PROGRAMME IMPLEMENTATION AGREEMENT

between

THE FINANCIAL MECHANISM OFFICE

European Free Trade Association

Rue Joseph II 12-16

B-1000 Brussels

Belgium

and

Batory Foundation

, Warszawa , Poland

hereinafter referred to as the “Fund Operator”

together hereinafter referred to as the “Parties”

on the

IMPLEMENTATION

of the

ACTIVE CITIZENS FUND IN Poland

hereinafter referred to as the “Programme”

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Chapter 1: General provisions

1.1 Scope

This Agreement between the Financial Mechanism Office (hereinafter referred to as the FMO) and the Fund Operator lays down the rights and obligations of the Parties regarding the implementation of the Programme.

1.2 Objectives of the EEA and Norwegian Financial Mechanism 2014-2021

The overall objectives of the EEA and Norwegian Financial Mechanisms 2014-2021 are to contribute to the reduction of economic and social disparities in the European Economic Area and to strengthen bilateral relations between the Donor States and the Beneficiary States.

1.3 Objective of the Programme Area "Civil Society"

The Active Citizens Fund is established under the Programme Area "Civil Society'. The objective of the Programme Area "Civil Society" is: "Civil society and active citizenship strengthened and vulnerable groups empowered".

1.4 Principles of implementation

1. The Programme shall be based on the common values of respect for human dignity, freedom, democracy, equality, the rule of law and respect for human rights, including the rights of persons belonging to minorities.

2. The Programme shall follow the principles of good governance; it shall be participatory and inclusive, accountable, transparent, responsive, effective and efficient. There shall be zero-tolerance towards corruption.

3. The Programme shall be consistent with sustainable development, long-term economic growth, social cohesion and environmental protection.

4. The Programme shall follow a results and risk management approach.

1.5 Legal framework

1. This Agreement shall be read in conjunction with the following documents which, together with this Agreement constitute the legal framework of the Programme.

a) Protocol 38c to the EEA Agreement on the EEA Financial Mechanism 2014-2021 and Agreement between the Kingdom of Norway and the European Union on the Norwegian Financial Mechanism for the period 2014-2021;

b) Memorandum of Understanding on the implementation of the EEA Financial Mechanism 2014-2021 (hereinafter referred to as the "MoU") and Memorandum of Understanding on the implementation of the Norwegian Financial Mechanism 2014-2021;

c) Manual for Fund Operators of the Active Citizens Fund.

1.6 Programme area specifics

1. At least a third of the re-granting amount (as specified in Annex I to this Agreement) shall be allocated to democracy and human rights relevant projects.

2. The Programme shall include youth inclusion.

3. Protection of the environment and climate change shall only be supported as part of measures to promote civic participation, advocacy, social innovation and active citizenship.

4. Provision of welfare and basic services shall only be supported as part of wider actions addressing awareness-raising, advocacy, empowerment and reform initiatives

5. At least 15% of the re-granting amount shall contribute to capacity development and sustainability of civil society, including non-governmental organisations (NGOs).

1.7 Status and hierarchy of documents

1. The Annexes to this Agreement form an integral part of the Agreement. Any reference to this 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 Agreement. Should the meaning of any provision of the said Annexes, so interpreted, remain inconsistent with this Agreement, the provisions of the Annexes shall

prevail, provided that these provisions are compatible with the Manual for Fund Operators of the Active Citizens Fund.

1.8 Definitions

Terms used and institutions and documents referred to in this agreement shall be understood in accordance with the legal framework referred to in Article 1.5 of this Agreement, and in particular the Manual for Fund Operators of the Active Citizens Fund referred to therein.

1.9 Co-operation

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

2. The Parties agree to provide all information necessary for the good functioning of the Agreement and to apply the highest degree of transparency and accountability.

3. All communication between the Parties shall be in English.

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

1.10 Budget

The total budget of the Programme, including the management fee described in Article 1.11, is specified in Annex I to this Agreement.

1.11 Management fee

1. The FMO shall provide a management fee to the Fund Operator's account specified in Annex I to cover its costs for implementing the Programme. The Fund Operator and its Partner(s) (where applicable) in their partnership agreement shall decide the share of the Partners in the management fee.

2. Notwithstanding paragraph 1, the share of one partner shall not exceed 70% of the management fee.

3. All responsibilities of the Fund Operator listed under paragraph 1 of Article 2.1 shall be covered by the management fee.

1.12 Account for funds for regranting

1. The FMO shall establish, at a bank of its choice, an account in its name dedicated to the funds intended for regranting (the ***regranting account***). The signatories of this account shall comprise the FMO Director and/or such other FMO official(s) as the FMO Director may designate, together with up to 3 officials of the Fund Operator, to be nominated by the Fund Operator with the approval of the FMO. The FMO may at any time transfer the regranting account to a different bank and all provisions hereof shall continue to apply with respect to the new regranting account.

2. Without prejudice to the responsibility of the Fund Operator for due performance of its obligations under Article 2.1.1(r), withdrawals from the regranting account may be made only with the participation of two of the signatories referred to above and only via bank transfer to the account of a project promoter pursuant to a project contract. Until transferred, the funds on the regranting account shall be the exclusive property of the FMO. Any interest earned on the regranting account shall also belong to the FMO. Unspent funds refunded by project promoters and recoveries as a consequence of irregularities, shall be credited to the regranting account. No other moneys may be mixed with the funds intended for regranting held on the regranting account.

1.13 Operational period

The Programme shall operate from the last signature of this Agreement until 31 December 2024. Changes to this operational period can be agreed upon between the Parties, and shall be reflected in Annex I to this Agreement.

Chapter 2: Main responsibilities of the Parties

2.1 Main responsibilities of the Fund Operator

1. The Fund Operator is responsible for the development and implementation of the Programme. This includes:

a) the preparation of the Programme;

b) the setting up of appropriate management and control systems. A detailed description of the management and control systems, accompanied with an audit report and opinion shall be submitted to the FMO within three months from the last signature of this Agreement;

c) the implementation of proportionate requirements in management, reporting and control;

d) ensuring that projects contribute to the overall objectives of the EEA and Norwegian Financial Mechanisms 2014-2021 and the specific Programme outcomes and objective;

e) ensuring that the Programme implementation is in line with Article 1.4 of this Agreement;

f) the organisation of open call(s) for proposals that take into account the needs of the sector in the Beneficiary State and propose procedures and support which will cater for different needs within the sector;

g) the development of tools and procedures for the project application and selection phase;

h) the setting up of a group of impartial experts to evaluate the applications and Selection Committee(s) that shall recommend the projects to be funded within the Programme;

i) the notification of approval / rejection decisions to applicants;

j) the conclusion of project contracts with project promoters;

k) ensuring adequate technical assistance, outreach, mentoring and coaching to civil society organisations, to support project preparation and implementation;

l) preparing and submitting reports to the FMO on the implementation of the Programme and ensuring reporting from project promoters;

m) conducting regular monitoring based on risk assessment and random samples;

n) conducting audits and on-the-spot verifications of projects;

o) establishing a Complaints Committee in line with Article 10.5;

p) establishing measures to prevent, detect and nullify suspected or actual cases of irregularities;

q) implementing information and communication activities in accordance with Chapter 3 of this Agreement;

r) the transfer of funds from the regranting account to project promoters and the verifiable management of the funds, including financial accounting, verification of financial reports and documents, and payment requests;

s) ensuring financial flows and fund transfers that ensure adequate risk management and financial control;

t) the collection and review of project implementation and completion reports;

u) the archiving of all documents relevant to the implementation of the Programme;

v) facilitating and encouraging bilateral exchanges at programme and project level which will be mutually beneficial and contribute to the objective of the Programme, including defining administrative procedures and managing the funds in a way that will facilitate such exchanges;

w) the implementation of regional civil society initiatives in line with the objectives stated under Article 5.2;

x) informing the FMO within 5 working days of any change in the key personnel of the Fund Operator and the Partners and providing the FMO upon request with any relevant information concerning the new key personnel. For this purpose "key personnel" shall include without limitation all staff of the Fund Operator authorised pursuant to Article 1.12 to withdraw funds from the regranting account.

2.2 Main responsibilities of the FMO

1. The FMO shall pay the management fee to the Fund Operator's account in instalments as follows:

a) Unless otherwise agreed and specified in Annex I to this Agreement, an advance payment of 10% of the management fee fourteen days after the last signature of this Agreement;

b) In accordance with the interim financial reports referred to in Article 8.2, at the payment days referred to in Article 8.2.3, unless the report has not been approved;

c) 15% of the management fee referred to in paragraph 1 of Article 1.11 shall be retained until the FMO has approved the final programme report submitted by the Fund Operator to the FMO. The FMO shall transfer the retained amount to the Fund Operator in accordance with Article 8.6.6;

d) Notwithstanding Article 8.6.6, the transfer of the retained amount to the Fund Operator shall automatically be postponed, but not beyond 31 December 2025, if:

i. a dispute arises between the Fund Operator and the FMO; the amount referred to in subparagraph (c) shall be retained until such a dispute has been settled;

ii. the calculation of the final balance shows that the Fund Operator owes funds to the FMO; the amount referred to in subparagraph (c) shall be retained until such funds have been reimbursed to the FMO, or

iii. the approval of the final programme report is dependent upon such a postponement, for example due to unresolved irregularity in a project.

e) If the amount potentially owed to the FMO is lower than the retention amount, the latter may be reduced.

2. The FMO shall transfer all other funds besides the management fee to the regranting account:

a) In accordance with interim financial reports referred to in Article 8.2, unless the report has not been approved.

b) In exceptional and duly justified cases in the form of an advance payment, if funds are needed before the first payment date for interim payments.

