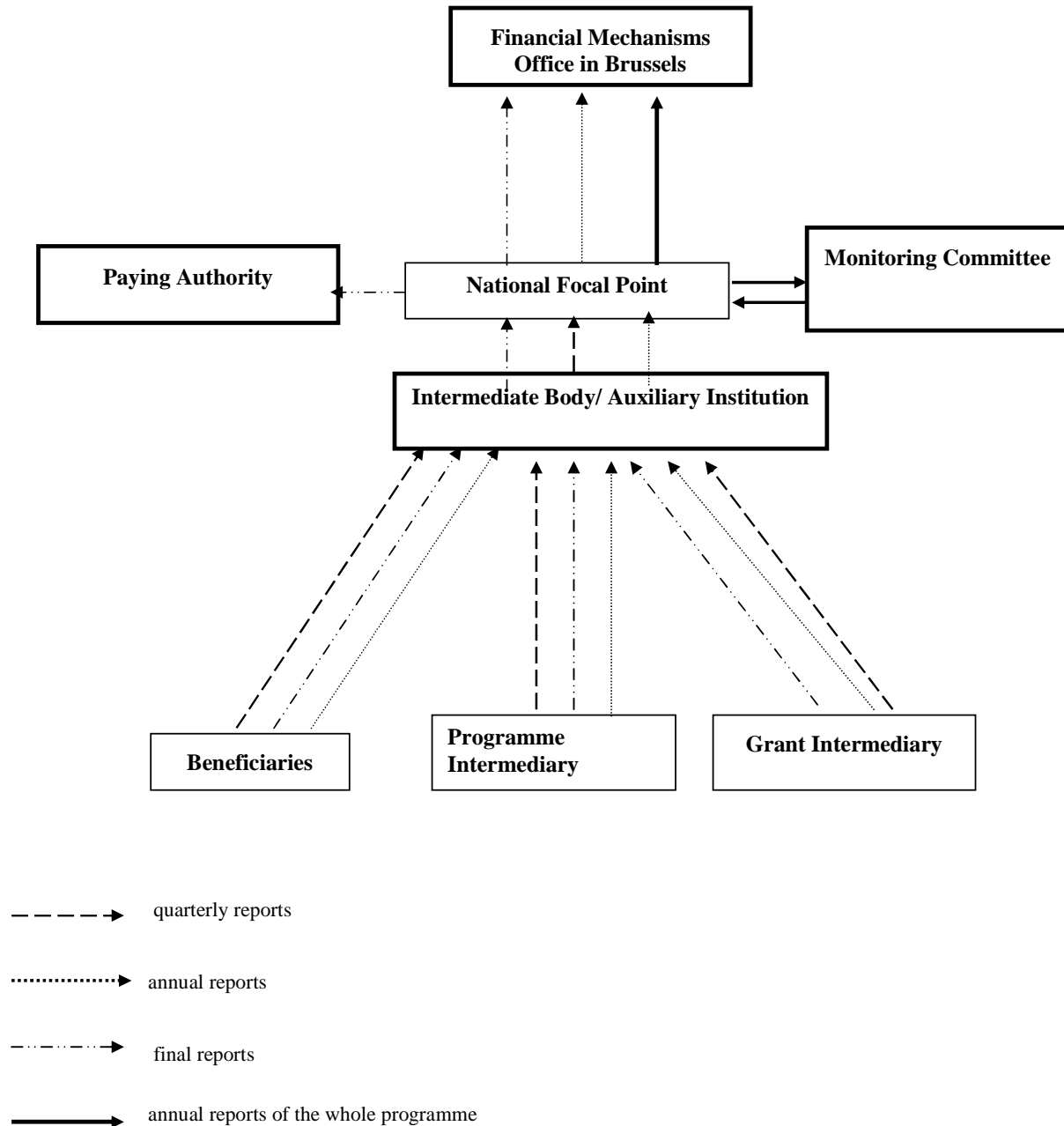
The detailed description of the projects and programme monitoring system, as well as responsibility frameworks in the range of reporting on each implementation level has been elaborated by the Focal Point. The Financial Mechanisms monitoring and reporting system has been established on the basis of guidelines, approved by the FMO and results from the domestic experience relating to monitoring and evaluation of the projects realised within the resources from the structural and pre-accession funds.

