

**Swiss – Polish Co-operation Programme
Management and implementation system in Poland**

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Swiss – Polish Co-operation Programme

Contents

Introduction	3
1. Objectives	3
2. Principles	3
3. Implementation and management system on the Polish side.....	4
3.1. Institutional structure	5
<i>National Coordination Unit</i>	<i>5</i>
<i>Intermediate Bodies.....</i>	<i>6</i>
<i>Relevant line ministries and regional and local self-governmental authorities</i>	<i>6</i>
<i>Evaluation Committees</i>	<i>8</i>
<i>Paying Authority</i>	<i>8</i>
<i>Audit Institution.....</i>	<i>8</i>
<i>Monitoring Committee</i>	<i>9</i>
3.2. Project application procedure.....	10
<i>Open call for proposals.....</i>	<i>10</i>
<i>Restricted call for proposals</i>	<i>10</i>
3.3. Appraisal and selection procedure	12
<i>Stage 1. Appraisal and preliminary selection of projects based on Project outlines</i>	<i>13</i>
<i>Formal appraisal.....</i>	<i>13</i>
<i>Content- related appraisal</i>	<i>14</i>
<i>Project Preparation Facility (PPF)</i>	<i>15</i>
<i>Appealing procedure</i>	<i>15</i>
<i>Stage 2. Final appraisal and project approval based on Final Project Proposal</i>	<i>16</i>
<i>Formal appraisal.....</i>	<i>16</i>
<i>Content – related appraisal.....</i>	<i>17</i>
<i>Appealing procedure</i>	<i>18</i>
Project appraisal scheme and respective division of competences	18
3.4 Project implementation system	20
Project implementation scheme	20
3.5. Payments	21
3.6. Monitoring and reporting.....	22
3.7. Audit and financial control.....	24

Swiss – Polish Co-operation Programme

Introduction

In April 2003 the Council of the European Union authorized European Commission to lead negotiations with the Swiss Federal Council on the agreement concerning the financial contribution to reduce economic and social disparities within the enlarged European Union. On 19 May 2004 during Switzerland-EU summit, the Swiss party declared readiness to establish Swiss Contribution in the amount of 1 billion CHF. Talks between the European Commission and the Swiss Government were concluded on 27 February 2006 with the signing of so called Memorandum of Understanding. The Swiss side could, however, commence formal negotiations with new EU member states on the foreign assistance, only after having organised a referendum in Switzerland on 26 November 2006. The referendum has resulted in a ratification of *Federal Act on Co-operation with the Countries of Eastern Europe and the CIS*.

In accordance with Memorandum of Understanding, Poland, as one of 10 beneficiary states, has been admitted 489,020 mln Swiss francs, what accounts for 49 % of total allocation for the assistance. Negotiations of detailed grant conditions were concluded by the signing on 20 December 2007 between Swiss Federal Council and Polish Government of Framework Agreement concerning the implementation of the Swiss – Polish Co-operation Programme, hereinafter referred to as Framework Agreement.

1. Objectives

In accordance with presumptions of the Framework Agreement, the implementation of the Swiss-Polish Co-operation Programme, hereinafter referred to as the Co-operation Programme, shall contribute to the reduction of economic and social disparities between Poland and the more advanced countries of the enlarged European Union (EU), and shall contribute within Poland to the reduction of economic and social disparities between the dynamic urban centres and the structurally weak peripheral regions, stipulated as the geographic focus regions (the Lubelskie Voivodship, the Podkarpackie Voivodship, the Świętokrzyskie Voivodship and the Małopolskie Voivodship). Furthermore, the Co-operation Programme shall have a positive impact on tightening the bilateral co-operation between Poland and Switzerland.

2. Principles

1. Financial, non-reimbursable contribution, accessible within the Co-operation Programme, amounts up to CHF 464,57 million (diminished allocation by the amount of the Swiss TA budget) for a Commitment period of five years and a disbursement period of ten years, starting from the approval date of the Contribution by the Swiss Parliament, which is 14 June 2007.
2. With a reference to Article 5, paragraph 4 of the Framework Agreement, the following rules on the grant rate ceilings shall apply:
 - a) Grant rate up to 60% of the total eligible costs of the Project, with the exceptions referred to in subparagraphs b) and c);
 - b) Grant rate up to 85% of the total eligible costs of the Project where 15% or more of the project costs is co-financed by central, regional or local government budget allocations;

Swiss – Polish Co-operation Programme

- c) Institution-building and technical assistance Projects, Projects implemented by non-governmental organisations as well as financial assistance benefiting the private sector (credit lines, guarantees, equity and debt participation) may be fully financed by the Co-operation Programme (with consideration to state aid rules).
3. Both the institutions of donor and beneficiary state, are engaged in the process of the Co-operation Programme's implementation. On the side of the beneficiary state, the Ministry of Regional Development in Poland, operating as the National Coordination Unit (NCU), bears overall responsibility for the implementation of Co-operation Programme. On the side of the donor state, the Co-operation Programme is administered by Swiss Agency for Development and Co-operation (SDC) and State Secretariat for Economic Affairs (SECO). The Swiss Embassy supports the above institutions and is responsible for the Co-operation Programme's management at the operational level, including contacts with the NCU.
 4. In principle, application process for grants within the Co-operation Programme is based on two – level procedure: preparation of the Project outline and elaboration of the Final Project Proposal¹. The assessment process firstly of the Project outline and after its approval, of the Final Project Proposal is carried out by the relevant Intermediate Bodies (in possible co-operation with involved ministries) and Evaluation Committees on the Polish side. Next, the Project is verified by the Swiss Embassy and is submitted to SDC / SECO, who gives positive decision on the Project outline results in the request for elaboration of the Final Project Proposal or takes final decision on the financing request by taking into account the Final Project Proposal. The Project Agreement between the NCU and the Swiss Embassy is signed for the accepted Final Project Proposal. Based on the above Project Agreement, the Implementation Agreement between the Intermediate Body/NCU and the Executing Agency (beneficiary) is concluded.

3. Implementation and management system on the Polish side

The implementation and management system for the Co-operation Programme was elaborated on the basis of provisions of Annex II for the Framework Agreement. Moreover, lessons from the Polish experiences in the operation of the implementation and management systems for Structural Funds and Norwegian Financial Mechanism and European Economic Area Financial Mechanism have been learned.

The implementation and management system in Poland is based on the following institutions:

- National Coordination Unit (NCU) – the institution in charge of the overall supervision on the utilization of financial resources from the Co-operation Programme;
- Intermediate Bodies (IB) – responsible for an integral implementation of relevant priorities of the Co-operation Programme, so-called *Focus areas*;
- Relevant ministries and/or relevant regional and local self-governmental authorities;
- Paying Authority - ensuring appropriate financial control within the Co-operation Programme;
- Audit Institution – verifying cases of irregularities in the use of financial resources under the Co-operation Programme;
- Monitoring Committee - responsible for the monitoring of the implementation of the Co-operation Programme.