3. Prior to disbursing any payment to the regranting account, including advance payments referred in paragraph 2 b) above, the FMO shall determine whether the management and control system description has been submitted in accordance with Article 2.1. b)

4. The FMO shall determine whether the management and control system description submitted in accordance with Article 2.1 b) meets the requirements described in Chapter 6 of the Manual for Fund Operators of the Active Citizens Fund.

Chapter 3: Information and communication

3.1. General provision

The Fund Operator shall comply with the information and communication requirements in Chapter 3 of the Manual for Fund Operators of the Active Citizens Fund.

3.2 Responsibilities of the Fund Operator

1. The Fund Operator shall provide information on the Programme to the general public of the Beneficiary State, potential beneficiaries and the civil society sector on the existence, the objectives, the implementation and achievement of the Programme.

2. The Fund Operator shall as a minimum:

a) draw up and implement a communication plan for the Programme;

b) organise at least two major information activities on progress in the Programme and its projects;

c) establish a stand-alone website of the Programme in the language(s) of the Beneficiary State and in English.

3. The Fund Operator shall ensure that the project promoters and their partners fulfil their information and communication obligations in accordance with this Agreement and the information and communication requirements in Chapter 3 of the Manual for Fund Operators of the Active Citizens Fund.

Chapter 4: Eligibility of expenditures

4.1 General principles on the eligibility of costs in projects

1. The principles set forth in this Article shall apply *mutatis mutandis* to all eligible expenditures unless otherwise stated in this Agreement.

2. Eligible expenditures of projects are those actually incurred by the project promoter or the project partner, which meet the following criteria:

a) they are incurred between the first and final dates of eligibility of a project as specified in the project contract;

b) they are connected with the subject of the project contract and they are indicated in the detailed budget of the project;

c) they are proportionate and necessary for the implementation of the project;

d) they are used for the sole purpose of achieving the objective of the project and its expected outcome(s), in a manner consistent with the principles of economy, efficiency and effectiveness;

e) they are identifiable and verifiable, in particular through being recorded in the accounting records of the project promoter and determined according to the applicable accounting standards and generally accepted accounting principles; and

f) they comply with the requirements of applicable tax and social legislation.

3. Expenditures are considered to have been incurred when the cost has been invoiced, paid and the subject matter delivered (in case of goods) or performed (in case of services and works). Exceptionally, costs in respect of which an invoice has been issued in the final month of eligibility are also deemed to be incurred within the dates of eligibility if the costs are paid within 30 days of the final date of eligibility. Overheads and depreciation of equipment are considered to have been incurred when they are recorded on the accounts of the project promoter and/or project partner.

4. The project promoter's internal accounting and auditing procedures must permit direct reconciliation of the expenditures and revenue declared in respect of the project with the corresponding accounting statements and supporting documents.

4.2 Direct expenditures

1. The eligible direct expenditures for a project are those expenditures which are identified by the project promoter and/or the project partner, in accordance with their accounting principles and usual internal rules, as specific expenditures directly linked to the implementation of the project and which can therefore be booked to it directly. The following direct expenditures are eligible provided that they satisfy the criteria set out in Article 4.1:

a) the cost of personnel assigned to the project, comprising actual remuneration including social security charges and other statutory costs as applicable, provided that this corresponds to the project promoter's and project partner's usual policy on remuneration;

b) travel and subsistence allowances for personnel and volunteers taking part in the project, provided that they are in line with the project promoter's and project partner's usual practices on travel costs;

c) cost of new or second hand equipment provided that it is depreciated in accordance with generally accepted accounting principles applicable to the project promoter and generally accepted for items of the same kind. Only the portion of the depreciation corresponding to the duration of the project and the rate of actual use for the purposes of the project may be taken into account by the Fund Operator. In case the Fund Operator determines that the equipment is an integral and necessary component for achieving the outcomes of the project, the entire purchase price of that equipment may be eligible;

d) costs of consumables and supplies, provided that they are identifiable and assigned to the project;

e) costs entailed by other contracts awarded by a project promoter for the purposes of carrying out the project, provided that the awarding complies with the applicable rules on public procurement; and

f) costs arising directly from requirements imposed by the project contract for each project.

2. Costs related to reconstruction, renovation, or refurbishment of a real estate shall not exceed 50% of the eligible direct cost of the project.

3. Where the entire purchase price of equipment is eligible in accordance with point (c) of paragraph 1, the Fund Operator shall ensure that the project promoter:

a) keeps the equipment in its ownership for a period of at least five years following the completion of the project and continues to use the equipment for the benefit of the overall objectives of the project for the same period;

b) keeps the equipment properly insured against losses such as fire, theft or other normally insurable incidents both during project implementation and for at least five years following the completion of the project; and

c) sets aside appropriate resources for the maintenance of the equipment for at least five years following the completion of the project.

The specific means for the implementation of this obligation shall be specified in the project contract. The Fund Operator may release any project promoter from the above obligations with respect to any specifically identified equipment where the Fund Operator is satisfied that, having regard to all relevant circumstances, continued use of that equipment for the overall objectives of the project would serve no useful economic purpose.

4. The provisions in this Article shall apply *mutatis mutandis* to all eligible expenditures unless otherwise stated in this Agreement.

4.3 Indirect costs

1. Indirect costs are all eligible costs that cannot be identified by the project promoter and/or the project partner as being directly attributed to the project but which can be identified and justified by its accounting system as being incurred in direct relationship with the eligible direct costs attributed to the project. They may not include any eligible direct costs. Indirect costs of the project shall represent a fair apportionment of the overall overheads of the project promoter or the project partner. Project promoters and project partners may apply a flat rate of up to 15% of direct eligible personnel costs (Article 4.2.1 a) to cover these costs.

2. In case of project promoters or project partners that are international organisations, or bodies or agencies thereof, indirect costs may, in line with specific provisions in Annex II to this Agreement, be identified in accordance with the relevant rules established by such organisations.

4.4 Excluded costs

1. The following costs shall not be considered eligible:

a) interest on debt, debt service charges and late payment charges;

b) charges for financial transactions and other purely financial costs, except costs related to accounts and financial services imposed by the project contract;

c) costs related to purchase of land or real estate;

d) provisions for losses or potential future liabilities;

e) exchange losses;

f) recoverable VAT;

g) costs that are covered by other sources;

h) fines, penalties and costs of litigation, except where litigation is an integral and necessary component for achieving the outcomes of the project; and

i) excessive or reckless expenditure.

2. The provisions in this Article shall apply *mutatis mutandis* to all eligible expenditure unless otherwise stated in this Agreement.

4.5 Project grant rate and co-financing

1. The Programme can provide up to 90% of the eligible expenditure of the NGO project unless otherwise specified in Annex II. The co-financing shall be provided in the form of cash or in-kind contribution in the form of voluntary work. The in-kind contribution may constitute up to 50% of the co-financing unless otherwise specified in Annex 2.

2. Notwithstanding paragraph 1, the Programme can provide up to 100% of the eligible expenditure of the pre-defined project specified in paragraph 2 of Article 6.9.

2. The in-kind contribution referred to in paragraph 1 may be provided only by the project promoter and/or any NGO acting as project partner(s). For the calculation of the in-kind contribution, the price for each [hour, half a day, day] of voluntary work shall be specified in Annex II. The Parties to this Agreement may agree to adjust these prices during the implementation of the Programme in order to take into account changes in salaries.

3. The maximum project grant rate shall be calculated as a percentage of the total eligible expenditure of the projects. When setting the project grant rate, the Fund Operator shall take into account any economic benefit, e.g. cost savings or increased profit, which is a result from receiving a financial contribution. Economic benefits shall be used in a manner which supports the long-term objectives of the projects.

4.6 First and final dates of eligibility

Costs within projects may be eligible from the date on which the grant is awarded or at a later date set in the project contract. The project contract shall set the final date of eligibility of costs which shall be no later than 30 April 2024. Costs incurred after that date are not eligible.

Chapter 5: Fund for bilateral relations and regional civil society initiatives

5.1 Fund for bilateral relations

1. The Fund Operator shall allocate funds to support bilateral cooperation activities that strengthen bilateral relations between civil society organisations and other entities in the Donor States and in the Beneficiary States, and contribute to the objective of the Programme.

2. The following categories of expenditure are eligible for the fund referred to in paragraph 1 provided that they are in line with Articles 4.1-4.4:

a) activities aiming at strengthening bilateral relations between civil society organisations and other entities in the Donor States;

b) the search for partners for donor partnership projects prior to or during the preparation of a project application, the development of such partnerships and the preparation of an application for donor partnership project;

c) networking, exchange, sharing and transfer of knowledge, technology, experience and best practice between civil society organisations and other entities in the Beneficiary States and in the Donor States and/or international organisations;

d) activities aiming at strengthening cooperation and exchanging experience and best practice between the Fund Operators and similar entities within the Beneficiary States and the Donor States as well as international organisations, provided at least one entity within the Donor States is involved in the activity.

3. The applicable rules on state aid and public procurement shall be complied with.

4. Costs and detailed activities supported by the fund for bilateral relations shall be further specified in Annex I and II to this Agreement.

5. A plan on the use of the fund for bilateral relations shall be submitted to the FMO no later than 12 months following the last signature of this Agreement.

