

Norwegian Financial Mechanism 2009-2014

PROGRAMME AGREEMENT

between

The Norwegian Ministry of Foreign Affairs

and

The Ministry of Regional Development,
hereinafter referred to as the “National Focal Point”,
representing the Republic of Poland,
hereinafter referred to as the “Beneficiary State”

together hereinafter referred to as the “Parties”

for the financing of the Programme “Schengen Cooperation and Combating Cross-border and Organised Crime, including Trafficking and Itinerant Criminal Groups”

hereinafter referred to as the “Programme”

Chapter 1

Scope, Legal Framework, and Definitions

Article 1.1

Scope

This programme agreement between the Norwegian Ministry of Foreign Affairs (hereinafter referred to as the NMFA) and the National Focal Point lays down the rights and obligations of the Parties regarding the implementation of the Programme and the financial contribution from the Norwegian Financial Mechanism 2009-2014 to the Programme.

Article 1.2

Legal Framework

1. This programme agreement shall be read in conjunction with the following documents which, together with this programme agreement, constitute the legal framework of the Norwegian Financial Mechanism 2009-2014:

- (a) the Agreement between the Kingdom of Norway and the European Union on the Norwegian Financial Mechanism 2009-2014 (hereinafter referred to as the Agreement);
- (b) the Regulation on the implementation of the Norwegian Financial Mechanism 2009-2014 (hereinafter referred to as the “Regulation”) issued by Norway in accordance with Article 8(8) of the Agreement;
- (c) the Memorandum of Understanding on the Implementation of the Norwegian Financial Mechanism 2009-2014 (hereinafter referred to as the “MoU”), entered into between the Kingdom of Norway and the Beneficiary State; and
- (d) any guidelines adopted by the NMFA in accordance with the Regulation.

2. In case of an inconsistency between this programme agreement and the Regulation, the Regulation shall prevail.

3. The legal framework is binding for the Parties. An act or omission by a Party to this programme agreement that is incompatible with the legal framework constitutes a breach of this programme agreement by that Party.

Article 1.3

Definitions

Terms used and institutions and documents referred to in this programme agreement shall be understood in accordance with the Regulation, in particular Article 1.5 thereof, and the legal framework

referred to in Article 1.2 of this programme agreement.

Article 1.4

Annexes and hierarchy of documents

1. The programme decision, including the financial plan (Annex I), and the operational rules (Annex II) form an integral part of this programme agreement. Any reference to this programme agreement includes a reference to its annexes unless otherwise stated or clear from the context.

2. The provisions of the annexes shall be interpreted in a manner consistent with this programme agreement. Should the meaning of any provision of the said annexes, so interpreted, remain inconsistent with this programme agreement, the provisions of the former shall prevail, provided that these provisions are compatible with the Regulation.

3. Commitments, statements and guarantees, explicit as well as implicit, made in the programme proposal are binding for the National Focal Point and the Programme Operator unless otherwise explicitly stipulated in the annexes to this programme agreement.

Chapter 2

The Programme

Article 2.1

Co-operation

1. The Parties shall take all appropriate and necessary measures to ensure fulfilment of the obligations and objectives arising out of this programme agreement.

2. The Parties agree to provide all information necessary for the good functioning of this programme agreement and to apply the highest degree of transparency, accountability and cost efficiency as well as the principles of good governance, sustainable development, gender equality and equal opportunities.

3. The Parties shall promptly inform each other of any circumstances that interfere or threaten to interfere with the successful implementation of the Programme.

4. In executing this programme agreement the Parties declare to counteract corrupt practices. Further, they declare not to accept, either directly or indirectly, any kind of offer, gift, payments or benefits which would or could be construed as illegal or corrupt practice. The Parties shall immediately inform each other of any indication of corruption or misuse of resources related to this programme agreement.

Article 2.2

Main responsibilities of the Parties

1. The National Focal Point is responsible and accountable for the overall management of the Norwegian Financial Mechanism 2009-2014 in the Beneficiary State and for the full and correct implementation of this programme agreement. In particular, the National Focal Point undertakes to:

- (a) comply with its obligations stipulated in the Regulation and this programme agreement;
- (b) ensure that the Certifying Authority, the Audit Authority, the Monitoring Committee and the Programme Operator properly perform the tasks assigned to them in the Regulation, this programme agreement and the programme implementation agreement;
- (c) take all necessary steps to ensure that the Programme Operator is fully committed and able to implement and manage the Programme;
- (d) take the necessary measures to remedy irregularities in the implementation of the Programme and ensure that the Programme Operator takes appropriate measures to remedy irregularities in Projects within the Programme, including measures to recover misspent funds;
- (e) make all the necessary and appropriate arrangements in order to strengthen or change the way the Programme is managed.