¹ In exceptional cases it is possible to submit only the Final Project Proposal.

Swiss – Polish Co-operation Programme

- Evaluation Committees – take the final decision on the recommendation of projects appraised by the Intermediate Body and elaborate a ranking lists of recommended projects

3.1. Institutional structure

National Coordination Unit

The role of the National Coordination Unit is played by the minister for regional development. Organisational unit of the Ministry of Regional Development relevant in this very field is Department for Aid Programmes and Technical Assistance.

The Ministry of Regional Development bears the overall responsibility for the management of the Co-operation Programme and planning, implementation, financial management, controlling and assessment of projects, as well as for the use of funds in accordance with the provisions of Framework agreement. The NCU approves the results of the key stages of the Co-operation Programme's implementation, carrying out by the Intermediate Bodies.

In particular, its responsibilities include the following:

- coordinate the Swiss Contribution with other contributions, with the National Strategic Reference Framework and with the operational programmes;
- ensure efficient and correct use of available funds;
- overall supervision over the appraisal and selection procedure;
- appoint and chair the Monitoring Committee (incl. elaborate the Monitoring Committee regulations);
- verify the Project outlines and the Final Project Proposals, submitted by the Intermediate Bodies;
- transmit to Switzerland projects recommended for co – financing with attached documentation;
- sign the Project Agreements with Swiss counterparts;
- submit payment claims to the Paying Authority and certify their correctness and legality;
- ensure the financial control, including complete and sufficient audit trails in all involved institutions;
- establish an adequate monitoring and reporting system for the Swiss – Polish Co-operation Programme;
- submit yearly a summary with conclusions and recommendations of all audit reports of the financed projects. The NCU presents in an annex all original conclusions and recommendations of the audit reports;
- ensure regular reporting to Switzerland on the implementation of projects financed by the Contribution;
- elaborate annual reports on the implementation of Co-operation Programme;
- organise annual meetings at overall Co-operation Programme level in consultation with the Swiss Embassy and to present an annual report;
- be responsible for the reimbursement to Switzerland of unduly paid sums financed by the Swiss contribution;
- ensure information and publicity about the Co-operation Programme;
- ensure storing of all relevant documents relating to projects implemented within the Co-operation Programme.

On the basis of respective agreements, the NCU may delegate specific tasks onto the institutions involved in the implementation of the Co-operation Programme.

Swiss – Polish Co-operation Programme

Intermediate Bodies

While performing its general supervision functions over the implementation of the Co-operation Programme, the NCU entrusts, pursuant to a signed agreement, specific tasks with an Intermediate Body. 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 for regional development.

Specific tasks of an Intermediate Bodies include the following:

- announcement and the organisation of calls for proposal;
- formal appraisal of projects;
- organisation of content-related appraisal, that may be carried out in co-operation with relevant ministries;
- ensure that there is no double-financing of any part of the project by any other source of funds;
- verify each project with regard to the state aid;
- submit projects with appraisal reports to the Evaluation Committee and then to the NCU;
- sign the Implementation Agreements with Executing Agencies;
- supervise and steer the implementation of Projects in accordance with the Project Agreements and the Implementation Agreements, and carry out the necessary controls and audits of projects;
- prepare information for the Monitoring Committee meetings;
- verify and certify the payment claims and the invoices or the documents of equivalent value received from the Executing Agencies, verify the authenticity and correctness of submitted documents as well as the eligibility of costs on payment claims;
- transfer to the NCU verified and authorized payment claims and interim reports, annual reports, final reports, audit reports or their summaries;
- execute the payments for Executing Agencies based on approved payment claims;
- monitor the implementation of projects and report to the NCU on its progress;
- report to the NCU on the progress of focus areas implementation;
- check for irregularities and report them to the NCU;
- agree with the Executing Agencies in writing justified amendments to the implementation of approved projects within the limits defined in the respective Project Agreements;
- ensure information and publicity about the Co-operation Programme;
- ensure storing of all relevant documents relating to projects implemented within the Co-operation Programme.

Relevant line ministries and regional and local self-governmental authorities

In certain implementation stages, the system of the Programme implementation foresees participation of relevant ministries or agencies appointed by them, as well as in a relevant scope Marshal's Offices, which operate in given focus areas.

Tasks of those institutions include the following:

- participate in preparation of project selection criteria (in co-operation with the Intermediate Body) and present them for the approval of the NCU and the Monitoring Committee;
- assist in content – related appraisal of projects (in co-operation with and upon request of the Intermediate Body);
- take part in the Evaluation Committee meetings;

Swiss – Polish Co-operation Programme

- take part in meetings of the Monitoring Committee.

Tasks for particular institutions for focus areas of the Co-operation Programme shall be performed by the following:

Chart 1.

N°	Focus areas	Intermediate Body	Line ministry
1.	Regional development initiatives in peripheral or disadvantaged regions	Implementing Authority for European Programmes	Ministry of Regional Development in a co-operation with Boards of Voivodships
2.	Measures to secure borders		Ministry of Internal Affairs and Administration ²
3.	Rehabilitation and modernisation of basic infrastructure and Improvement of the environment		Ministry of Environment
4.	Biodiversity and nature protection and Cross-border environmental initiatives		Ministry of Infrastructure
5.	Health	Office for Foreign Aid Programmes in Health Care	Ministry of Health Ministry of Labour and Social Policy
6.	Improving the business environment and the access to financing for SMEs	The National Capital Fund as Executing Agency for the Fund of Funds project	Ministry of Economy
7.	Institutional and regulatory capacity building for corporate sector financial reporting and auditing at the national level	Ministry of Finance	
8.	Development of the private sector and promotion of exports of SMEs	Ministry of the Economy	
9.	Polish – Swiss Research Programme	Information Processing Center as the Executing Agency	Ministry of Science and Higher Education

² Due to specifics of projects relating to national security, they will be identified by the Ministry Internal Affairs and Administration

Swiss – Polish Co-operation Programme

10	Scholarship Fund	Rectors' Conference of the Swiss Universities (CRUS)	
11	Block Grant for Non-governmental Organisations and Polish-Swiss Regional Partner Projects	Ecorys Polska Ltd. as the Grant's Operator	

Evaluation Committees

Within a given focus area, the Intermediate Body establishes for all open calls³ an Evaluation Committee⁴.

The Evaluation Committee, operating on the basis of a ranking list of the Project outlines along with proper justification provided by the Intermediate Body, takes a decision on recommendation of particular projects present on a particular ranking list. The Evaluation Committee will consist of experts appointed by Intermediate Bodies as well as representatives of social partners and NGOs as observers. The experts, as permanent members, will make decision on recommendation of projects for further appraisal, while observers will check and comment for transparency and accuracy of a whole decision-making process. In case if any irregularities occur, observers may report them to the Monitoring Committee, which will undertake respective corrective measures.

The Evaluation Committees, acting through the Intermediate Body, introduce to the NCU the list of recommended and reserve projects.

Paying Authority

The role of Paying Authority, which is responsible for ensuring appropriate financial control over the use of the Swiss contribution, is played by the Ministry of Finance.