5.2 Funds for regional civil society initiatives

1. The Fund Operator shall allocate funds to implement regional civil society initiatives.

2. Regional civil society initiatives consist of activities that are initiated and jointly planned as follows:

a) by at least two Fund Operators of Active Citizens Funds; or

b) by the Fund Operator together with another EEA and/or Norwegian Financial Mechanisms Programme Operator in the Beneficiary State; or

c) on the initiative of the FMO or the Donors,

with the aim of:

d) contributing to the Programme objective; and

e) promoting regional exchange and networking across civil society, with a view to strengthening the civil society sector across the Beneficiary States, sharing knowledge, promoting mutual learning, and adopting and using of knowledge and best practice across civil society.

3. Costs and detailed activities supported by the fund for regional civil society initiatives shall be further specified in Annex I and Annex II to this Agreement.

4. A plan on the use of the fund for regional civil society initiatives shall be submitted to the FMO no later than 12 months following the last signature of this Agreement.

5.3 Final date of eligibility

The final date of eligibility of expenditures under the fund for bilateral relations and regional civil society initiatives shall be no later than the end of the operational period as defined in Article 1.13.

Chapter 6: Selection of projects and contracting

6.1 Eligible applicants and partners

1. Eligible applicants are NGOs that are established in the Beneficiary State and fall within the following definition: "A non-profit voluntary organisation established as a legal entity, having a non-commercial purpose, independent of local, regional and central government, public entities, political parties and commercial organisations. Religious institutions and political parties are not considered NGOs." Eligible applicants shall abide by the principles of democratic values and human rights.

2. The Fund Operator shall, for the purpose of interpreting the definition in paragraph 1, take into account the interpretation contained in section 7.1 of the Manual for Fund Operators of the Active Citizens Fund. In cases of doubt, the Fund Operator shall consult with the FMO.

3. Unless otherwise explicitly stipulated in Annex II, any public or private entity, commercial or non-commercial, as well as non-governmental organisations established as a legal person either in the Donor States, Beneficiary States or a country outside the European Economic Area that has a common border with the Beneficiary State, or any international organisation or body or agency thereof, actively involved in, and effectively contributing to, the implementation of a project is considered an eligible project partner. The project partner shall share with the project promoter a common economic or social goal which is to be realised through the implementation of the project.

4., Informal groups as defined in the Manual for Fund Operators of the Active Citizens Fund, which are legal residents in the Beneficiary State are considered eligible project partners, unless otherwise explicitly stipulated in Annex II.

6.2 Open calls

1. Calls for proposals shall as a minimum, comply with the following:

a) they shall be widely publicised with a view to reach a maximum number of potential applicants;
b) they shall clearly explain and distinguish between administrative criteria, eligibility criteria and evaluation criteria;
c) they shall include a clear and reasonable deadline, which shall be at least two months from the date of the publication of the announcement, and an address for submission;
d) they shall clearly specify the eligible applicants and partners and any restrictions, limitations or exclusions that they may be subject to;
e) they shall contain detailed evaluation criteria as well as a scoring chart;
f) they shall clearly state the total amount available through the call, as well as the minimum and maximum amount of project grant;
g) they shall include the programme's results framework and explicitly state which outputs and outcomes the projects are to deliver;
h) they shall clearly address what kind of activities are eligible;
i) they shall provide a clear and detailed description of eligible expenditures in line with this Agreement, in particular Articles 4.1 through 4.4;
j) they shall provide a description of the selection process and the decision-making structure;
k) they shall provide a clear reference or a link to the application form and Guide for Applicants;
l) they shall contain provisions on the payment model;
m) they shall clearly state the co-financing requirements;
n) they shall provide clear references to further information and documentation prepared by the Fund Operator that are relevant to the call; and
o) they shall provide contact information for queries and the timeframe for answering such queries.

2. The calls shall be published on the website of the Fund Operator in the national language(s) and in English.

3. The FMO and the National Focal Point shall be informed of all calls for proposals at least two weeks in advance of their announcement, and, at the same time, be provided with an English translation of the text of each call.

4. The Fund Operator shall develop a simple and user-friendly application form, complemented by a short Guide for Applicants on how to make a

successful application and what type of information should be included in each section of the application form. The application form and the Guide for Applicants shall be available no later than on the date of announcement of the call for proposals.

6.3 Selection Committee

1. The Fund Operator shall establish at least one Selection Committee. The role of the Selection Committee is to recommend to the Fund Operator which projects should be funded. The Selection Committee shall consist of at least three persons with the relevant sector expertise and experience of working on or with civil society. At least one of them shall be external to the Fund Operator [and its Partner(s)].

2. The FMO, the National Focal Point and the Royal Norwegian Embassy shall be invited to participate in the meetings of the Selection Committee as observers.

3. The Selection Committee shall keep minutes of its meetings. The Fund Operator shall provide the FMO with a copy of the minutes in English no later than two weeks after each meeting. A template for the minutes will be provided by the FMO.

4. The Selection Committee shall operate in an open, transparent and accountable manner, and its composition must ensure that due attention is paid to possible areas of conflict of interest.

6.4 Selection procedures

1. The Fund Operator shall review the project applications for compliance with administrative and eligibility criteria. Applicants whose applications are rejected at this stage shall be informed of the reasons for the rejection, and given a reasonable time to appeal that decision.

2. Each project application that meets the administrative and eligibility criteria shall be scored by two impartial experts appointed by the Fund Operator. At least one expert shall be independent of the Fund Operator. Costs related to experts shall be covered from the management fee referred to in Article 1.11.

3. The experts shall separately and independently score the project application according to the evaluation criteria published with the call for proposals. The experts shall justify in writing the scores for each criterion they evaluate. For the purposes of ranking the project applications, the average of the scores awarded by the experts shall be used.

4. If the difference between the scores given by the two experts is more than 30% of the higher score, the project application shall be scored by a third expert. This expert shall be commissioned by, and be independent of, the Fund Operator. In such cases the average score of the two closest scores shall be used for the ranking of the project applications.

This paragraph shall not apply in cases where the score given by the third expert would not, in any way, result in the support of the project.

5. The Fund Operator shall provide the Selection Committee with a list of project applications ranked in accordance with paragraphs 3 and 4 without making any changes to the ranking or the scoring awarded by the experts. It shall at the same time provide the FMO with the ranked list in English upon request. The Selection Committee shall review the ranked list of project applications. It may modify the ranking of the project applications in justified cases based on transparent criteria. The justification for the modifications shall be detailed in the minutes of the meeting of the Selection Committee. The Selection Committee shall submit the list of recommended projects to the Fund Operator.

6. The Fund Operator shall verify that the selection process has been conducted in accordance with this Agreement and that the recommendations from the Selection Committee comply with the rules and objectives of the Programme. Following such verification the Fund Operator shall, based on the recommendation of the Selection Committee, make a decision on which projects shall be supported. The Fund Operator may modify the decision of the Selection Committee in justified cases. If such a modification results in a rejection of a project that would otherwise have been approved, the applicant in question and the FMO shall be informed in writing about the justification for the modification.

7. The decisions shall be documented, in particular if the decision does not fully reflect the recommendations of the Selection Committee. The Fund Operator shall notify the applicants about the results of the selection process within a reasonable time. Unsuccessful applicants shall be informed as to the reasons why their application was not selected.

8. Without prejudice to the importance of other obligations of the Fund Operator, a non-compliance with this Article constitutes a serious breach of this Agreement.

6.5 Conflict of interest in the selection process

1. Conflict of interest is deemed to be present when a person involved in the selection process (e.g. independent experts, members of the Selection Committee, members of the Board, staff involved in reviewing compliance with administrative and eligibility criteria, or decision-makers for the Fund Operator) has direct or indirect interests that are or appear to be incompatible with the impartial exercise of the functions related to the selection process. Such interests may be related to economic interests, political or national affinities, family or

emotional ties, any other relevant connection or shared interests with the applicant or its partner, or any other interests liable to influence the impartial and objective performance of the person involved in the selection of projects.

2. The Fund Operator shall take every reasonable measure to prevent a conflict of interest from occurring. This includes ensuring that any person involved in the selection process (e.g. independent experts, members of Selection Committees, members of the Board, staff involved in reviewing compliance with administrative and eligibility criteria, or decision-makers for the Fund Operator) signs a declaration of no conflict of interest and declares that if s/he later becomes aware of a risk of conflict of interest s/he will notify the Fund Operator immediately. If a conflict of interest arises, the Fund Operator shall, in consultation with the FMO, take all the necessary measures to prevent that such a situation affects the integrity of the selection process.

6.6 Project contract

1. For each approved project a project contract shall be concluded between the Fund Operator and the project promoter.

2. The project contract sets out the terms and conditions of grant assistance as well as the roles and responsibilities of the parties. It shall include provisions that ensure that the project promoter takes on any obligations that are necessary for the Fund Operator to comply with its obligations under this Agreement. The project contract shall contain, as a minimum, provisions on the following:

a) obligations regarding reporting that enable the Fund Operator to comply with its reporting obligations to the FMO and the National Focal Point;
b) the maximum amount of the project grant in euro and the maximum project grant rate;
c) the list of eligible expenditures;
d) the first and final dates of eligibility of expenditures;
e) requirements for the submission of proof of expenditure according to Article 9.2;
f) provision on modifications of the project;
g) provisions that ensure timely access for the purposes of monitoring, audits and evaluations;
h) provisions that ensure that obligations regarding information and communication as described in Chapter 3 are complied with;
i) the right of the Fund Operator to suspend payments and request reimbursement from the project promoter in case decision on such actions is taken by the FMO and/or the Fund Operator;
j) resolution of disputes and jurisdiction;
k) waiver of responsibility referred to in Article 15.2;
l) a detailed budget;
m) provisions on equipment for which the entire purchase price is eligible, in compliance with Article 4.2.3;
n) provisions giving effect to Article 15.5.5(c) in case of termination of this Agreement;
o) a reference to partnership agreements or letters of intent, if relevant; and
p) provisions that ensure that obligations regarding record keeping as described in Article 12.7 are complied with .