Monitoring the manner and the progress of this Operational Programme's implementation is the responsibility of the Focal Point. Supervision of the implementation of the Mechanisms lies in hands of the Monitoring Committee.

The general reporting system on programme realization within the monitoring system is presented below.

Chart. The general reporting system on programme realization within the monitoring system of the Financial Mechanisms.

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Monitoring Committee

A national Monitoring Committee for the EEA Financial Mechanism and the Norwegian Financial Mechanism has been established by the Ministry of Regional Development. The Committee is responsible to the Focal Point for the monitoring of project realization within the framework of both Financial Mechanisms. Additionally, the Committee is to assess and approve annual reports on the implementation of the Financial Mechanisms. The objective of

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Monitoring Committee's activity is to guarantee effectiveness and quality of implemented financial resources.

The Committee's tasks shall include the following:

- assess the efficiency and effectiveness of using financial resources available in the framework of the Financial Mechanisms;
- periodically review the progress of the projects being realized under the Financial Mechanisms;
- issuing opinions on and recommending, for approval by the Focal Point, annual reports on the implementation of the Financial Mechanisms;
- assess and adjust programme monitoring indicators;
- supervise over correctness of monitoring system and launch assessment process;
- issuing opinions on and recommending proposals of changes submitted by the Focal Point or the members of the Committee, including the proposals relating to reallocations of resources among different priorities.

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' organizations;
- non-governmental institutions;
- regional and local government authorities.

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

5.5. Financial management and control

The system for financial management and control over the resources under the EEA Financial Mechanism and Norwegian Financial Mechanism shall coincide with the system for financial management and control over the structural funds, save for guidelines concerning disbursements prepared by donor countries.

Functions related to financial management and control shall be performed by the following:

- a) Focal Point,
- b) Paying Authority;
- c) Intermediate Bodies;
- d) Auxiliary Institutions;
- e) Audit Institution.

Focal Point

- the overall responsibility for the correctness of the management and implementation of projects realized within both Mechanisms,
- devising, implementing and maintaining a complete audit path concerning the expenditure,
- supervising the system for financial control in all Intermediate Bodies,
- submitting reports on financial control to the Monitoring Committee and to the Financial Mechanism Office.

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Paying Authority

Pursuant to the provisions of the Memoranda of Understanding, Paying Authority functions for both Financial Mechanisms are performed by the Ministry of Finance. The tasks of the Paying Authority shall include, in particular, the following:

- management of cash flow within the Financial Mechanisms,
- certifying, to the Financial Mechanism Office, that expenditure declarations are made on the basis of reliable and verified documents;
- preparing applications for reimbursement of the incurred expenditure and submitting these to the Financial Mechanism Office;
- reporting on finance flow to the Focal Point;
- ensuring that payments are made to the final beneficiaries as quickly as possible and within the specified deadlines.

The financial resources within the EEA Financial Mechanism and the Norwegian Financial Mechanism are the public recourses and they will be operated according to budgetary principles stated within the Public Finance Act of 30 June 2005 and relevant executive acts.

The Paying Authority, through the verification of the financial management and control procedures implementation process, will ensure that the proper project control principles are applied by the Intermediate Bodies/Auxiliary Bodies. For the management and control purposes the public finance act, the budgetary act and relevant executive acts should to be applied.