Specific tasks of Paying Authority include the following:

- check the conformity of payment claims with financial stipulations of contractual agreements;
- submit the respective reimbursement requests to Switzerland;
- keep accounts of all reimbursement requests made to Switzerland;
- report periodically to the NCU on financial flows.

Audit Institution

The Audit Institution, established at the level of the Ministry of Finance, is to control the use of financial resources under the Co-operation Programme.

³ In particular cases an Evaluation Committee can also be established for the restricted calls

⁴ The obligation to appoint the Evaluation Committee shall not apply to the Block Grant, the Polish-Swiss Research Programme, Scholarship Fund, project: *Improving the business environment and access to financing for small and medium-size enterprises (SMEs)*.

Swiss – Polish Co-operation Programme

Specific tasks of an Audit Institution include the following:

- ensuring that audits are performed to verify effective functioning of the Co-operation Programme management and control system;
- prepare an annual audit plan and a summary of audit reports and submit them to the NCU;
- control the regularity of eligible expenditures based on a 5% representative sample of the operations approved;
- ensuring efficient and prompt investigation of any suspected and actual cases of fraud and irregularity, detected during fiscal control, and reporting these to the NCU;
- provide Swiss auditors or auditors that are mandated to act on their behalf with their assistance;
- verify periodic reports on irregularities with a view to identifying risk areas and to including them in the control plans;
- prepare annual audit reports for the NCU and a yearly summary with conclusions and recommendations of all audit reports of the financed Projects. The Audit Institution presents in an annex all original conclusions and recommendations of the audit report.

Monitoring Committee

The NCU establishes, chairs and acts as the secretariat for a Monitoring Committee.

Specific tasks of a Monitoring Committee include the following:

- approve the selection criteria of projects;
- review the selection processes for projects and undertake corrective measures if any complaints regarding the transparency and accuracy of the project selection process are mentioned by observers of the Evaluation Committees;
- periodically review the progress of the implementation of the Co-operation Programme and the achievement of its objectives;
- examine and comment on annual reports on the implementation of the Co-operation Programme prepared by the NCU;
- ensure the efficiency and effectiveness of the use of the financial resources available in the framework of the Co-operation Programme.

The Monitoring Committee shall meet periodically, at least two times a year. The NCU shall elaborate the Monitoring Committee regulations, and consult this document with the Swiss party.

The Monitoring Committee shall be composed of members who represent:

- the NCU
- relevant ministries, involved in the implementation of the Co-operation Programme
- relevant regional and local self-government authorities
- non-governmental organisations
- social and economic partners

Representatives of the Swiss Embassy can participate in the Monitoring Committee as observers.

The Chairman of the Committee may also invite, as observers, Intermediate Bodies and, as appropriate, representatives of other institutions and organizations whose presence could be

Swiss – Polish Co-operation Programme

essential to the effective implementation of the assistance provided by the Co-operation Programme.

3.2. Project application procedure

In case of project application system one can observe two basic calls for proposals – open and restricted, depending on the specifics of particular focus areas, considering amount of allocation for every area (respective application procedures for every area have been included below in chart 2).

Open call for proposals

Open call for proposals will be organised in those focus areas, which specifics in terms of the size of allocation, allows to award grants to relatively substantial number of projects.

In case of this procedure, Intermediate Body, prepares regulations for the open call, determining *inter alia*:

- types of eligible Executing Agencies
- types of eligible projects
- types of eligible costs
- rules for co-financing
- content-related selection criteria (approved by the Monitoring Committee)
- timeline for particular stages of appraisal
- requirements on every level of the call
- available allocation.

The NCU and the Swiss side will be involved in the elaboration of the call for proposals regarding the scope of the calls including the priorities, content, activities.

Intermediate Body announces call by publishing it on its website and in a national press. Information about the call should be also published on the website of the NCU.

In parallel, the NCU informs the Swiss side about the call.

At the same time, Intermediate Body runs helpdesk, providing information and explanations referred to the rules of the call.

Intermediate Body accepts from potential Executing Agencies in a first loop, after a call, Project outlines and in a second loop, if the Project outlines were accepted, Final Project Proposals.

Restricted call for proposals

Under restricted call for proposals projects are selected by the Intermediate Body/ the NCU ⁵ in co-operation with relevant ministries.

The above method of the project selection depends on focus area and may assume *inter alia* the following forms:

- indication of projects fulfilling criteria of the Co-operation Programme amongst projects previously selected within programmes financed from other resources (operational

⁵ Due to specifics of projects relating to national security, they will be identified by the Ministry of Internal Affairs and Administration.

Swiss – Polish Co-operation Programme

programmes 2004 - 2006 and 2007 - 2013, Norwegian Financial Mechanism and EEA Financial Mechanism), which have not received grants due to reasons independent on Executing Agencies.

- indication of projects resulting from relevant programmes or governmental/ voivodship strategies;
- in case of Executing Agencies from public finance sector - project to be submitted by an institution responsible for particular field of competence;
- in case of international organisations - project may be submitted directly or by an institution responsible for particular field of competence;
- in case of Carpathian Convention – it is not excluded that project (-s) will be submitted by an institution(-s) responsible for the implementation of the Convention in Poland.

The NCU and the Swiss side will be involved in the elaboration of the call for proposals regarding the scope of the calls including the priorities, content, activities.

If relevant, the Intermediate Body/ the NCU publishes on its website the content-related criteria for selection of the projects. In parallel, the NCU informs the Swiss side about the call.

Respective Intermediate Body/ the NCU in co-operation with relevant ministry identifies projects eligible for the co-financing, with help of the Framework Agreement provisions as well as the method coherent with the specifics of particular focus area (basic methods have been defined above).

As a rule, institutions identified as potential Executing Agencies prepare Project outline and next, Final Project Proposals in compliance with requirements for the Programme and submit them to Intermediate Body/ NCU. In particular cases an Evaluation Committee can also be established for restricted calls. Depending on an activity, it is possible to identify preliminarily the number of potential Executing Agencies strictly corresponding to the available allocation or larger number of actions, amongst which the projects to be awarded shall be selected.

After having conducted selection, the Project outlines and next, Final Project Proposals, are forwarded to the Swiss side by the NCU. Once the appraisal performed by the Polish side is concluded, the information on the selected projects shall be published on the websites of Intermediate Body/ NCU, with the indication that the project still has to be approved on the Swiss side.