2. The NMFA shall, subject to the rules stipulated in the legal framework referred to in Article 1.2 of this Agreement, make available to the Beneficiary State a financial contribution (hereinafter referred to as “the programme grant”) to be used exclusively to finance the eligible cost of the Programme.

Article 2.3

Objective and outcomes of the Programme

1. The programme decision sets out the objective, outcome(s), outputs, indicators and targets for the Programme.
2. The National Focal Point shall ensure that the Programme Operator implements and completes the Programme in accordance with the objective, outcome(s), outputs, indicators and targets set for the Programme.

Article 2.4

Programme grant

1. The maximum amount of the programme grant, the programme grant rate, and the estimated

eligible cost of the Programme shall be as specified in the programme decision.

2. In case the Programme is also supported by the EEA Financial Mechanism, this programme agreement shall be interpreted in conjunction with the agreement regulating that support.

3. The financial plan shall:

- (a) contain a breakdown between the Programme’s budget headings using the description put forward in the template for the programme proposal;
- (b) indicate the agreed advance payment, if any.

4. The management cost of the Programme Operator shall not exceed the amount specified in the programme decision.

Article 2.5

Special conditions and programme specific rules

1. The programme decision shall list any conditions set by the NMFA with reference to paragraph 3 of Article 5.3 of the Regulation. The National Focal Point shall ensure compliance with these conditions and, in a timely manner, take the necessary steps to ensure their fulfilment.

2. The National Focal Point shall ensure compliance with any other programme specific rules laid down in the operational rules.

Article 2.6

Programme implementation agreement

1. With reference to Article 5.8 of the Regulation and without prejudice to paragraph 2 thereof, the National Focal Point shall, before any payment is made to the Programme, sign a programme implementation agreement with the Programme Operator. The National Focal Point shall notify the NMFA of such signing.

2. The signed programme implementation agreement shall be identical to the draft programme implementation agreement confirmed by the NMFA in accordance with paragraph 5 of Article 5.8 of the Regulation with regard to the content required according to paragraph 3 thereof. The National Focal Point shall inform the NMFA of any deviation from that confirmed draft which may be subject to a new confirmation according to paragraph 5 of Article 5.8 of the Regulation prior to any payment to the Programme.

Article 2.7

Reporting

The National Focal Point shall ensure that the Programme Operator provides financial reports,

annual programme reports and a final programme report in accordance with Chapter 8 and Articles 5.11 and 5.12 of the Regulation as well as statistical reporting in accordance with the Programme Operator's Manual (Annex 9 to the Regulation).

Article 2.8
External monitoring

The external monitoring and audit referred to in Articles 10.1, 10.2, 10.3 and 10.4 of the Regulation shall not in any way relieve the National Focal Point or the Programme Operator of its obligations under the programme agreement regarding monitoring of the Programme and/or its projects, financial control and audit.

Article 2.9
Modification of the Programme

1. Unless otherwise explicitly stipulated in this programme agreement, any modification of the Programme is subject to prior approval by the NMFA.
2. Modifications that do not affect the objective, outcomes, outputs, indicators or targets of the Programme are permitted without NMFA's prior approval provided that they are limited to the following:
 - (a) cumulative transfers between budget headings related to outcomes of an amount less than 10 % of total eligible expenditure of the Programme or € 1,000,000, whichever is higher, and
 - (b) changes of internal practices of the Programme Operator that are not stipulated in the programme agreement.
3. Programme specific exceptions from paragraphs 1 and 2, if any, are set in the operational rules.
4. Expenditures incurred in breach of this article are not eligible.
5. Should there be a doubt as to whether the proposed modifications require approval by the NMFA, the National Focal Point shall consult the NMFA before such modifications take effect.
6. Requests for modifications shall be submitted and assessed in accordance with Article 5.9 of the Regulation.

Article 2.10
Communication

1. All communication to the NMFA regarding to this programme agreement shall take place in English and be directed to the Financial Mechanism Office (hereinafter referred to as the FMO), which

represents the NMFA towards the National Focal Point and the Programme Operator in relation to the implementation of the Programme.

2. To the extent that original documents are not available in the English language, the documents shall be accompanied by full and accurate translations into English.
3. The National Focal Point shall bear the responsibility for the accuracy of the translation that it provides and the possible consequences that might arise from any inaccurate translations.
4. The NMFA shall ensure that the National Focal Point is informed about communication between the NMFA and the Programme Operator that is relevant for the responsibilities of the National Focal Point under this Agreement.