On behalf of the Minister of Finance, the Paying Authority shall open The accounts will be maintained by the National Polish Bank (NPB), and will be interest bearing accounts, and interest income will be quarterly added by the National Polish Bank to the bank balance of a given account. Costs of maintaining the accounts will be deducted from the accrued interest. Net interest accrued on accounts will act for the purpose of current payments for the programme and will be deducted by the Paying Authority from the first request for reimbursement submitted to the FMO in a given financial year.

Usunięto: .

The Paying Authority will receive, bank statements made and submitted by the NPB after every financial operation, and monthly summary of accounts made by the NPB for each account and annual confirmation of bank balances.

Pursuant to the Public Finance Act of 30 June 2005, the Paying Authority initiates, in order to ensure the transfer of resources earmarked for the implementation of undertakings co-financed under the Financial Mechanisms, the process of signing Agreements concerning individual priorities within the framework of the relevant Agreement Protocols. Such Agreements shall be concluded between three entities:

- ✓ the Paying Authority;
- ✓ the Focal Point;
- ✓ the Intermediate Body.

They shall provide, in particular, for issues related to the following:

- ✓ principles of cooperation between above mentioned entities;
- ✓ document circulation;
- ✓ financial management;

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✓ in –kind project progress.

Intermediate Bodies

The related tasks of the Intermediate Body shall include the following:

- submitting payment applications to the Focal Point,
- providing services related to transferring financial resources to the beneficiaries of assistance,
- signing Grant Agreements with the beneficiaries of assistance;
- making payments, based on the presented and verified documents, to the beneficiaries of assistance,
- verifying and confirming, to the Focal Point, expenditures borne by the recipients,;
- preparing applications for amendment concerning the manner in which the resources are used and submitting these to the Focal Point,
- detecting irregularities and reporting these to the Focal Point,
- overall verification of invoices,
- conducting spot checks of expenditure, therein determining a representative sample of expenditures to be controlled,
- storing all the documents.

Auxiliary Institutions

The related tasks of the Auxiliary Institution shall include the following:

- detecting irregularities and report these to the Intermediate Bodies,
- verify the use of funds, including in situ inspections.

Audit Institution

Functions of the Audit Institution are performed by the Ministry of Finance and its relevant departments.

Its main tasks include the following:

- carry out audits/control of projects,
- prepare a yearly audit plan and a summary of audit reports by the subordinated services to Minister of Finance and submit them to the 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 of national funds,
- control the regularity of eligible expenditures based on a representative sample of the operations approved – (5% sample external control of expenditures),

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- ensure efficient and prompt investigation of any suspected and actual cases of fraud and irregularity identified in audits/control carried out by services subordinated by Minister of Finance and submission of its result to the audited unit and the Focal Point,
- verify the periodic reports on irregularities,
- verify the application of the audit path by Intermediate Bodies,
- prepare yearly audit reports for the Focal Point.

As regards the Ministry of Internal Affairs and Administration and its subordinated entities, according to the art. 5.1 of the Treasury Control Act of 28 September 1991, the Ministry of Finance and control units of EU funds in Internal Revenue Services are not entitled to control the use of financial resources under the Norwegian Financial Mechanism.

Beneficiaries

In general, the tasks of the Final Beneficiaries shall include the following:

- submitting payment applications to the Intermediate Body / Auxiliary Institution;
- implementing projects along with its promotion;
- ordering the implementation of an investment project or the performance of a service to contractors;
- storing documentation related to project implementation.

In all institutions involved in the implementation of financial resources available within the framework of both Financial Mechanisms an internal audit will be carried out, which pursuant to the provisions of the Public Finance Act aims at evaluation of entity's operating in the field of financial economy with respect to legality, thrift, aim effectiveness, reliability, transparency and openness.

6. Information and publicity

All information and publicity-related activities concerning the European Economic Area Financial Mechanism and the Norwegian Financial Mechanism are aimed at increasing a wide range of recipients' awareness of the financing possibilities available in different priority sectors under both Mechanisms.