Chart 2. Project application procedures

Focus area	Intermediate Body	Application procedure
Regional development initiatives in peripheral or disadvantaged regions	Implementing Authority for European Programmes	Open call for proposals
Measures to secure borders	Implementing Authority for European Programmes	Restricted call for proposals (due to specifics of projects tackling national security, they shall be identified by the Ministry of Internal Affairs and Administration)

Swiss – Polish Co-operation Programme

Rehabilitation and modernisation of basic infrastructure and improvement of the environment	Implementing Authority for European Programmes	Open/ restricted call for proposals
Biodiversity and nature protection and cross-border environmental initiatives	Implementing Authority for European Programmes	Open call for proposals (it is not excluded that project (-s) on Carpathian Convention - networking and implementation, will be selected in restricted call for proposals)
Improving the business environment and the access to financing for SMEs	The National Capital Fund as Executing Agency for the Fund of Funds project	Open call for proposals within the programme prepared by NCF
Institutional and regulatory capacity building for corporate sector financial reporting and auditing at the national level	Ministry of Finance	restricted call for proposals
Development of the private sector and promotion of exports of SMEs	Ministry of the Economy	Restricted call for proposals
Health	Office for Foreign Aid Programmes in Health Care	Restricted call for proposals
Polish – Swiss Research Programme	Information Processing Center	Open call for proposals
Scholarship Fund	Rectors' Conference of the Swiss Universities (CRUS)	Open call for proposals
Block Grant for Non-governmental Organisations and Polish-Swiss Regional Partner Projects	Ecorys Polska Ltd. as the Grant's Operator	Open call for proposals

3.3. Appraisal and selection procedure

In case of open and restricted calls for proposals the project appraisal and selection procedure shall consist, as a rule, of two loops: Project outline and Final Project Proposal.

The appraisal shall be conducted based on below formal criteria as well as criteria determined in the regulations for open call for proposals or criteria defined for restricted call for proposals.

The organisation of appraisal and selection procedure lies within a responsibility of the Intermediate Body. The overall supervision over the appraisal and selection procedure is performed by the NCU.

Swiss – Polish Co-operation Programme

The procedure shall be as follows:

Stage 1. Appraisal and preliminary selection of projects based on Project outlines

The appraisal shall be carried out in two phases:

- formal appraisal
- content-related appraisal

Formal appraisal

In principle, every Project outline is submitted in the Polish language under the Co-operation Programme and undergoes formal appraisal performed by the Intermediate Body on the Polish side, according to the established criteria (chart below).

During the appraisal procedure, in case some defects or irregularities arise, Intermediate Body addresses to Executing Agency with request to correct errors and/or complete defects within 72 hours. Information about the above faults shall be transmitted by the Intermediate Body to the Executing Agency by e-mail and fax, on e-mail address and fax number given by Executing Agency in the application form. Required clarifications or completions should reach IB (by fax or e-mail) no later than within **72 hours** from an hour of a **dispatch** of notification by the IB. Documents, which reach IB after the given date, shall not be taken into consideration. Documents sent by Executing Agency by fax or e-mail, should be at the same time provided in writing (by registered letter).

The following errors/defects are subject to correction/ completion within 72-hour procedure (highlighted in blue in the chart below):

- completeness of the application form (excluding strictly required signature/s of person/persons duly authorized to represent Executing Agency);
- obvious arithmetic and linguistic mistakes;
- lack of copies of the application form in the amount requested in the application form user guide;
- lack of electronic version of the application form;
- inconsistency of electronic version of the application form with its hard copy (signature is not a subject to any changes)

In order to qualify the content – related appraisal, Project outlines submitted under the Co-operation Programme need to fulfill all the formal criteria set out below:

Chart 3. Formal appraisal criteria for the Project outline

	YES	NO
Formal correctness of the project		
Project has been submitted in time and place stipulated in the announcement on the call for proposals		
Project has been prepared on valid application form		
Project has been prepared in Polish		
Project is complete (all the fields to be filled-in have been completed) – with the reservation that signature/s of person/persons duly authorized is/are strictly required		

Swiss – Polish Co-operation Programme

Project has been signed by person/persons duly authorized to represent Executing Agency, according to the rule of representation set out in National Court Register or other relevant document confirming the representation of the Executing Agency		
Project has been submitted in writing in 3 copies		
Project has been submitted in 2 copies on electronic carriers (e.g. CD) in xml. and pdf. format at the same time		
Electronic version of application form is consistent with the hard copy		
Eligibility criteria		
Project is in line with objectives, thematic areas and catalogue of eligible activities within particular thematic area		
Executing Agency belongs to the group of eligible applicants within particular thematic area		
Requested grant amount complies with donor's rules referring to a given type of the project		
Requested grant amount complies with donor's rules referring to level of co-financing with respect to sources of co-financing as well as state aid rules		
Timeframe of project does not exceed final eligibility date, i.e. 14 June 2017		
Appendix		
Original or a duly certified copy (by person/-s authorized by the EA) of valid extract/transcript from the National Court Register or any other document of similar character confirming the legal status of Executing Agency and personal data of person/-s authorized to represent EA, issued no earlier than 6 months before the submission date of the Project outline.		

Content- related appraisal

Projects acknowledged as consistent with formal criteria, are subject to content – related appraisal. This assessment is performed by the Intermediate Body, which may co-operate in this respect with relevant ministries. If necessary, Intermediate Body may additionally seek external experts' opinions.

The appraisal is conducted in a score system, on the basis of content–related criteria defined in the regulations or selection rules.

The appraisal shall contain justification along with recommendation for selected projects. There shall be a list of projects recommended for the preparation of Final Project Proposals, list of reserve projects, which could be included in the further procedure in any case of primarily selected projects is not qualified to the grant assistance, as well as list of rejected projects. Based on conducted appraisal there shall be prepared list of projects recommended for the co-financing. Recommendations should include proper justification. The 3 above mentioned lists together with accompanying justification, are provided by the Intermediate Body to the Evaluation Committee. On such basis, the Evaluation Committee takes decision on the recommendation of particular projects present on a particular ranking list. In justified cases, an additional project appraisal may be commissioned to an independent expert or panel of experts. As a result of the Evaluation Committee meeting there shall be elaborated a list of recommended projects together with justification. The Evaluation Committee submits to the Intermediate Body also a list with the reserve and the rejected projects.

Swiss – Polish Co-operation Programme

Having concluded content – related appraisal, Intermediate Body communicates its result to the Executing Agency.

In case of positive result of the appraisal, Intermediate Body requests Executing Agency to prepare translation of the Project outline into English and to transmit it to Intermediate Body within 10 days of being notified by the Intermediate Body about positive content-related appraisal.

The Intermediate Body certifies compliance of a translation with a Polish version. In the next step, the Intermediate Body submits to the NCU recommended Project outlines (both in Polish and English) together with its recommendations, for their approval and transmission to the Swiss side.

After the approval by the NCU, the list of projects recommended by the Polish side shall be published on the website of Intermediate Body, with the indication that the project still has to be approved by the Swiss side.

Qualified projects are further sent (in English) for their appraisal to the Swiss Embassy.

After approval of a preliminary selection of projects, according to the procedure determined for the Programme, Intermediate Body requests Executing Agency to prepare Final Project Proposal within a date set out in the letter of Intermediary Body.