Article 2.11
Contact information

1. The contact information of the National Focal Point and the Programme Operator is as specified in the programme proposal.
2. The contact information for the NMFA and the Financial Mechanism Office are:
Financial Mechanism Office
Att: Director
EFTA Secretariat
Rue Joseph II, 12-16
1000 Brussels
Telephone: +32 (0)2 286 1701
Telefax (general): +32 (0)2 211 1889
E-mail: fmo@efta.int
3. Changes of or corrections to the contact information referred to in this article shall be given in writing without undue delay by the Parties to this programme agreement.

Article 2.12
Representations and Warranties

1. This programme agreement and the awarding of the programme grant is based on information provided by, through, or on behalf of the National Focal Point to the NMFA in the programme proposal or other communication prior to the signing of this programme agreement.
2. The National Focal Point represents and warrants that the information provided by, through, or on behalf of the National Focal Point in the programme proposal, in connection with the programme proposal, the implementation or conclusion of this programme agreement are authentic, accurate and complete.

Chapter 3 Projects

Article 3.1 Selection of projects

1. The National Focal Point shall ensure that the Programme Operator selects projects in accordance with Chapter 6 of the Regulation and the operational rules.
2. Eligibility of applicants is stipulated in Article 6.2 of the Regulation and, in accordance with paragraph 3 thereof, subject only to the limitations stipulated in the operational rules.
3. Pre-defined projects shall be outlined in the operational rules.
4. The National Focal Point shall take proactive steps to ensure that the Programme Operator complies fully with Article 6.6 of the Regulation.

Article 3.2 Project contract

1. For each approved project a project contract shall be concluded between the Programme Operator and the Project Promoter.
2. In cases where a project contract cannot, due to provisions in the national legislation, be made between the Programme Operator and the Project Promoter, the Beneficiary State may instead issue a legislative or administrative act of similar effect and content.
3. The content and form of the project contract shall comply with Article 6.7 of the Regulation.
4. The National Focal Point shall ensure that the obligations of the Project Promoter under the project contract are valid and enforceable under the applicable law of the Beneficiary State.

Article 3.3 Project partners and partnership agreements

1. A project may be implemented in a partnership between the Project Promoter and project partners as defined in paragraph 1(w) of Article 1.5 of the Regulation. If a project is implemented in such a partnership, the Project Promoter shall sign a partnership agreement with the project partners with the content and in the form stipulated in Article 6.8 of the Regulation.
2. The partnership agreement shall be in English if one of the parties to the agreement is an entity from Norway.
3. The eligibility of expenditures incurred by a project partner is subject to the same limitations as

would apply if the expenditures were incurred by the Project Promoter.

4. The creation and implementation of the relationship between the Project Promoter and the project partner shall comply with the applicable national and European Union law on public procurement as well as Article 7.16 of the Regulation.

5. The National Focal Point shall ensure that the Programme Operator verifies that the partnership agreement complies with this article before the signing of the project contract.

Article 3.4 Reallocation of funds

1. Reallocation of unused or cancelled financial contributions to projects shall be made in compliance with Article 6.9 of the Regulation.
2. Project grants not reallocated shall be reimbursed to the NMFA in accordance with Article 6.9 of the Regulation.

Chapter 4 Finance

Article 4.1 Eligible expenditures

1. Subject to Article 7.6 of the Regulation, eligible expenditures of this Programme are:
 - (a) management costs of the Programme Operator in accordance with the detailed budget in the financial plan;
 - (b) payments to projects within this Programme in accordance with the Regulation, this programme agreement and the project contract;
 - (c) expenditure of funds for bilateral relations in accordance with Article 7.7 of the Regulation;
2. Expenditure related to the categories referred to in subparagraphs (d), (e) and (f) of Article 7.1 of the Regulation are eligible in accordance with Chapter 7 thereof if such expenditures are explicitly approved by the NMFA in the programme decision. The implementation of the activities under these categories shall be in compliance with the operational rules.
3. Eligible expenditures of projects are those actually incurred by the Project Promoter or project partners, meet the criteria set in Article 7.2 of the Regulation and fall within the categories and fulfil the conditions of direct eligible expenditure set in Article 7.3 of the Regulation as well as indirect costs in accordance with Article 7.4 of the Regulation.

4. The first date of eligibility of expenditures in projects shall be set in the project contract in accordance with Article 7.14 of the Regulation. The first date of eligibility of any pre-defined projects shall be no earlier than the date on which the National Focal Point notifies the NMFA of a positive appraisal of the pre-defined projects by the Programme Operator in accordance with paragraph 3 Article 5.5 of the Regulation.