Publicity-related activities aim to:

- ensure openness and transparency of all efforts undertaken;
- enable easy access to relevant information for specific group of recipients in Poland and in the EEA/EFTA countries;
- contribute to the effective implementation of the Financial Mechanisms;
- clear any doubts concerning the Financial Mechanisms and prevent the abuse of financial resources, which may be caused by inappropriate access to information.

There are three types of publicity-related activities: those undertaken by the Focal Point, those undertaken by the Intermediate Bodies within promotion of a particular priority sector and those concerning a specific project. All of them are discussed below.

Publicity-related activities undertaken by the Focal Point

The Focal Point ensures that information concerning the Financial Mechanisms is widely available to the potential beneficiaries.

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The Focal Point shall prepare, in cooperation with Intermediate Bodies, a general publicity plan which will be consulted and agreed upon with the Financial Mechanism Office. Such actions are aimed at ensuring the overlapping of promotional campaigns proposed by the Financial Mechanism Office, the Focal Point and by Intermediate Bodies.

The general publicity-related activities with regard to both Financial Mechanisms, general handbooks and programming documents are the responsibility of the Focal Point, while promotional campaigns concerning priority sectors are the responsibility of Intermediate Bodies. The Focal Point supervises the performance of the plan.

The Internet gateway of the Ministry of Regional Development, which plays the role of the Focal Point, has a link to a website (<http://www.eog.gov.pl>) containing all detailed information on both Mechanisms, any information necessary for potential Final Beneficiaries. The website is updated on a current basis. It also provides links to the Financial Mechanism's home site in Brussels (<http://www.eeagrants.org>), to the website of the Norwegian embassy in Warsaw (<http://www.amb-norwegia.pl>), and to the websites of Intermediate Bodies.

Other promotional activities undertaken by the Focal Point relate to the following:

- publication of materials concerning the Financial Mechanisms, i.e. widely available brochures, folders and leaflets to be handed out among the potential beneficiaries;
- wide-coverage promotional campaigns in the national, regional and local media, related to the possibilities of taking advantage of the financial resources available, targeted at a wide range of recipients, including conferences, interviews, etc.;
- orientation meetings on the regional and local level, for, inter alia, the following target groups:
 - local and regional authorities;
 - public utility organizations, including non-governmental organizations;
 - private enterprises;
 - scientific institutions.
- media advertisements encouraging the submission of projects in individual priority sectors.

Publicity-related activities undertaken by the Intermediate Bodies

Some of the promotional activities will be entrusted with the Intermediate Bodies, as it will enhance the process of conveying relevant information concerning the Financial Mechanisms to target groups specific for individual sectors.

Therefore, each of the Intermediate Bodies will have to ensure the publicity of a priority, through, inter alia:

- publishing materials on a given priority sector, i.e. brochures and folders that will be handed out among the potential beneficiaries from a given sector;
- promotional campaigns in the national, regional and local media, related to the possibilities of taking advantage of the financial resources available within individual priority sectors, targeted at a group of recipients specific for a given sector, including conferences, interviews, etc.;
- orientation meetings on the regional and local level, for, inter alia, the following target groups operating in individual sectors:
 - local and regional authorities;
 - public utility organizations, including non-governmental organizations;
 - private enterprises;
 - scientific institutions.

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- media advertisements encouraging the submission of projects in individual priority sectors.

All publicity-related activities carried out by the Intermediate Bodies must be coordinated with the activities carried out by the Focal Point.

Promotional activity by the project

Every potential project promoter must draw up a plan for informing about and publicizing the project he implements, and attach it to the application form. The information and publicity plan must contain the following:

- objectives and the target group;
- undertakings and the plan implementation methods;
- plan budget;
- information concerning the responsibility for implementing the plan.

All costs concerning information and publicity-related activities, including the support provided by consultants, shall be covered by the project's budget.

Detailed information concerning promotional campaigns is presented in the Financial Mechanism Office document titled Publicity Guidelines available at the Focal Point's website.