Project Preparation Facility (PPF)

The Executing Agency submitting the Project outline may include a request for financial support under the PPF for the preparation of a Final Project Proposal. For this purpose, the Executing Agency shall fill in the application form part referring to the PPF. Upon the receipt of the decision by the Swiss side to award funding under the PPF, the NCU with a help of the Intermediate Body will inform the Executing Agency accordingly and make the necessary contractual arrangements for the provision and the use of the awarded funds. Having received the acceptance of the above mentioned contractual arrangements from the Executing Agency, the NCU shall sign an agreement awarding funds for implementation of tasks under the PPF.

Appealing procedure

In case of Project outline functions one-instance-appealing procedure, for which the proper decisive institution is an Intermediate Body.

Executing Agency may appeal against the decision of Intermediate Body on refusal of the project, only with respect to the compliance with formal requirements. Executing Agency cannot appeal against the decision of a content-related character.

Decision on the Project refusal should be justified by an Intermediate Body in a clear and exhaustive matter. In order to examine an appeal, Intermediate Body once again thoroughly analyses the project with regard to formal criteria, taking into account argumentation of Executing Agency included in the appeal.

The appeal is due within 10 working days, dated from the day of dispatch by the Intermediate Body to the Executing Agency notification about the project refusal. After the end of this date, appeals shall not be considered.

The appeal submitted to the Intermediate Body in due time, should be examined by it within 7 working days upon the day of its arrival.

Swiss – Polish Co-operation Programme

In case of Project outline, decision of Intermediate Body is final and thus, concludes the whole procedure.

In case of positive decision on the appeal, the Project outline is a subject to content-related appraisal. After the Project outline has received sufficient number of scores in the content-related appraisal to qualify to the next stage, it shall be added to the recommended list and sent to the NCU.

Stage 2. Final appraisal and project approval based on Final Project Proposal

PLEASE NOTE: While submitting Final Project Proposal, one must bear in mind that Executing Agency, subject and specifics of the project have to remain unchanged in relation to the Project outline.

In time determined by the Intermediate Body, Executing Agency should provide Intermediate Body with Final Project Proposal, prepared in English together with accompanying documentation (in Polish and English).

Formal appraisal

Having received Final Project Proposal, Intermediate Body performs its formal verification.

During the appraisal procedure, in case certain defects or irregularities arise, Intermediate Body addresses to Executing Agency with request to correct errors and/or complete defects within a deadline indicated by Intermediate Body. Information about the above faults shall be transmitted by the Intermediate Body to Executing Agency by e-mail and fax, on e-mail address and fax number given by Executing Agency in the application form.. Documents sent by Executing Agency via fax or e-mail, should be at the same time provided in writing (by a registered letter).

PLEASE NOTE: The formalities listed in the appraisal criteria table (chart 4) are the subject to corrections and completion with a exemption of: the criterion related to the submission of the Final Project Proposal within a deadline requested by the Intermediate Body and so called eligibility criteria.

May the identified errors/defects not be completed within the requested deadline, the respective Final Project Proposal shall not be the subject for content-related appraisal and consequently rejected.

In order to qualify to the content – related appraisal, projects submitted under the Co-operation Programme need to fulfill all the formal criteria set out below⁶:

Chart 4. Formal appraisal criteria for the Final Project Proposal

	YES	NO
Formal correctness of the project		
Project has been submitted in place requested by Intermediate Body		
Project has been submitted in time ⁷ requested by Intermediate Body		

⁶ In cases justified by the recommendations of the Polish side of the evaluation of the Project Outline or a decision of the Swiss side on Project Outline, changes in the project regarding the eligibility criteria are possible. In addition, for the duration of the project should be take into account the change in circumstances relating to the passage of time since the preparation of the Project Outline, which may affect the validity of the dates indicated in the Project Outline - in such cases, the project's duration can be adjusted

Swiss – Polish Co-operation Programme

Project has been prepared on valid application form		
Project has been prepared in English		
Project is complete (all the fields to be filled-in have been completed)		
Project has been signed by person/people duly authorized to represent Executing Agency, according to the rule of representation set out in National Court Register or other relevant document confirming the representation of the Executing Agency		
Project has been submitted in writing in 3 copies		
Project has been submitted in an electronic version		
Electronic version of application form is consistent with the hard copy		
Eligibility criteria		
Final Project Proposal is coherent with the Project outline with regard to: 1. applicant, 2. project objectives, 3. focus area and eligible activity 4. project activities, 5. requested grant amount of co-financing, 6. timeframe of the project (not exceeding the final eligibility date i.e. 14 June 2017).		
Supporting documents		
All the documents required for a given thematic area and type of a project, described in the Framework Agreement, have been attached		
Attached documents have been signed by person/people duly authorized to represent Executing Agency, according to the rule of representation set out in National Court Register or other relevant document confirming the representation of the Executing Agency		
Copies of documents have been confirmed for their compliance with the original		

Content – related appraisal

Projects that met formal criteria, are subject to content – related appraisal. This assessment is performed by the Intermediate Body, which may co-operate in this respect with the relevant ministries. If necessary, Intermediate Body may additionally seek external experts’ opinion or request Executing Agency for explanations or additional information.

The appraisal is conducted in a score system, on the basis of provisions defined in the regulations or appraisal criteria.

The NCU submits the qualified Final Project Proposals along with recommendations to the Swiss side for its approval.

After their approval by the NCU, titles of projects recommended by the Polish side shall be published successively on the website of Intermediate Body and NCU, with the indication that the project still has to be approved by the Swiss side.

⁷ In justified cases, Intermediate Body, after consultation with NCU, may decide on the extension of the deadline for submission of the Final Project Proposal.

Swiss – Polish Co-operation Programme

The qualified projects together with recommendations of NCU are further sent to the Swiss Embassy for the appraisal and final decision by the Swiss side.

After final grant decision has been made, the Swiss side signs with the NCU Project Agreement. On its basis, Intermediate Body prepares Project Implementation Agreement and signs it with the Executing Agency.

List of Project Implementation Agreements shall be sent to the NCU and published on the website of Intermediate Body.

Appealing procedure

In case of Final Project Proposal there is two-instance-appealing procedure, for which the first-instance-institution is an Intermediate Body. The NCU plays a role of second-instance-institution.

Executing Agency may appeal against the decision of the Intermediate Body on refusal of the project, only with respect to the compliance with the formal requirements. Executing Agency cannot appeal against the decision of a content-related character.

Decision on the project refusal should be justified by the Intermediate Body in a clear and exhaustive matter. In order to examine an appeal, the IB once again analyses thoroughly the project with regard to formal criteria, taking into account argumentation of Executing Agency included in the appeal.

The appeal is due within 10 working days, dated from the day of dispatch by the IB to the Executing Agency notification about the project refusal. After the end of this date, appeals shall not be considered.

The appeal submitted to the Intermediate Body in due time, should be examined by it within 10 working days upon the day of its arrival.

In case of negative decision of the Intermediate Body resulting in project refusal, Executing Agency may appeal to the NCU within 10 working days, dated from the day of dispatch by the IB to the Executing Agency notification about the project refusal. After the end of this date, appeals shall not be considered.