5. The maximum eligible costs of the categories referred to in paragraphs 1 and 2 are set in the programme decision. Programme specific rules on the eligibility of expenditure set in the programme decision or in the operational rules shall be complied with.

Article 4.2 **Proof of expenditure**

Costs incurred by Programme Operators, Project Promoters and project partners shall be supported by documentary evidence as required in Article 7.13 of the Regulation.

Article 4.3 **Payments**

1. Payments to the Programme shall be made when all relevant conditions for payments stipulated in this programme agreement and the Regulation have been fulfilled.

2. Payments to the Programme shall take the form of an advance payment, interim payments and payment of the final balance and shall be made in accordance with Articles 8.2, 8.3 and 8.4 of the Regulation.

3. Payments of the project grant to the Project Promoters may take the form of advance payments, interim payments and payments of the final balance. The level of advance payments and their off-set mechanism is set in the operational rules.

4. The National Focal Point shall ensure that payments are transferred in accordance with paragraph 2 of Article 8.1 of the Regulation.

5. Chapter 8 of the Regulation shall apply to all aspects related to payments, including currency exchange rules and handling of interests on bank accounts.

Article 4.4 **Transparency and availability of documents**

The National Focal Point shall ensure an audit trail for financial contributions from the Norwegian Financial Mechanism 2009-2014 to the Programme in accordance with Article 8.8 of the Regulation.

Article 4.5

Irregularities, suspension and reimbursements

The NMFA has the right to make use of the remedies provided in the Regulation, in particular Chapter 12 thereof. The National Focal Point has a duty to take all necessary measures to ensure that the provisions in Chapter 11 and 12 of the Regulation regarding irregularities, suspension of payments, financial corrections and reimbursement are complied with.

Chapter 5 **Final provisions**

Article 5.1 **Dispute settlement**

1. The Parties waive their rights to bring any dispute related to the programme agreement before any national or international court, and agree to settle such a dispute in an amicable manner.

2. If a demand for reimbursement to the NMFA is not complied with by the Beneficiary State, or a dispute related to a demand for reimbursement arises that cannot be solved in accordance with paragraph 1, the Parties may bring the dispute before Oslo Tingrett.

Article 5.2 **Termination**

1. The NMFA may, after consultation with the National Focal Point, terminate this programme agreement if:

- (a) a general suspension decision according to Article 12.6 of the Regulation or a decision to suspend payments according to paragraph 1(h) of Article 12.1 of the Regulation has not been lifted within 6 months of such a decision;
- (b) a suspension of payments according to Article 12.1 of the Regulation, other than under paragraph 1(h), has not been lifted within one year of such a decision;
- (c) a request for reimbursement according to Article 12.2 of the Regulation has not been complied with within one year from such a decision;
- (d) the Programme Operator becomes bankrupt, is deemed to be insolvent, or declares that it does not have the financial capacity to continue with the implementation of the Programme; or
- (e) the Programme Operator has, in the opinion of the NMFA, been engaged in corruption, fraud or similar activities or has not taken the appropriate measures to detect or prevent such

activities or, if they have occurred, nullify their effects.

2. This programme agreement can be terminated by mutual agreement between the Parties.

3. Termination does not affect the right of the Parties to make use of the dispute settlement mechanism referred to in Article 5.1 or the right of the NMFA to make use of the remedies provided in Chapter 12 of the Regulation.

**Article 5.3
Waiver of responsibility**

1. Any appraisal of the Programme undertaken before or after its approval by the NMFA, does not in any way diminish the responsibility of the National Focal Point and the Programme Operator to verify and confirm the correctness of the documents and information forming the basis of the programme agreement.

2. Nothing contained in the programme agreement shall be construed as imposing upon the NMFA or the FMO any responsibility of any kind for the supervision, execution, completion, or operation of the Programme or its projects.

3. The NMFA does not assume any risk or responsibility whatsoever for any damages, injuries, or other possible adverse effects caused by the Programme or its projects including, but not limited to inconsistencies in the planning of the Programme or its projects, other project(s) that might affect it or

that it might affect, or public discontent. It is the full and sole responsibility of the National Focal Point and the Programme Operator to satisfactorily address such issues.

4. Neither the National Focal Point, the Programme Operator, entities involved in the implementation of projects, nor any other party shall have recourse to the NMFA for further financial support or assistance to the Programme in whatsoever form over and above what has been provided for in the programme agreement.

5. Neither the European Free Trade Association, its Secretariat, including the FMO, its officials or employees, nor the NMFA, its officials or employees, can be held liable for any damages or injuries of whatever nature sustained by the National Focal Point or the Beneficiary State, the Programme Operator, Project Promoters or any other third person, in connection, be it direct or indirect, with this programme agreement.