3. The obligations of the project promoter under the project contract shall be valid and enforceable under the applicable national law of the Beneficiary State.

4. The Fund Operator may request the FMO to provide guidance on whether the project contract template complies with the minimum standards set in paragraph 2 of this Article. The Fund Operator is responsible for the project contract.

6.7 Partnership agreement

1. A project may be implemented in partnership with project partners as defined in paragraphs 3 and 4 of Article 6.1. If a project is implemented in such a partnership, the project promoter shall sign a partnership agreement with each of the project partners.

2. The partnership agreement shall contain the following:

a) provisions on the roles and responsibilities of the parties;
b) provisions on the financial arrangements between the parties including, but not limited to, the expenditure for which project partners can be reimbursed from the project budget;
c) currency exchange rules for such expenditure and reimbursement;
d) provisions on indirect costs and their maximum percentage;
e) requirements for the submission of proof of expenditure according to Article 9.2.
f) provisions on audits of the project;
g) a detailed budget; and
h) provisions on dispute resolution.

4. The partnership agreement shall be in English if one of the parties to the agreement is an entity from the Donor States or an international organisation or body or agency thereof.

5. 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.

6. 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 Chapter 7 of this Agreement.

7. The draft partnership agreement shall be submitted to the Fund Operator before the signing of the project contract. The Fund Operator shall verify that the partnership agreement complies with this Article.

6.8 Reallocation of funds

1. Project grants that have not been fully utilized, project grants that have been cancelled due to irregularities or for other reasons, and funds uncommitted upon closure of calls for proposals, may be reallocated to future calls for proposals; to projects placed on a reserve list as a result of a previous selection process; or to additional activities of already-approved projects, provided that these additional activities contribute to the project objectives.

2. Reallocation of savings and uncommitted funds for other purposes than those described in paragraph 1 shall be consulted with the FMO.

3. Any decision of the Fund Operator to reallocate funds referred to in paragraph 1 to additional activities of already approved projects shall be based on recommendations by the Selection Committee. The Selection Committee shall base its recommendations on transparent and objective criteria. By applying these criteria, the Selection Committee shall ensure equal treatment of all project promoters.

4. The criteria shall be made available on the website of the Fund Operator no later than one month prior to any decision to reallocate funds according to paragraph 3.

5. Project promoters shall be informed in writing without delay when such criteria have been published on the website.

6.9 Pre-defined projects

1. The Fund Operator may propose pre-defined projects to be implemented within the Programme subject to approval of the FMO.

2. In exceptional and duly justified cases the FMO may propose pre-defined projects to be implemented by the Fund Operator.

2. The pre-defined project(s) shall be described in Annex II to this Agreement.

6.10 Organisational grants

1. Subject to approval of the FMO, organisational grants may be used to contribute to the achievement of specific outcomes of the Programme, by way of supporting ongoing and future activities of CSOs on the basis of a multiannual organisational work plan and/or strategy.

2. An organisational grant provided in line with this Article is considered as a project within the legal framework of the Active Citizens Fund and the relevant rules shall apply, unless otherwise specified in the Programme Implementation Agreement. All specific requirements and relevant modalities describing the implementation of organisational grants shall be specified in the Annexes to this Agreement.

3. The allocation to organisational grants shall not be more than EUR 500,000, or 10% of the re-granting amount of the Programme, whichever is higher.

Chapter 7: Public procurement

1. National and European Union law on public procurement shall be complied with at any level in the implementation of the Programme and its projects.

2. Notwithstanding provisions of national law that exempt NGOs from public procurement, any procurement procedures related to amounts above the European Union thresholds for procurement shall be undertaken in accordance with the applicable laws on procurement without regard for such an exemption.

3. In cases where contracts concluded as part of the implementation of the Programme fall below the national or European Union thresholds set for public procurement or outside the scope of the applicable public procurement laws, the awarding of such contracts (including the procedures prior to the awarding) and the terms and conditions of such contracts shall comply with best economic practices, including accountability, allow fair competition between potential providers, for example by way of effective price comparison, and ensure the optimal use of resources from the EEA and Norwegian Financial Mechanisms 2014-2021. To this end, and in the absence of stricter national laws, in cases of purchases related to an amount of EUR 5,000 or higher but below the relevant European Union thresholds, the project promoter shall invite at least three suppliers/service providers to submit offers.

4. The highest ethical standards shall be observed during the procurement and execution of contracts. The Fund Operator shall ensure the application of

adequate and effective means to prevent illegal or corrupt practices. No offer, gifts, payments or benefit of any kind, which would or could, either directly or indirectly, be construed as an illegal or corrupt practice, e.g. as an inducement or reward for the award or execution of procurement contracts, shall be accepted.

Chapter 8: Reporting from the Fund Operator to the FMO and review meetings

8.1 Annual programme reports

1. The Fund Operator shall submit an annual programme report to the FMO and the National Focal Point using a template provided by the FMO. The main purpose of the report is:

a) to provide key information on the implementation of the Programme compared to the plans set out in this Agreement and/or the preceding annual programme report and in achieving the expected outputs;

b) the Programme's contribution to its overall objective and outcomes, and Article 1.4, as relevant;

c) to identify any issues which affect the implementation of the Programme and the measures taken to address them, a risk assessment and planned mitigating actions.

2. The reporting periods for the annual programme reports shall be the calendar year. The report shall be submitted not later than 15 February each year.

3. The FMO shall inform the Fund Operator of its opinion on the annual programme report within two months of the date of receipt. If the FMO does not respond within the time limit laid down, the report shall be considered to have been accepted.

8.2 Interim financial reports

1. The reporting periods in each calendar year shall be as follows:

a) 1 January – 30 June for actual expenditure incurred and 1 November – 30 April for proposed expenditure;

b) 1 July – 31 December for actual expenditure incurred and 1 May-31 October for proposed expenditure.

2. Interim payments shall be paid based on an interim financial report submitted by the Fund Operator in a format provided by the FMO.

3. Interim payments from the FMO shall be made on the following payment dates: 15 April and 15 October. Should a payment date land on a weekend or an EFTA public holiday, the payment shall be made on the next EFTA working day.

4. Interim financial reports shall be received by the FMO according to the following schedule:

a) on, or before, 15 March for payments to be made by 15 April;

b) on, or before, 15 September for payments to be made by 15 October.

5. Payment based on an interim financial report received after its due date but on, or before, the following due date referred to in paragraph 4 shall be due as the report would have been received on its following due date. If an interim financial report has not been received within twelve months from the end of the reporting period in which expenditure has been incurred by the Fund Operator, the expenditure for that period shall be declared ineligible and cancelled.

6. Interim financial reports shall include:

a) a statement of actual expenditure incurred during the reporting period preceding the payment date; and

b) a statement of proposed expenditure for the reporting period immediately following the payment date;

c) information on progress towards achieving outputs and outcomes, as appropriate.

7. The actual incurred expenditure for the last reporting period shall be reported in the final programme report.

8. When the interim financial report has been provided, the FMO shall verify that it is in the correct form and that the conditions for payment have been met. If that verification is positive, interim payments shall be transferred no later than on the payment dates referred to in paragraph 3.

9. Interim payments shall in principle consist of the proposed expenditure for the respective reporting period less the expected cash balance at the start of that period for the proposed expenditure. The FMO may modify the amount of the interim payment if the proposed expenditures are considered to be unjustified. The FMO shall provide the Fund Operator with a justification of the modification without delay.

10. Should verification according to paragraph 8 be negative, the FMO and the Fund Operator shall closely cooperate to remedy the deficiencies. The FMO may provisionally hold interim payments until such deficiencies have been remedied. When the FMO, after receiving all necessary information, has positively verified an interim financial report, it shall release the payment due as soon as possible, unless the FMO decides to make use of remedies provided in Chapter 11.

8.3 Forecast of likely payment applications

At the latest by 20 February, 20 April, 20 September and 20 November each year, the Fund Operator shall send to the FMO, in a format provided by the FMO, a justified forecast of likely payment applications

from the Fund Operator for the remainder of the current financial year and subsequent financial years.

8.4 Summary reports after each call

The Fund Operator shall no later than one week after the closing of each call provide the FMO with data on the applications received, using a template provided by FMO.

8.5 Reporting on projects

The Fund Operator shall provide to the FMO information about each project in accordance with the Manual for Fund Operators of the Active Citizens Fund, using a template provided by FMO.

8.6 Final programme report

1. The Fund Operator shall submit a final programme report to the FMO and the National Focal Point in a format provided by the FMO. The main purpose of the report is to provide:

a) an overall assessment of the implementation of the Programme, including comparison to the plans set out in the Programme and any lessons learned;
b) an assessment of the Programme's contribution to its overall objective and outcomes of the Programme as well as Article 1.4, as relevant;
c) overview of irregularities and measures taken to remedy these;
d) specific details in respect of meeting and/or adapting financial plans; and
e) financial information, including a calculation of the final balance.

2. The final programme report shall include financial and statistical annexes in formats provided by the FMO.

3. The final programme report shall be submitted to the FMO no later than two months after the end of the operational period referred to in Article 1.13.

4. The FMO shall review the final programme report in order to determine whether it fulfils its formal and substantive requirements. The FMO shall approve the final programme report no later than two months following the receipt of the report and all relevant documents and necessary information.