In order to examine an appeal, the NCU requests the Intermediate Body to present the manner of conducting and score of particular project selection criteria as well as necessary project documentation. Appeal submitted to the NCU in due time, should be examined by it within 10 working days upon the day of its arrival.

No appeals have been envisaged with regard to the decisions of the NCU.

In case of positive decision on the appeal, the Final Project Proposal is a subject to content-related appraisal. After project has received sufficient number of scores in the content-related appraisal to qualify to the further appraisal, it shall be added to the recommended list and sent to the NCU.

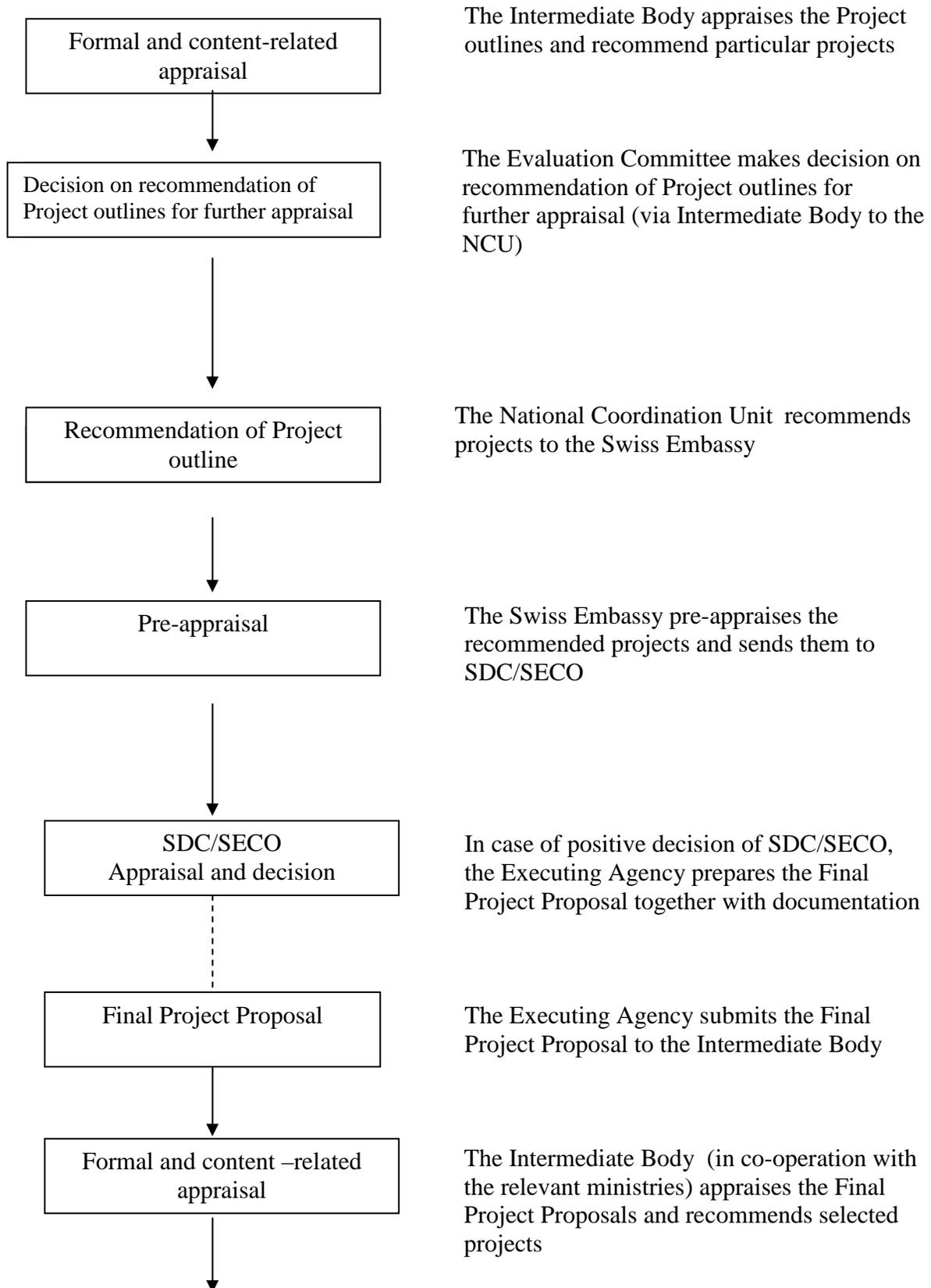
Project appraisal scheme and respective division of competences

Project outline
(optionally incl. PPF)

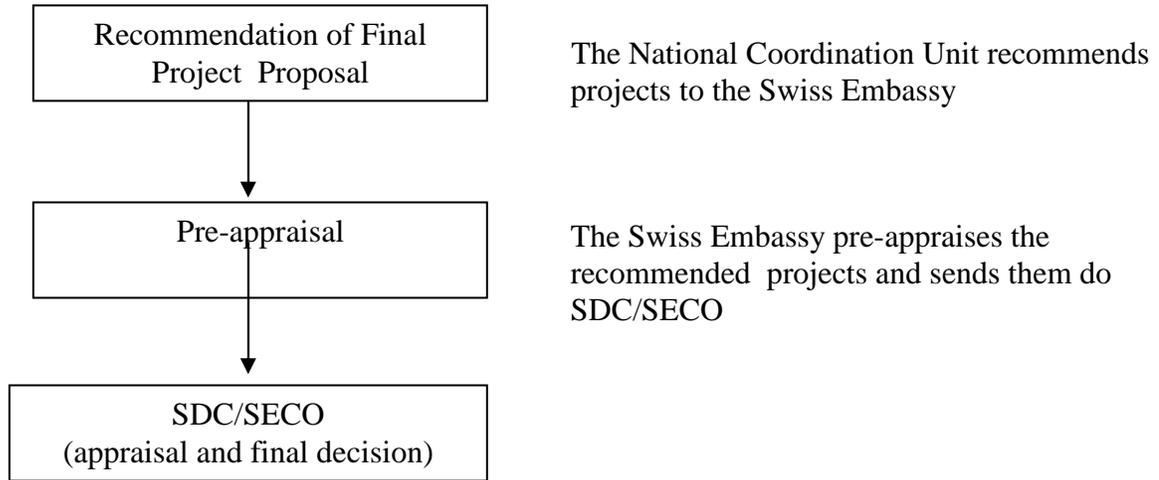


The Executing Agency (EA) submits the Project Outline to the Intermediate Body (IB) within a call