**Article 5.4
Entry into force and duration**

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

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

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

For the NMFA

For the National Focal Point

Signed inon.....

Signed inon.....

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Anders Erdal
Deputy Director General, Ministry of Foreign Affairs

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Marcin Kubiak
Undersecretary of State, Ministry of Regional
Development

Annex I - Programme Decision

1. Indicators for Expected Outcomes & Outputs

Expected Outcome	Development and improvement of structures, systems and technical equipment in order to improve the implementation of the Schengen acquis
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Output	Indicator	Baseline	Target	Source of Verification
Law enforcement officers with increased knowledge of Schengen relevant laws and the use of Schengen relevant equipment.	Number of law enforcement officers trained in Schengen relevant laws and the use of Schengen relevant equipment.	0	230	Verification of the indicator will be made based on training certificates
Law enforcement officers with increased knowledge of foreign languages.	Number of law enforcement officers trained in foreign languages.	0	120	Verification of the indicator will be made based on training certificates

Expected Outcome	Improved capacity to prevent and combat cross-border and organised crime, including trafficking in beings and itinerant criminal groups.
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Output	Indicator	Baseline	Target	Source of Verification
Law enforcement officers with increased knowledge of methods on preventing, detecting and investigating cross border and organised crime.	Number of law enforcement services participating in projects improving the capacity to prevent, detect and investigate cross border and organised crime.	0	3	Project reports, monitoring of results of call for proposals
National and regional specialized structures established to counteract trafficking in human beings	Number of national or regional specialized structures established to counteract trafficking in human beings.	0	2	Verification of the indicator will be made based on reports of the project promoters and documents formally creating new structures

Expected Outcome	Improved cooperation between the authorities and relevant stakeholders, including non-governmental organisations in assisting victims of trafficking.			
Reference Annex 1, 2.1.7 and 2.1.8.				

2. Conditions

2.1 General

- 1) Bilateral, outcome and output indicators shall be reported on in the annual programme report.
- 2) The National Focal Point shall ensure that any public support under this Programme complies with the procedural and substantive state aid rules applicable at the time when the public support is granted. The National Focal Point shall, by way of the programme implementation agreement, ensure that the Programme Operator maintains written records of all assessments concerning compliance with state aid rules, particularly decisions to award grants and set grant rates, and provides such records to the NMFA upon request. The approval of the Programme by the NMFA does not imply a positive assessment of such compliance.
- 3) Detailed selection criteria, developed by the Programme Operator and adopted by the Selection Committee will be submitted to the FMO before the deadline referred to in Article 6.3.4 of the Regulation.
- 4) No later than 31 March of every year, the National Focal Point shall provide the NMFA with a statement of all co-financing provided by project promoters to their projects during the previous calendar year. The National Focal Point shall ensure that it obtains the necessary information in a timely manner from the Programme Operator by way of appropriate provisions in the programme implementation agreement.
- 5) The National Focal Point shall ensure that the Programme Operator ensures that any residual or extracted material from project activities is reused, recycled, treated and/or deposited in an environmentally sound manner.
- 6) The National Focal Point shall ensure that the Programme Operator ensures that Project Promoters who have, in line with this Agreement, received an exception from the general rule in Article 7.3.1(c) of the Regulation with respect to any equipment (the *excepted equipment*):
 - Keep the excepted equipment in their ownership for a period of at least five years following the completion of the project and continue to use that equipment for the benefit of the overall objectives of the project for the same period;
 - Keep the excepted equipment properly insured against losses such as fire, theft and other normally insurable incidents both during project implementation and for at least 5 years following the completion of the project; and
 - Set aside appropriate resources for the maintenance of the excepted equipment for at least 5 years following the completion of the project. The specific means for implementation of this obligation shall be specified in the project contract;

provided however that the Programme Operator may release any Project Promoter from the above obligations with respect to any specifically identified excepted equipment where the Programme Operator is satisfied that, having regard to all relevant circumstances, use of that equipment for the overall objectives of the project after the project completion would serve no economic purpose.

The National Focal Point shall furthermore ensure that the programme Operator keeps a list of the excepted equipment for each project.
- 7) The content, including *inter alia* indicators and the budget of pre-defined project No. 1 in Annex II, Section 6, shall be agreed between the Programme Operator and the Council of Europe and approved by the NMFA after the appraisal by the Programme Operator referred to in Article 5.5.3 of the Regulation. The NMFA will give its comments within 10 working days. No expenditure under the project is eligible until the approval of the NMFA.