5. The approved final programme report, including a summary for the general public shall be published on the website of the Fund Operator within one month from the approval of the report by the FMO.

6. Any final balance payable to the Fund Operator shall be transferred by the FMO no later than one month after FMO's approval of the final programme report. Any final balance payable to the FMO shall be reimbursed to the FMO within the same deadline.

8.7 Review meetings

1. The Parties to the Agreement shall meet at least once a year to review the implementation of the Programme.

2. The review meetings shall allow the FMO to examine progress achieved since the previous review meeting and instruct the Fund Operator to take any necessary measures.

3. Decisions taken at the review meetings shall be set out in the agreed minutes. The Fund Operator is responsible for the drafting of the minutes from the meeting, summarising the main points and the action points discussed at the meeting.

4. The National Focal Point and the Royal Norwegian Embassy shall be invited to participate in the review meetings as observers.

Chapter 9: Reporting from project promoters, verifications, payments to projects, audits and monitoring

9.1 Reporting

The Fund Operator shall establish a system for reporting by project promoters that provides the Fund Operator with sufficient information for its reports to the FMO, in particular in relation to progress towards the Programme objective and outcomes as well as statistical and financial information.

9.2 Proof of expenditure

1. Costs incurred by project promoters and project partners shall be supported by receipted invoices, or alternatively by accounting documents of equivalent probative value.

2. A report by an independent auditor, qualified to carry out statutory audits of accounting documents, certifying that the reported costs are incurred in accordance with this Agreement, the national law and relevant national accounting practices shall be accepted as sufficient proof of expenditure incurred for project partners whose primary location is in one of the Donor States or project partners that are international organisations or bodies or agencies thereof.

3. Upon request by the FMO or the EFTA Board of Auditors (or the Office of the Auditor General of Norway), the Project Promoter or Project Partner shall grant access to the supporting documents on the basis of which the report referred to in paragraph 2 was issued.

4. Indirect costs identified according to Article 4.3 do not need to be supported by proof of expenditure.

9.3 Verification of projects

1. Verifications to be carried out by the Fund Operator shall cover administrative, financial, technical and physical aspects of projects, as appropriate and be in accordance with the principle of proportionality.

2. Verifications shall include the following procedures:

a) administrative verification in respect of incurred expenditure reported by project promoters;

b) on- the-spot verification of projects, which may be carried out on a sample basis.

9.4 Payments to projects

Payments of the project grant to 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 shall be set in Annex II to this Agreement.

9.5 Audit

1. At least 10% of expenditures incurred by the project promoters, covering at least 15% of projects, shall be subject to an independent, external financial and compliance audit commissioned by the Fund Operator.

2. The costs incurred directly by the Fund Operator, including under predefined-projects, shall be subject to an independent, external financial and compliance audit commissioned by the Fund Operator before submission of the final programme report referred to in Article 8.6. 3. Costs related to audits shall be covered from the management fee referred to in Article 1.11.

5. Notwithstanding paragraph 2 above, costs related to audits of pre-defined projects implemented by the Fund Operator shall be covered from the budget of the pre-defined project.

9.6 Monitoring

The monitoring arrangements undertaken by the Fund Operator is described in Annex II to this Agreement.

Chapter 10: Irregularities

10.1 Responsibilities related to irregularities

1. The Fund Operator shall make every effort possible to prevent, detect, and nullify the effect of any cases of irregularities. Similarly, the Fund Operator shall investigate any suspected and actual cases of irregularities promptly and efficiently, including making any financial corrections that may be appropriate.

2. Unduly paid amounts shall be recovered and reimbursed in accordance with this Agreement.

10.2 Definition of irregularities

An irregularity shall mean an infringement of:

a) the legal framework of the EEA Financial Mechanism 2014-2021 referred to in Article 1.5

b) this Agreement;

c) the project contract;

d) any provision of European Union law; or

e) any provision of the national law of the Beneficiary State,

which affects or prejudices the implementation of the Programme, for instance by unjustified or disproportionate expenditure, by affecting the integrity of the selection process, or by reducing or losing revenue under the Programme and/or the project.

10.3 Irregularities register

The Fund Operator shall keep a register of all irregularities, and shall, upon request from the FMO, provide information on irregularities within one month.

10.4 Reporting on irregularities

1. The Fund Operator shall immediately report to the FMO all suspected and actual cases of irregularities when any of the following applies:

a) they involve allegations of an act or omission which constitutes a criminal offence under the national legislation of the Beneficiary State, such as corruption, fraud, bribery or embezzlement;

b) they indicate the presence of serious mismanagement affecting the use of the financial contribution from the EEA and Norwegian Financial Mechanisms 2014-2021; or

c) they pose an immediate threat to the successful completion of any project due to the amounts in proportion to the total project cost, their gravity or any other reason.

2. For irregularities other than those referred to in paragraphs 1 and 3, the Fund Operator shall within two months of the end of each quarter, submit to the FMO a report, describing any suspected and actual cases of irregularities discovered during that quarter. Should there be no irregularities to report on during the quarter, the Fund Operator shall inform the FMO of this fact.

3. Unless requested by the FMO, the following cases of irregularities in projects need not be reported:

a) cases, where the irregularity consists solely in the failure to implement a project, in

whole or in part, owing to the bankruptcy of the project promoter;

b) cases, which are detected and corrected by the Fund Operator in the course of the verification of the expenditure declared;

c) cases, which relate to an amount below EUR 2,000 in contribution from the Programme. In the case of irregularities related to non-compliance with public procurement rules, this amount refers to the overall value of the contract which is affected by the irregularity.

4. Paragraph 3 shall apply, *mutatis mutandis,* to activities financed from the fund for bilateral relations and the fund for regional civil society initiatives.

5. Paragraph 3 does not apply to irregularities that shall be reported immediately according to paragraph 1, or irregularities preceding a bankruptcy.

6. Together with each report on new irregularities referred to in paragraph 2, the Fund Operator shall report to the FMO on the progress made in the investigation and remedy of previously reported irregularities.

7. Should there be no progress to report on under this Article, the Fund Operator shall inform the FMO of this fact within the time limit set in paragraph 2.

10.5 Complaint mechanism

1. The Fund Operator shall establish a complaint mechanism, including the setting up of a Complaints Committee, which shall be capable of effectively processing and deciding on complaints about suspected non-compliance with the principles of good governance in relation to the implementation of the Programme. The Fund Operator shall, upon request by the FMO, examine complaints received by the FMO. The Fund Operator shall inform the FMO, upon request, of the results of those examinations.

2. Information on how to submit a complaint shall be prominently placed on the website of the Fund Operator.

3. The Fund Operator shall without delay report to the FMO on any complaints involving suspected irregularities referred to in paragraph 1 of Article 10.4. Complaints involving suspicion of other irregularities shall be reported to the FMO in the reports referred to in paragraph 2 and paragraph 6 of Article 10.4. The FMO shall, when relevant, be consulted on the appropriate response.

Chapter 11: Suspension of payments, financial corrections and reimbursement

11.1. Recovery of amounts subject to irregularities in projects

1. In case of irregularities, the Fund Operator shall, taking into account the seriousness of the irregularity, determine whether to:

a) cancel the project and request reimbursement of all or part of the already paid project grant;

b) allow the project to continue but apply a proportionate financial correction; or

c) take no action.

2. Before making decisions according to paragraph 1 the Fund Operator shall consult with the FMO.

3. The Fund Operator shall, on its own initiative or based on instructions by the FMO, take all reasonable measures to recover any amount unduly paid to a project promoter, including using any available judicial or administrative remedies.

11.2 Suspension of payments

1. The FMO may decide to suspend payments to the Programme if one or more of the following applies:

a) the conditions for payments in accordance with the provisions of this Agreement have not been met;

b) credible information indicates that the progress of the Programme is not in accordance with this Agreement;

c) reports referred to in Chapters 8 and 10 or any other information requested have not been provided or include incomplete information;

d) access required under Article 12.5 is restricted;

e) the financial management of the Programme has found to be unstable and raises serious doubts of integrity;

f) it becomes aware of suspected or actual cases of irregularities, or such cases have not been adequately reported, investigated or remedied;

g) the implementation of the Programme is deemed to be in violation of national or European Union law;

h) a fundamental change of circumstances occurs and said circumstances constitute an essential basis for the financial contribution to the Programme;

i) it becomes aware of any misrepresentation of facts in any information given by or on behalf of the Fund Operator affecting, directly or indirectly, the implementation of this Agreement;

j) the procedure under Article 11.5 has been opened;

k) any other obligation stipulated in this Agreement is not complied with by the Fund Operator.

2. Except for urgent cases, the Fund Operator shall be given an opportunity to provide its views before the FMO takes a decision to suspend payments. The decision to suspend payments shall be reasoned and immediately effective. The Fund Operator shall be notified no later than seven workings days from the date of the decision.
3. The Fund Operator can at any time present documents or other relevant evidence and request that the FMO reviews its decision to suspend payments.
4. When the FMO finds that the conditions for suspension no longer apply, it shall take a decision to continue payments.

11.3 Financial corrections

1. The FMO may make financial corrections based on the criteria in Article 11.4 consisting of cancelling all or part of the financial contribution of the EEA and Norwegian Financial Mechanisms 2014-2021 to the Programme.
2. When a financial correction is made on a project in accordance with paragraph 1, or with Article 10.1, the financial correction may not be reused for that project. The cancelled financial contribution may be reused under the Programme for projects other than those that were the subject of the correction.
3. Financial contributions cancelled in accordance with paragraph 1 or with Article 10.1 relating to the fund for bilateral relations or fund for regional civil society initiatives, may be reused within the same budget heading for costs other than those that were the subject of the correction.
4. When a financial correction is made for a systemic irregularity or an irregularity related to the management or control systems within the Programme, the financial contribution may not be reused within the Programme.