Swiss – Polish Co-operation Programme



Swiss – Polish Co-operation Programme



3.4 Project implementation system

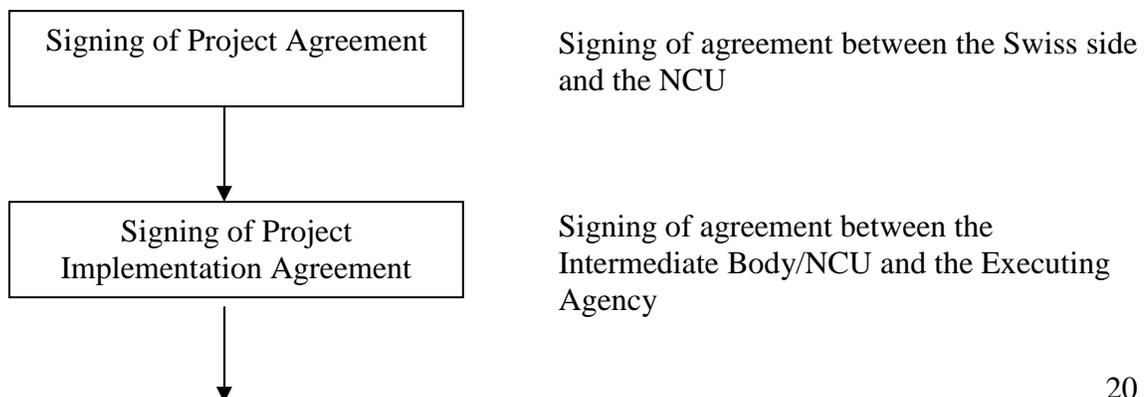
The final decision awarding funds for implementation of the project under the Swiss – Polish Co-operation Programme is being taken by the institutions of the donor state – SDC or SECO.

The result (positive or negative) of the appraisal procedure carried out by the Swiss side for particular applications is communicated to the NCU through the Swiss Embassy by forwarding the final decision awarding funds or formal refusal with an accompanying justification. The decision on the grant award should constitute the basis for approval of the contractual arrangements laid down in the Project Agreement.

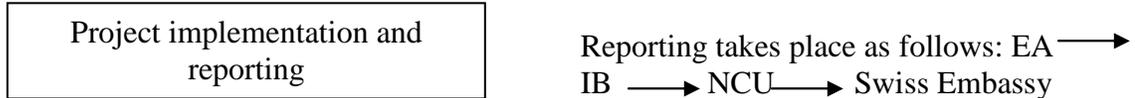
The NCU immediately forwards the information provided by the Swiss Embassy to the Intermediate Body, which then without a delay communicates the final decision to the Executing Agency. The transmitted information includes all changes in the project implementation arrangements and rules, introduced by the Swiss side as a result of the carried out appraisal procedure. The positively appraised application is being registered in the database of the Intermediate Body.

The positive decision of the donor state institutions on the respective application constitutes the basis for signing the two grant agreements. The first one - Project Agreement shall be signed between the Swiss side and the NCU, while the other - Project Implementation Agreement shall be signed by the Intermediate Body/NCU and the Executing Agency.

Project implementation scheme



Swiss – Polish Co-operation Programme



3.5. Payments

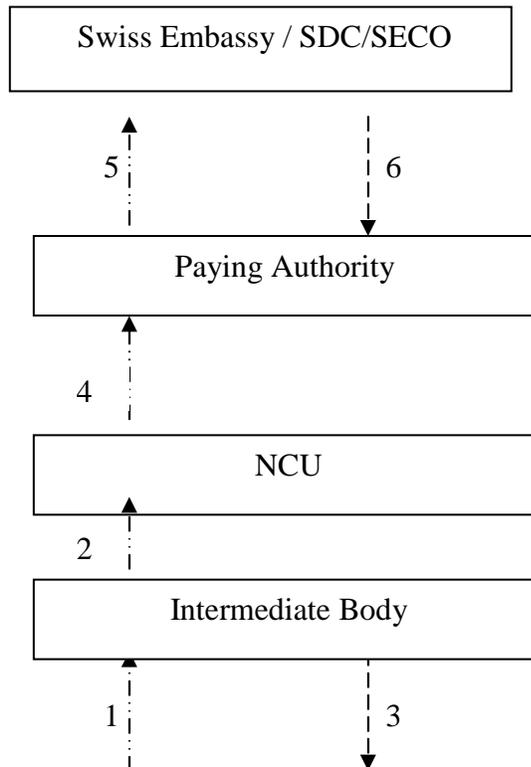
In principle, all disbursements under the Contribution will be pre-financed out of the national budget of the Republic of Poland. And generally all payments under the Swiss-Polish Co-operation Programme are made in a form of interim payment and final payment, as refunds of expenditure incurred earlier by the Executing Agency. However, in preliminary agreed and justified cases, there can be awarded in projects tranches of advance payments.. Financing projects based on a system of advance payment is in accordance with the principles laid down by the donor side, and with its consent and is possible only for Executing Agencies and projects specified in this system.

The first instalment, in case of projects financed under the system of advance payments, is paid by the Intermediate Body/NCU on the account of the Executing Agency after signing the Project Implementation Agreement.

The interim payment is made as a reimbursement of incurred expenses based on an accepted payment claim, elaborated by the Executing Agency and submitted along with the attached Interim Report.

The final payment is made on the basis of an accepted, final payment claim, submitted together with the last Interim Report, Project Completion Report and Final Financial Report. The final payment is usually retained until the acceptance of the reporting documents by the Swiss side.

The overall financial flow scheme is as follows:



The funds are disbursed to the Executing Agency after approval of the payment claim. Having received its approval of the Swiss side, the expenses are reimbursed to the state budget.

Swiss – Polish Co-operation Programme

Executing Agency

-----► Submission of a payment claim

-----► Flow of payments

The Executing Agency elaborates a payment claim and submits it along with the Interim Report to the Intermediate Body/NCU.

After verification by the Intermediate Body of the correctness of payment claim as well as completeness of submitted documents, the payment claim shall be forwarded to the NCU for its approval .

Having submitted the verified payment claim to NCU, the Intermediate Body confirms the transfer of funds to the Executing Agency.

The NCU certifies the correctness and legality of the payment claim to the Paying Authority.

After formal verification of the payment claims, the Paying Authority elaborates and transmits the reimbursement request to the Swiss side.

In particular cases, other payment procedures may be defined by the Polish and Swiss side in the respective Project Agreement.

The provisions on financial management are detailed in the document entitled “The financial flow system”. In the case of projects for which the implementation agreement is signed directly between the Executing Agency and NCU, the Intermediate Body’s stage should be skipped.

3.6. Monitoring and reporting

One of the basic instruments used for monitoring of the Swiss-Polish Co-operation Programme and particular projects in a permanent and sustainable manner is reporting. Responsibility for monitoring of the project implementation progress have been entrusted to the instructions involved in the disbursement of the funds available under the Co-operation Programme, i.e. Executing Agencies, Intermediate Bodies and the NCU.

The Executing Agency is responsible for elaboration of the interim and annual reports and final report.

The Interim Reports will be submitted along with payment claims no more often than once a quarter. The Interim Reports are linked to the reimbursement requests elaborated by the Paying Authority on the basis of the information contented in the payment claims. The Interim Reports should cover inter alia the information on physical and financial progress of the project, a comparison of actual with planned expenses, an update on progress status while confirming co-financing. The Interim Reports, in accordance with the *Monitoring system*, shall be transmitted to the Swiss side till the end of 3rd months after expiry of period covered by the payment claim.