- 8) The draft content, including *inter alia* indicators and the budget of pre-defined project No. 2 in Annex II, Section 6, shall be approved by the NMFA before the appraisal referred to in Article 5.5.3 of the Regulation. The NMFA will give its comments within 10 working days. The appraisal shall be conducted by experts external to the Programme Operator. Furthermore, the NMFA shall be informed about the planned conference under the project, both the timing and the agenda, as soon as it becomes known. The Programme Operator must make sure that the timing of the conference does not overlap with the planned trafficking conference to be financed under the bilateral fund at national level, which is to take place in 2013.
- 9) For the pre-defined projects, the Programme Operator's responsibilities regarding the verification of payment claims described in Article 4.7.1.c) of the Regulation and the Programme Operator's monitoring and control functions described in Article 4.7.1.e) and f) of the Regulation shall be externalized and be carried out by the Implementing Authority for European Programmes under the auspice of the Ministry of Administration and Digitalisation.

2.2 Pre-eligibility

Not Applicable

2.3 Pre-payment:

Not applicable.

2.4 Pre-completion

Not applicable.

2.5 Post-completion

Not applicable.

3. Eligibility of Costs

3.1 Eligibility period

Eligibility of costs (excluding prog. prep. costs): 12/02/2013 - 30/04/2017.

Eligibility of programme proposal preparation costs: 17/06/2011 - 11/02/2013.

3.2 Grant rate and co-financing:

Estimated total programme cost	€11,764,706
NFM contribution (% of total)	€10,000,000 (85%)
Estimated National Contribution (% of total) ¹	€1,764,706 (15%)
Programme total eligible expenditure	€10,193,456
Programme grant rate (%)	98,10 %
Maximum amount of programme grant	€10,000,000

¹ Including national contribution to the Programme and to Projects, based on Programme Proposal.

3.3 Programme eligible expenditure (€) and Advance payment amount (€):

Budget heading	Contribution from N FM	Contribution from Programme Operator	Total eligible expenditure	Advance payment (N FM contribution)
Programme Management	€858,686	€151,533	€1,010,219	€74,375
Improved capacity to prevent and combat cross-border and organized crime, including trafficking in human beings and itinerant criminal groups	€7,837,687		€7,837,687	-
Development and improvement of structures, systems and technical equipment in order to improve the implementation of the Schengen acquis	€719,286		€ 719,286	-
Improved cooperation between the authorities and relevant stakeholders, including non-governmental organisations, in assisting victims of trafficking	€346,778		€346,778	-
Fund for bilateral relations	€150,000	€26,471	€176,471	-
Preparation of programme proposal	€42,563	€7,511	€50 074	-
Reserve for exchange rate losses	€45,000	€7,941	€52,941	-
Total	€10,000,000	€193,456	€10,193,456	€74,375

3.4 Retention of management costs:

Retention of management costs - percentage of the grant amount	10%
Retention of management costs – planned euro value	€85,869

3.5 Small grant scheme:

No small grant scheme

Annex II – Operational rules

1. Eligibility

1.1 Eligible measures (sub-measures if any):

The Programme Operator is the Department for International Cooperation and European Funds, Ministry of Interior.

The Programme aims to strengthen the capacity of the Polish law enforcement agencies in combatting cross-border and organised crime, including trafficking in human beings.

The Programme will support the following types of activities:

- Training
- Organisation of conferences, study visits, seminars etc.
- Purchase of equipment
- Development of structures and systems

The Programme shall be implemented through a call for proposals and two pre-defined projects.

1.2 Eligible applicants:

Eligible applicants will be Polish public institutions, such as sub-institutions of the Ministry of the Interior and the Ministry of Finance (including the police, the border guards and the customs service); non-governmental organisations and international organisations involved in issues related to the prevention, investigation and prosecution of crime, public security or the counteracting of trafficking in human beings or assistance to victims of trafficking.

1.3 Special rules on eligibility of costs:

Costs are eligible in accordance with chapter 7 of the Regulation.

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

Indirect costs in Projects can be based on either actual indirect costs or a flat rate of up to 7% of total direct eligible costs in accordance with Article 7.4.1 (a) and 7.4.1(b) of the Regulation. The Programme Operator shall apply a methodology to confirm that the expenditure is based on a fair apportionment of the overall overheads of the Project Promoter.

In kind contributions are eligible for NGOs in accordance with the Regulation.

2. Financial parameters

2.1 Minimum and maximum grant amount per project:

The minimum amount of grant assistance applied for in the open call is €170,000; the maximum amount is €2,000,000.

The grant assistance applied for in the pre-defined project is referred to under Section 6.