11.4 Criteria for financial corrections

1. The FMO may make financial corrections according to Article 11.3 if one or more of the following applies:

a) a serious breach of this Agreement has occurred;
b) a serious deficiency exists in the management and control system of the programme, which puts at risk the financial contribution to the programme ;
c) the Fund Operator has not complied with its obligations to investigate and/or to appropriately remedy irregularities under Article 9.1 prior to the sending of the notification according to paragraph 1 of Article 10.5

2. The FMO shall base its financial corrections on individual cases of irregularity identified, taking account of the systemic nature of the irregularity to determine whether a flat-rate or extrapolated correction should be applied, or whether the corrected amount can be based on an actual amount detected as irregular.
3. The FMO shall, when deciding the amount of a correction, take account of the nature and gravity of the irregularity and the extent and financial implications of the deficiencies found.

11.5 Procedure

1. Prior to making a decision referred to in paragraph 1 of Article 11.3, the FMO shall notify the Fund Operator of its intention to make such a decision. The notification shall outline the reasons for the decision and indicate the relevant amounts. The Fund Operator can within one month from the sending of the notification provide any comments relevant to the intended decision.
2. Where the FMO proposes a financial correction on the basis of extrapolation or a flat rate, the Fund Operator shall be given the opportunity to demonstrate, through an examination of the documentation concerned, that the actual extent of the irregularity was less than the FMO's assessment. In agreement with the FMO, the Fund Operator may limit the scope of this examination to an appropriate proportion or sample of the documentation concerned. Except in duly justified cases, the time allowed for this examination shall not exceed a further period of two months after the one-month period referred to in paragraph 1.
3. The FMO shall take account of any evidence supplied by the Fund Operator within the time limits referred to in paragraphs 1 and 2. At any time prior to the decision on financial corrections, the Fund Operator and the FMO can enter into a dialogue with a view to ensuring that the decision is based on accurate and correct facts.
4. The Fund Operator shall be notified of a decision referred to in paragraph 1 of Article 11.3 no later than seven working days from the date of the decision. The notification shall outline the reasons for the decision.

11.6 Reimbursement

1. Amounts recovered in accordance with paragraph 1 of Article 11.1 shall be reimbursed to the regranting account before the submission of the final programme report referred to in Article 8.6.
2. Financial corrections relating to the funds for bilateral relations, or the funds for regional civil society initiatives, shall be reimbursed to the regranting account before the submission of the final programme report referred in Article 8.6, unless reused within the same budget heading in line with paragraph 3 of Article 11.3.
3. Financial corrections referred to in paragraph 4 of Article 11.3 and 11.4 shall be deducted from the management fee referred to in Article 1.11. Should the remainder of the management fee to be paid to the Fund Operator not be sufficient to cover the financial correction, the Fund Operator shall

reimburse the amount due to the FMO within three months of the decision referred to in Article 11.3.
4. The Fund Operator shall not be responsible for amounts that cannot be recovered in accordance with paragraph 1, if it shows that the loss of the funds and the circumstances related thereto are not due to a negligent performance or non-performance of the obligations of the Fund Operator [or its Partners] under this Agreement.
5. Notwithstanding paragraph 4, reimbursement from the Fund Operator to the FMO is not contingent upon reimbursement from the project promoter.

Chapter 12: Evaluation, external monitoring, audits and provision of information

12.1. Responsibilities of the Fund Operator

1. The Fund Operator shall carry out an evaluation or review of the Programme.

2. The Fund Operator shall ensure that the resources necessary to carry out evaluations or reviews are available, and shall ensure that procedures are in place to produce and collect necessary data.

3. Evaluation or reviews shall be carried out by experts or entities independent of the Fund Operator in accordance with the provisions specified in Chapter 8 of the Manual for Fund Operators of the Active Citizens Fund.

4. Notwithstanding paragraph 1, an evaluation or review of a Programme receiving less than EUR 5 million shall be carried out by the FMO.

5. The evaluation or review report shall be prepared in accordance with the Manual for Fund Operators of the Active Citizens Fund. The final report and a summary for the general public shall be published.

12.2 External monitoring and evaluation

Without prejudice to the monitoring carried out by the Fund Operator, the FMO may undertake external monitoring and evaluation of the Programme. The FMO shall inform the Fund Operator about such activities at least two weeks in advance.

12.3 Audits and on-the-spot verifications arranged by the FMO

1. The FMO may arrange audits and on-the-spot verifications of the Programme and projects. The FMO shall, except in urgent cases, give two weeks' notice to the Fund Operator concerned before an audit or on-the-spot verification is carried out.

2. The Fund Operator shall be given an opportunity to provide comments to an audit report before it is finalised.

12.4 EFTA Board of Auditors (/The Office of the Auditor General of Norway)

The EFTA Board of Auditors (and The Office of the Auditor General of Norway) may conduct audits of the Programme and its projects. The FMO shall, as far as it is under its control, ensure that the Fund Operator is given at least two weeks' notice before such audit is carried out.

12.5 Access

The persons performing monitoring, audits or on-the-spot verifications according to this Agreement shall upon request be granted prompt, full, and unimpeded access to all information, documents, persons, locations and facilities, relevant to the audit or the verification.

12.6 Provision of information

The Fund Operator shall without unreasonable delay provide the FMO or any person(s) authorised by the FMO, with such information relating to the Programme as they may at any time request.

12.7 Records

1. The Fund Operator shall keep full accurate and systematic records and accounts in accordance with the laws of the Beneficiary State.

2. Such records must be kept for a 3-year period following FMO's approval of the final programme report. These documents comprise any documentation concerning the implementation of the Programme, with the exception of documents solely relevant for the use of the management fee under Article 1.11.

3. The Fund Operator shall permit the FMO, or any person(s) authorised by the FMO, to inspect or audit, at any reasonable time, the records and accounts relating to the implementation of the Agreement and to make copies thereof both during and after the period of operation of the Programme.

Chapter 13: Code of conduct and conflict of interest

13.1 Ethical standards

1. The Fund Operator shall observe the highest ethical standards during the implementation of the Programme and shall ensure the application of adequate and effective means to prevent illegal or corrupt practices.

2. If the Fund Operator, its Partners or any of their sub-contractors, personnel, agents or servants offers to give or agrees to offer or to give or gives to any person, any bribe, gift, gratuity or commission as an inducement or reward for doing or forbearing to do any act in relation to this Agreement or any other contract with the FMO, or for showing favour or

disfavour to any person in relation to this Agreement or any other contract with the FMO, then the FMO may terminate this Agreement, without prejudice to any accrued rights of the Fund Operator under the Agreement.

13.2 Other income

The payments of the management fee to the Fund Operator under this Agreement shall constitute the only income or benefit the Fund Operator may derive in connection with the Agreement. Neither it, nor its personnel shall accept any commission, discount, allowance, indirect payment or other consideration in connection with, or in relation to, or in discharge of, its obligations under this Agreement.

13.3 Professional secrecy

The Fund Operator and its staff shall maintain professional secrecy for the duration of this Agreement and after completion thereof. In this connection, except with the prior written consent of the FMO, neither the Fund Operator nor the personnel employed or engaged by it shall at any time communicate to any person or entity any confidential information disclosed to them or discovered by them, or make public any information as to the recommendations formulated in the course of or as a result of implementation of this Agreement. Furthermore, they shall not make any use prejudicial to the FMO, of information supplied to them and of the results of studies, tests and research carried out in the course and for the purpose of performing this Agreement.

13.4 Conflict of interest

1. In addition to the requirement related to the selection process, the Fund Operator shall take all necessary measures to prevent or end any situation that could compromise the impartial and objective performance of the Agreement. Such conflict of interest could arise in particular as a result of economic interest, political or national affinity, family or emotional ties, or any other relevant connection or shared interest. Any conflict of interest, which could arise during performance of the Agreement, must be notified in writing to the FMO without delay.

2. The FMO has the right to verify that such measures are adequate and may require additional measures to be taken if necessary. The Fund Operator shall ensure that its staff, including its management, is not placed in a situation which could give rise to conflict of interest. Without prejudice to employees' rights under national laws, the Fund Operator shall replace, immediately and without compensation from the FMO, any member of its staff exposed to such a situation.

3. The Fund Operator shall refrain from any contract that would compromise its independence or that of its personnel. If the Fund Operator fails to maintain such independence, the FMO may, without prejudice to compensation for any damage that it may have suffered on this account, terminate this Agreement forthwith, without giving formal notice thereof.

Chapter 14: Assignment and sub-contracting

14.1 Assignment

1. An assignment is any agreement by which the Fund Operator transfers its rights under this Agreement or part thereof to a third party.

2. The Fund Operator shall not, without the prior written consent of the FMO, assign the Agreement or any part thereof, or any benefit or interest there under. Any assignment without such consent shall be null and void.

3. The approval of an assignment by the FMO shall not relieve the Fund Operator of its obligations under the Agreement.

14.2 Sub-contracting

1. Any agreement by which the Fund Operator entrusts performance of a part of the services to a third party is considered to be a sub-contract.

2. Without prejudice to the role of the Fund Operator and Partners referred to in Article 2.1, the Fund Operator must obtain a prior written authorization of the FMO before entering into a sub-contract.

3. No sub-contract can create contractual relations between any sub-contractor and the FMO. The Fund Operator shall be responsible for the acts, defaults and negligence of its sub-contractors and their experts, agents or employees, as if they were the acts, defaults or negligence of the Fund Operator, its experts, agents or employees.