The Annual Project Reports describe inter alia the progress of the Project and include summary data on financial progress for the reporting year as well as cumulative data to the cut-off date of the report. The Annual Project Reports, in accordance with the *Monitoring system*, are submitted to the Swiss side till 30 April of the next annual reporting period. The Annual Project reports are not however linked to the reimbursement requests.

The Project Completion Report is submitted to the Swiss side no later than 6 months after the completion of the project. This report together with the last Project Interim Report and Final

Swiss – Polish Co-operation Programme

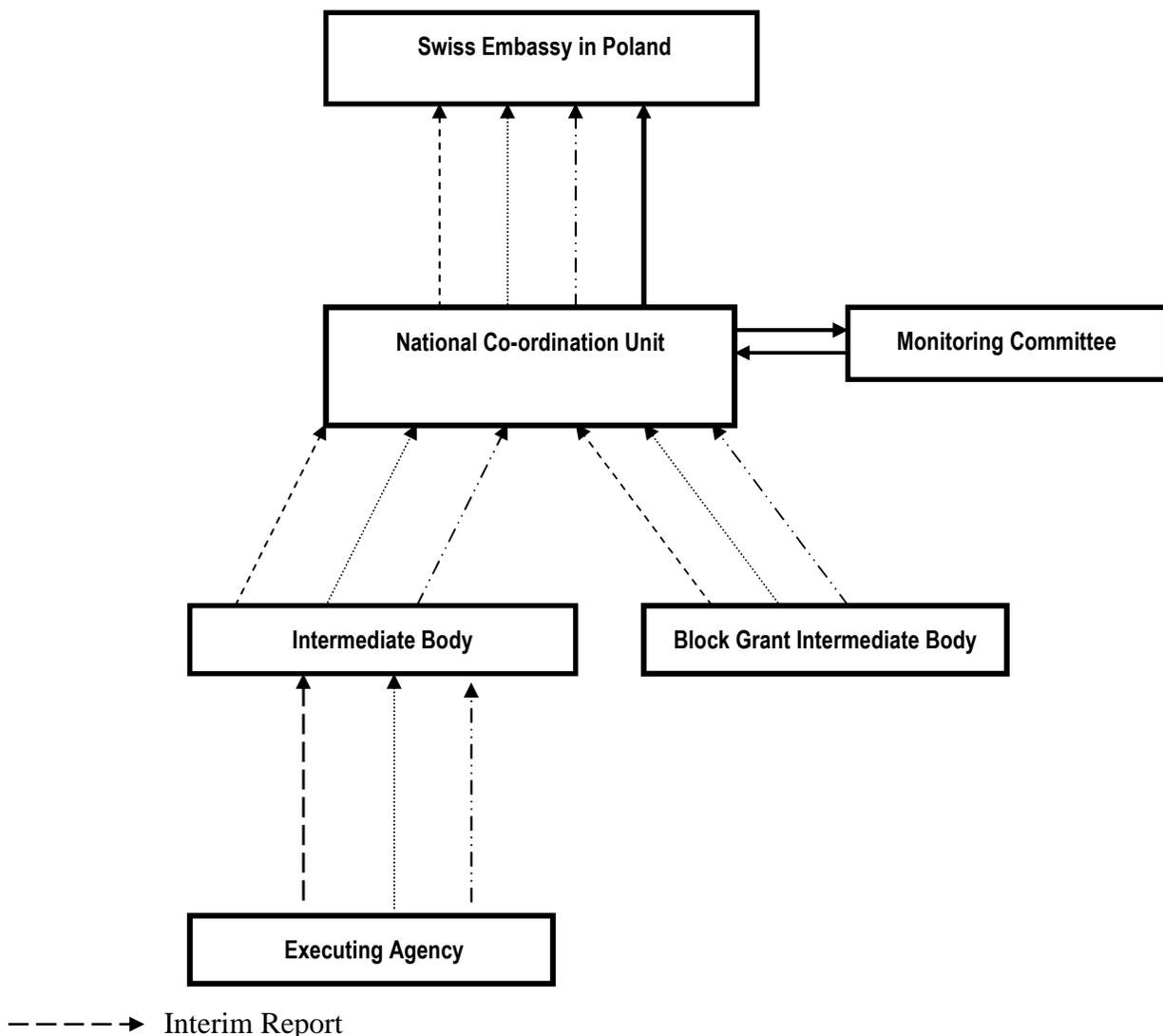
Financial Report constitutes the base for the final reimbursement. It documents and comments the overall achievement of outputs and outcomes against the original plans, the compliance with principles such as cross cutting themes and sustainability as well as it contains lessons learned and conclusions. The Final Financial Report covers the conclusions and recommendations set out in the Final Financial Audit carried out for each project at its completion.

The above mentioned reports are the subject to verification by the Intermediate Body and/or the NCU and subsequently submitted to the Swiss Embassy.

The establishment of the monitoring system within the Swiss – Polish Co-operation Programme and conformity control of its application shall be the responsibility of the NCU, while the supervision of the implementation process is to be performed by the Monitoring Committee.

The detailed description of the monitoring system for the Swiss – Polish Co-operation Programme as well as the assignment of tasks related to the reporting at each implementation level are elaborated by the NCU.

The overall reporting scheme within the framework of the Swiss – Polish Co-operation Programme is shown below:



Swiss – Polish Co-operation Programme

-→ Annual Project Report
- - - - -→ Project Completion Report
- Annual Report

3.7. Audit and financial control

The Audit Institution, established at the level of the Ministry of Finance to control the use of financial resources under the Swiss – Polish Co-operation Programme. Based on a risk assessment, an annual system audit and control planning shall be established. In accordance with planning, the Audit Institution, established at the level of the Ministry of Finance, and the entitled audit organisations (e.g. control unit of the Intermediate Body) shall perform control and audit in compliance with the respective national law.

The certified audit institution – an internal (i.e. internal audit units of the public administration institutions) or external (bodies from outside the public finance sector dealing with audits), will carry out interim Financial Audit for particular projects.

The Final Financial Audit will be carried out by internal or external audit organisation for each project at its completion.

The Audit Institution shall perform audit in accordance with the terms of reference and International Audit Standards (ISA). In doing so, it shall verify the correct use of funds, make recommendations to strengthen the control system and report any actual or alleged fraud or irregularity.

Related conclusions and recommendations shall be transmitted to the Swiss Embassy.

The NCU supervises the implementation of the particular thematic areas under the Swiss-Polish Co-operation Programme, including responsibility for ensuring the correct performance of the Intermediate Bodies and supervises the audit trails in those institutions. Each Intermediate Body shall be responsible for preparation of the audit trails.

The Intermediate Bodies elaborate an annual plan of the monitoring visits within the relevant thematic areas, according to which they carry out on site controls of the projects.

The detailed provisions regarding audit and financial control are laid down in the Project Agreement, Project Preparation Agreement and Project Implementation Agreement.