2.2 Project grant rate:

In case of the pre-defined projects and projects selected under the open call, including NGO projects, grants from the programme will not exceed 85% of total eligible project costs. The remaining cost of the projects shall be provided or obtained by the Project Promoters.

3. Selection of projects

3.1 Selection procedures:

An already established selection procedure which has been used successfully during the implementation of the 2004-2009 Norwegian Financial Mechanism, the Schengen Fund, the European Refugee Fund, the External Borders Fund and the European Return Fund will be used for selection of projects under the Programme in line with the exception provided for in Article 6.5.8 of the Regulation.

The project selection procedure shall involve:

- the Programme Operator and its employees as assessment experts;
- the Inter-ministry Team as Project Selection Committee; and
- the National Focal Point as the second instance of appeal.

The Inter-ministry Team (hereinafter referred to as “the Team”) is composed of the following members:

- 1) chairman – secretary of state or undersecretary of state at the Ministry of Interior appointed by the Minister of Interior;
- 2) deputy chairman – secretary of state or undersecretary of state at the Ministry of Interior appointed by the Minister of Interior;
- 3) members:
 - a) secretary or undersecretary of state at the Ministry of Foreign Affairs,
 - b) secretary or undersecretary of state at the Ministry of Justice,
 - c) secretary or undersecretary of state at the Ministry of Labour and Social Policy
 - d) secretary or undersecretary of state at the Ministry of Finance, in matters related to the Norwegian Financial Mechanism as an observer, without the right to vote,
 - appointed by competent ministers,
 - e) undersecretary of state at the Ministry of Finance – Head of Customs Service,
 - f) Chief of the Internal Security Agency,
 - g) Chief of the Office for Foreigners,
 - h) Chief Commander of Border Guards,
 - i) Chief Commander of the National Police,
 - j) Director of the Implementing Authority for European Programmes,;
 - k) Director of the Budget Department at the Ministry of Interior,
 - l) Director of the Department of Migration Policy at the Ministry of Interior,
 - m) Director or Deputy Director of the Department for International Cooperation and European Funds at the Ministry of Interior;
- 4) secretary – appointed by the chairman – Director or Deputy Director of the Department for International Cooperation and European Funds at the Ministry of Interior.

The assessment of project proposals will be conducted by the experts of the Department for International Cooperation and European Funds (Programme Operator).

After the applicants have submitted their applications, the Programme Operator shall review the applications for compliance with administrative and eligibility criteria. If at this stage the Programme Operator detects any inconsistencies or obvious errors that can be remedied, the applicant shall be given through written procedure a short deadline to do so. Applicants whose applications are rejected at this stage have the right to appeal that decision to the Programme Operator. In case of a negative decision of the Programme Operator, that decision can be appealed further to the National Focal Point. In case of a positive decision by the Programme Operator or the National Focal Point the decision will be subject to an appraisal, otherwise the application goes no further.

Content-related verification of project proposals shall be conducted in evaluation teams consisting of two experts. Each expert delegated to take part in the verification is obliged to sign an impartiality statement in order to ensure no conflict of interest. The experts shall separately score the project according to the selection criteria published with the call for proposals. For the purposes of ranking the projects, the average of the scores awarded by the experts shall be used.

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

The results of the assessment are presented to the Project Selection Committee – the Team - in a form of a ranking list. The complete ranked list shall at the same time be presented to the NMFA in English. The Team makes the recommendation on the project proposals which are to be awarded a grant. Projects, which do not receive financing due to insufficient funds, but which have met all the necessary criteria are placed on a reserve list. The recommendation of the Team is final and is not subject to an appeal. The NMFA has an observer status in the meetings of the Team.

After the recommendation the Programme Operator publishes the results and signs agreements with the selected Project Promoters.

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

There shall be one call for proposals which shall be launched no later than in the third quarter of 2013 and make available at least €8,053,751. The call shall be open at least for 2 months.

In case there are funds uncommitted as a result of this call the Programme Operator may conduct a supplementary call or calls. The same rules provided above shall apply *mutatis mutandis* to that/those call/s.

3.3 Selection criteria:

The project proposals shall be evaluated with special attention drawn to the issues of compliance with outcomes and outputs of the Programme as well as a cost-benefit analysis, feasibility and risk assessment, administrative abilities of the applicant etc. The call will give priority to projects focusing measures other than infrastructure investments or equipment purchases. This will be reflected in the selection criteria and the open call text. A detailed list of selection criteria will be communicated to the applicants in a call for proposals by providing evaluation sheets used for the verification process. This list shall be submitted to the FMO before the deadline provided in Article 6.3.4 of the Regulation.

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

4.1 Payment flows

Payments towards projects are made on the basis of approved project interim/final reports.