4. The approval by the FMO of the sub-contracting of any part of the Agreement or of the engagement by the Fund Operator of sub-contractors to perform any part of the services shall not relieve the Fund Operator of any of its obligations under the Agreement. Those services entrusted to a sub-contractor by the Fund Operator cannot be entrusted to third parties by the sub-contractor.

Chapter 15: Concluding provisions

15.1 Information system

1. The Fund Operator shall provide the reports referred to in Chapters 8 and 10 through FMO's information system. The FMO shall give the Fund Operator access to the system and provide the necessary guidance to enable the Fund Operator to use the system correctly.

2. Should the system referred to in paragraph 1 become unavailable or be discontinued, the FMO may require the Fund Operator to provide these reports in another format provided by the FMO, whether electronic or hard copies.

15.2 Waiver of responsibility

1. Nothing contained in this Agreement shall be construed as imposing upon the FMO any responsibility of any kind for the supervision, execution, completion or operation of the Programme or its projects.

2. Neither the European Free Trade Association, its Secretariat, including the FMO, its officials or employees can be held liable for any damage or injuries of whatever nature sustained by the Fund Operator or a project promoter, recipient of funds, or any other third person in connection, be it direct or indirect, with this Agreement.

3. This waiver of responsibility shall also bind the project promoters. Each project contract shall contain a provision to that effect.

15.3 Privileges and immunities

Nothing contained in this Agreement shall be deemed a waiver expressed or implied of any privileges and immunities of the European Free Trade Association, its assets, officials or employees.

15.4 Programme modification

1. This Agreement may not be modified by the Fund Operator. The latter does not apply to the Annexes to this Agreement.
2. Any modification to the Annexes is subject to prior approval by the FMO.
3. The Fund Operator shall describe and justify the modification, as well as the likely impact on the financial figure, risk assessment, outputs and outcomes of the Programme.
4. The FMO shall assess the proposed modification and provide a formal response no later than one month following the receipt of all relevant documents and necessary information.
5. The modification shall be formalised through an amendment of this Agreement, where necessary.

15.5 Termination, compensation and damages

1. Either party may terminate this Agreement in the event of a serious breach by the other party which remains unremedied for 30 days following written notice thereof making specific reference to the breach and to this Article. The requirement of written notice shall not apply where it is clear from the circumstances, or the party in breach has clearly indicated, that it is unable or has no intention to remedy the breach.

2. In addition, the FMO shall be entitled to terminate this Agreement where the Fund Operator:

a) becomes insolvent or bankrupt;
b) has a receiving order or administration order made against it or compounds with its creditors;
c) being a legal person commences to be wound up; or
d) carries on its activities under an administrator or administrative receiver for the benefit of its creditors or any of them.

Any of the above events shall be deemed a breach by the Fund Operator.

3. Should this Agreement be terminated pursuant to either of the preceding paragraphs 1 or 2, the party whose breach has occasioned the termination shall (without prejudice to the following provisions) compensate the other party for all losses, costs and wasted expenditure incurred by the other party in consequence of the termination.

4. The FMO may terminate this Agreement if changes in the political environment put into doubt the feasibility of the Programme.

5. In all cases where this Agreement is terminated prior to its entire performance:

a) the FMO shall (without prejudice to the payment obligations provided in the preceding paragraphs) pay the Fund Operator for the work already performed and (unless the termination arises by reason of a breach by the Fund Operator) commitments already undertaken which cannot reasonably be cancelled and reasonable costs for closing down the Fund Operator's role in the operation, provided that the total amount paid to the Fund Operator shall not exceed the amount of the management fee provided in Article 1.11;
b) the Fund Operator and its officials shall cease to operate the regranting account and the FMO shall be entitled to terminate the signature rights of those officials accordingly;
c) any rights and obligations of the Fund Operator vis-à-vis project promoters shall automatically be transferred to the FMO which shall be entitled to retransfer them to any replacement Fund Operator whom it may appoint;
d) the Fund Operator shall provide to the FMO or to any replacement Fund Operator such reasonable assistance as the latter may require to ensure the continuing good administration of the Programme and in particular shall provide the FMO or replacement Fund Operator with all contact details and copies of all its files concerning

each of the project promoters and project contracts. The Fund Operator shall also cooperate with the FMO or replacement Fund Operator in notifying the project promoters of the change of Fund Operator and in ensuring the smooth continuation of the Programme.

6. Where the FMO is entitled to damages or compensation from the Fund Operator, it may deduct such amounts from any sums due to the Fund Operator and/or call on the appropriate guarantee.

7. The FMO shall be entitled to compensation from the Fund Operator for any damage which comes to light after the completion of the Programme.

15.6 Indemnification

1. At its own expense, the Fund Operator shall indemnify, protect and defend the FMO, its agents and employees, from and against all actions, claims, losses or damage arising from any act or omission by the Fund Operator in the performance of the Agreement provided that:

a) the Fund Operator is notified of such actions, claims, losses or damages not later than 30 days after the FMO becomes aware of them;

b) the ceiling on the Fund Operator's liability to the FMO shall be limited to an amount equal to the management fee referred to in Article 1.11, but such ceiling shall not apply to any losses or damages caused to third parties by the Fund Operator or by the Fund Operator's wilful misconduct;

c) the Fund Operator's liability shall be limited to actions, claims, losses or damages directly caused by such failure to perform its obligations under the Agreement and shall not include liability arising from unforeseeable occurrences incidental or indirectly consequential to such failure.

2. At its own expense, the Fund Operator shall, upon request of the FMO, remedy any defect in the performance of the services in the event of the Fund Operator's failure to perform its obligations under the Agreement.

3. The Fund Operator shall have no liability whatsoever for actions, claims, losses or damages occasioned by:

a) the FMO omitting to act on any recommendation, or overriding any act, decision or recommendation, of the Fund Operator, or requiring the Fund Operator to implement a decision or recommendation with which the Fund Operator disagrees or on which it expresses a serious reservation; or

b) the improper execution of the Fund Operator's instructions by agents, employees or independent contractors of the FMO.

4. The Fund Operator shall remain responsible for any breach of its obligations under the Agreement for three years after the approval of the final programme report.

15.7 Force majeure

1. Neither Party shall be considered to be in breach of its obligations under the Agreement if the performance of such obligations is prevented by any circumstances of force majeure which arise after the date of the last signature of this Agreement.

2. The term "force majeure", as used herein shall include without limitation acts of God as strikes, lock-outs or other industrial disturbances, acts of the public enemy, wars, whether declared or not, blockades, insurrection, riots, epidemics, landslides, earthquakes, storms, lightning, floods, washouts, civil disturbances, explosions, and any other similar unforeseeable events, beyond the control of either Party and which by the exercise of due diligence neither Party is able to overcome. For the avoidance of doubt, inability to pay any sum of money shall not be considered force majeure.

3. A Party affected by an event of force majeure shall take all reasonable measures to remove such Party’s inability to fulfil its obligations hereunder with a minimum of delay.

4. The Fund Operator shall not be liable for contract damages or termination for default if, and to the extent that, its delay in performance or other failure to perform its obligations under the Agreement is the result of an event of force majeure. The FMO shall similarly not be liable for delayed performance, for non-performance or for termination by the Fund Operator for default, if, and to the extent that, the FMO's delay or other failure to perform its obligations is the result of force majeure.

5. If either Party considers that any circumstances of force majeure have occurred which may affect performance of its obligations it shall notify the other Party immediately giving details of the nature, the probable duration and likely effect of the circumstances. Unless otherwise directed by the FMO in writing, the Fund Operator shall continue to perform its obligations under the Agreement as far as is reasonably practicable, and shall seek all reasonable alternative means for performance of its obligations, which are not prevented by the force majeure event. The Fund Operator shall not put into effect such alternative means unless directed so to do by the FMO.

6. If circumstances of force majeure have occurred and persist for a period of 180 days then, notwithstanding any extension of the period of execution that the Fund Operator may by reason thereof have been granted, either Party shall be entitled to serve upon the other 30 days' notice to terminate the Agreement. If at the expiry of the period of 30 days the situation of force majeure persists, the Agreement shall be terminated and in consequence thereof, the Parties shall be released from further performance of the Agreement.

15.8 Dispute resolution

1. Any dispute relating to the conclusion, validity, interpretation or performance of this Agreement shall be resolved amicably through consultation between the Parties.

2. Without prejudice to the privileges and immunities granted to the European Free Trade Association, its assets, premises and officials, any dispute arising out of or in relation with this Agreement not settled within two months of the initiation of the consultation referred to in paragraph 1, shall be finally settled under the CEPANI Rules of Arbitration by one or more arbitrators appointed in accordance with these Rules.

3. The arbitral tribunal shall normally be composed of one arbitrator. However, if the disputed amount is EUR 1,000,000 or higher the arbitral tribunal shall be composed of three arbitrators.

4. The seat of the arbitration shall be Brussels. The arbitration shall be conducted in English. The arbitration shall apply the laws of the Kingdom of Norway.

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This Agreement is drawn up in two originals in the English language.