For public entities the payment flows will be based on the Polish public finance law meaning that project promoters from the public sector will be pre-financed by state budgetary resources.

For other entities payment flows are in the form of advance payments, interim payments on the basis of already incurred expenditure, and a final payment to be paid after the approval of a final report.

4.2 Verification of payment claims

Interim payments to projects are made on the basis of approved project interim/final reports.

Verification and approval of project interim reports will be based on information on incurred expenditure, financial status and projects progress contained in the interim reports, and on additional information to be submitted together with the reports.

In case of verification of expenditure incurred by a donor project partner, a report by an independent and certified auditor, certifying that the claimed costs are incurred in accordance with the Regulation, the national law and accounting practices of the project partner's country, shall be seen as sufficient proof of costs incurred when requested. This rule only applies to donor project partners cf. Article 7.13.5 of the Regulation.

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

4.3 Monitoring and reporting

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

For all projects, on-the-spot monitoring will be performed at least once for each project during the implementation period. The monitoring shall take into account, among other things, the material and financial progress of a project, the time remaining to project completion, and the correctness of prepared reporting documentation. The result of the monitoring shall be recorded in a report.

On-the-spot monitoring can also be conducted on an ad-hoc basis when considered necessary.

Information on Reporting and Monitoring will further be outlined in the description of the Programme's management and control systems according to article 4.8.2 of the regulation.

5. Additional mechanisms within the programme

5.1 Funds for bilateral relations

The PO will set aside minimum 1, 5 % of the total programme budget to a Fund for bilateral relations.

Selection procedures and criteria awarding support from the fund will be further developed by the PO and be published together with the call. The selection criteria shall open up for funding to projects aiming at preventing trafficking in human beings and funding shall be available for NGOs. Investment projects shall not be favoured.

Sufficient funding from the fund for bilateral relations shall be set aside (during the Programme period) for activities that are initiated by the Programme Operator and contribute to the objective(s) of the Programme with the primary aim of strengthening cooperation between the Programme Operators and similar entities within Poland, other States benefitting from Norway Grants and the Donor States, and exchanging experiences and best practices related to the implementation of the Programme. Eligible activities shall include the participation of relevant stakeholders in events, seminars and / or activities organized by, for example, the Council of Europe, the European Union Agency for Fundamental Rights and others as agreed with the Donor. Eligible costs are defined in Article 7.7 of the Regulation.

5.2 Complementary action

Not applicable.

5.3 Reserve for exchange rate losses

Contracts between the Programme Operator and the Project Promoter will be defined in PLN.

The reserve for exchange rate losses will be used to cover the exchange rate losses of the PO only, resulting from the difference between the exchange rate used for the Programme budget planning and the exchange rates used for the actual expenditures (including the difference between the exchange

rate used for awarding grants to projects and the exchange rate used for the settlement of project grants).

5.4 Small Grant Schemes

Not applicable.

6. Pre-defined projects

Two pre-defined projects are implemented under the programme:

1. *Improving Poland's capacity to combat trafficking in human beings*

Project Promoter: Migration Policy Department, Ministry of Interior

Donor Project Partner: Council of Europe

Grant rate: 85%

NFM Grant amount: €425,000.

Total estimated project costs: €500,000.

Description: Follow-up of the recommendations made by the Council of Europe, especially in the Greta-evaluation of Poland. The content of the project as well as the budget shall be agreed between the parties and approved by the FMO.

Outcome: Improved capacity to prevent and combat cross-border and organized crime, including trafficking in human beings and itinerant criminal groups

2. *Improved national cooperation structure to combat trafficking in human beings*

Project Promoter: Migration Policy Department, Ministry of Interior

Donor Project Partner: Tbc.

Grant rate: 85%.

NFM Grant amount: €425,000.

Total estimated project costs: €500,000.

Description: The establishment of regional cooperation structures to combat trafficking in human beings (THB) and the organization of a conference with the IOM on counteracting THB in countries of the Eastern Partnership.

Outcome: Improved capacity to prevent and combat cross-border and organized crime, including trafficking in human beings and itinerant criminal groups

7. Modification of the Programme

Any modifications of the programme and the submission of the revised budget will follow the rules set forth in the Regulation and in Article 2.9 of the programme agreement.

8. Programme proposal version

Any reference to the programme proposal in this programme agreement shall be interpreted as a reference to the version signed by the Programme Operator and submitted to the FMO on 22 March 2012 and shall include all subsequent correspondence and communication between the Donors, the Financial Mechanism Office, the National Focal Point and the Programme Operator.

9. Miscellaneous

Not applicable.