For the Financial Mechanism Office	For the Fund Operator
Signed in Brussels on 25/10/2019	Signed in Warsaw on 23/10/2019
.....	.....
Henning Stirø	Ewa Kulik-Bielińska
Director of the FMO	Executive Dirctor

ACTIVE CITIZEN FUND - Poland

EEA Financial Mechanism 2014-2021

Results Framework and Budget (Annex I)

Fund Operator and Partners	
Fund Operator:	Batory Foundation
Programme Partner(s):	-

Programme Objective	Civil society and active citizenship strengthened and vulnerable groups empowered

PA	Outcome/Output	Expected programme results	Indicator	Disaggregation	Unit of measurement	Source of verification	Frequency of reporting	Baseline values	Baseline year	Target value
	Objective	Civil society and active citizenship strengthened and vulnerable groups empowered	Number of people engaged in CSO activities	Financial Mechanism, Gender	Cumulative number	Project Promoters' records, Attendance sheets, Petition signatures	Annually (APR)	0	N/A	96,000
			Number of CSOs directly funded[1]	Financial Mechanism	Cumulative number	Copies of contracts concluded with Project Promoters, Partnership agreements between Project Promoter and project partners	Semi-annually (APR and September IFR)	0	N/A	880
PA15	Outcome 1	Increased citizen participation in civic activities	Number of people engaged in participatory processes or watchdog activities (incl.PDP)	Age, Gender	Cumulative number	Project promoters' records	Annually (APR)	0	N/A	37,000
			Number of local policies and laws influenced	N/A	Cumulative number	Formal responses, acknowledgement of input to consultations, Informal	Annually (APR)	0	N/A	50

[1] from cities/from towns&rural areas.

						feedback, Survey responses				
			Number of public institutions engaging citizens in their governance	N/A	Cumulative number	Project promoters' records	Annually (APR)	0	N/A	30
	Output 1.1	Civic engagement and civic education supported	Number of people educated in civic engagement (incl.PDP)	Age	Cumulative number	Project Promoters' records, Attendance sheets	Semi-annually (APR and September IFR)	0	N/A	10,000
			Number of institutions involved in activities engaging citizens (incl.PDP)	N/A	Cumulative number	Project promoters' records	Annually (APR)	0	N/A	200
			Number of CSOs engaging citizens in joint actions (incl. activities concerning environmental protection)	N/A	Cumulative number	Project promoters' records	Annually (APR)	0	N/A	100
	Output 1.2	Civic awareness increased	Number of awareness raising campaigns on civic engagement carried out (incl. on environmental protection)	N/A	Cumulative number	Project Promoters' records, Audio/video/print material produced as part of the campaign	Semi-annually (APR and September IFR)	0	N/A	25
			Number of people reached through awareness raising campaigns on civic engagement (incl. on environmental protection)	N/A	Cumulative number	Project promoters' records	Semi-annually (APR and September IFR)	0	N/A	2,000,000
	Output 1.3	Civic participation in public governance increased	Number of institutions involved in participatory processes (incl.PDP)	N/A	Cumulative number	Project promoters' records	Annually (APR)	0	N/A	200
			Number of participatory processes initiated by CSOs (incl. on environmental protection)	N/A	Cumulative number	Project promoters' records	Annually (APR)	0	N/A	80
			Number of advocacy / legal initiatives to influence local or national level policies or regulations conducted by CSOs (incl. on environmental protection)	N/A	Cumulative number	Project promoters' records	Annually (APR)	0	N/A	100

	Output 1.4	Civic scrutiny over public institutions strengthened	Number of CSOs conducting monitoring initiatives (incl. on environmental protection)	N/A	Cumulative number	Project promoters' records	Annually (APR)	0	N/A	25
			Number of public institutions trained in transparency, accountability, open government standards	N/A	Cumulative number	Project Promoters' records; Attendance sheets	Annually (APR)	0	N/A	30
PA15	Outcome 2	Increased support for human rights and anti-discriminatory practice	Number of institutions introducing human rights perspective in their activities and/or internal regulations	N/A	Cumulative number	Copies of internal regulations; Project promoters' records, Informal feedback, Survey records	Annually (APR)	0	N/A	10
			Number of beneficiaries of services provided in area of human rights (including GBV)	Gender	Cumulative number	Project Promoters' records	Semi-annually (APR and September IFR)	0	N/A	3,500
			Share of target group favourable to human rights	Gender, Age	Percentage	Survey results	2024	60 %	2021	65 %
	Output 2.1	Education on human rights and equal treatment provided	Number of people trained in human rights	Age	Cumulative number	Project Promoters' records; Attendance sheets	Semi-annually (APR and September IFR)	0	N/A	20,000
			Number of CSOs providing education on human rights	N/A	Cumulative number	Project promoters' records	Annually (APR)	0	N/A	50
	Output 2.2	Awareness on human rights and equal treatment increased	Number of awareness-raising campaigns on human rights conducted (including GBV)	N/A	Cumulative number	Project Promoters' records, Audio/video/print material produced as part of the campaign	Semi-annually (APR and September IFR)	0	N/A	30
			Number of people reached through awareness-raising campaigns on human rights (including GBV)	N/A	Cumulative number	Project promoters' records	Semi-annually (APR and September IFR)	0	N/A	3,000,000
	Output 2.3	Implementation of human rights	Number of CSOs registering & reporting human rights and rule of law violations	N/A	Cumulative number	Project promoters' records	Annually (APR)	0	N/A	20

		and rule of law monitored	Number of monitoring initiatives on human rights & rule of law carried out by CSOs	N/A	Cumulative number	Project promoters' records	Annually (APR)	0	N/A	10
	Output 2.4	CSOs involved in advocacy for improvement of policies and practices regarding human rights and rule of law protection	Number of CSOs engaged in advocacy work on human rights and rule of law protection	N/A	Cumulative number	Project promoters' records	Annually (APR)	0	N/A	20
			Number of entities cooperating in advocacy activities on human rights	N/A	Cumulative number	Project promoters' records; Copies of cooperation agreements	Annually (APR)	0	N/A	30
	Output 2.5	Legal aid and counselling services made available for persons experiencing discrimination and human rights violations	Number of CSOs providing services for persons experiencing discrimination and human rights violations (including GBV)	N/A	Cumulative number	Project promoters' records	Annually (APR)	0	N/A	40
PA15	Outcome 3	Increased empowerment of vulnerable groups	Number of institutions introducing new/improved methods/services to address the needs of vulnerable groups	N/A	Cumulative number	Project promoters' records	Annually (APR)	0	N/A	20
			Number of vulnerable people reached by empowerment measures	N/A	Cumulative number	Project Promoters' records, Attendance sheets	Annually (APR)	0	N/A	2,000
			Number of beneficiaries of services provided or improved	N/A	Cumulative number	Project Promoters' records	Semi-annually (APR and September IFR)	0	N/A	10,000
	Output 3.1	New or improved methods and approaches of inclusion of vulnerable groups into	Number of new or improved methods developed to address the needs of vulnerable groups	N/A	Cumulative number	Project promoters' records	Annually (APR)	0	N/A	20
			Number of communities introducing new methods/approaches of inclusion of vulnerable people	N/A	Cumulative number	Project Promoters' records, Local administration records	Annually (APR)	0	N/A	10

		community promoted								
	Output 3.2	Members of vulnerable groups trained or engaged in advocacy for their needs	Number of institutions partnering with CSOs in engaging members of vulnerable groups in advocacy for their needs	N/A	Cumulative number	Project promoters' records; Copies of cooperation agreements	Annually (APR)	0	N/A	20
			Number of vulnerable individuals and their carers trained/ engaged in advocacy for their needs	Gender	Cumulative number	Project Promoters' records, Attendance sheets	Annually (APR)	0	N/A	100
	Output 3.3	Education and support for vulnerable groups provided	Number of vulnerable individuals participating in educational activities	N/A	Cumulative number	Project Promoters' records, Attendance sheets	Annually (APR)	0	N/A	1,500
			Number of CSOs providing education and support to vulnerable groups	N/A	Cumulative number	Project promoters' records	Annually (APR)	0	N/A	80
	Output 3.4	New or improved methods /services to address the needs of vulnerable groups developed	Number of individuals working with vulnerable groups trained in the use of new/ improved methods to address their needs	Gender	Cumulative number	Project Promoters' records, Attendance sheets	Semi-annually (APR and September IFR)	0	N/A	1,000
PA15	Outcome 4	Enhanced capacity and sustainability of civil society (organisations and the sector)	Number of CSOs with improved organizational capacities at least in one of the following areas: management standards and procedures, communication, fundraising, transparency and accountability, monitoring and evaluation[2]	N/A	Cumulative number	Survey results	2022 and then annually	N/A	N/A	425
			Number of joint initiatives conducted by CSOs in collaboration with other CSOs	N/A	Cumulative number	Project promoters' records	Annually (APR)	0	N/A	15
			Number of national and local policies and laws concerning CSOs influenced	Financial Mechanism	Cumulative number	Formal responses, acknowledgement of input to consultations,	Annually (APR)	0	N/A	5

						Informal feedback, Survey responses collected by Project Promoters'				
	Output 4.1	Capacity building provided to CSOs	Number of CSOs participating in learning initiatives funded by the programme	Type of learning initiative	Cumulative number	Consortium Members' records, including Attendance sheets and statistics from electronic platform	Annually (APR)	0	N/A	600
			Number of CSOs conducting an assessment of selected areas of their organizational capacity and management standards	N/A	Cumulative number	Consortium Members' records, including Attendance sheets and statistics from electronic platform	Annually (APR)	0	N/A	200
	Output 4.2	Organisational capacity and sustainability of CSOs supported	Number of CSOs and informal groups benefiting from capacity building services and support offered within sectoral projects	N/A	Cumulative number	Project promoters' records	Annually (APR)	0	N/A	100
			Number of CSOs (project promoters for Outcomes 1, 2, 3 and 4) implementing capacity building plans funded by the programme	N/A	Cumulative number	Project promoters' records	Annually (APR)	0	N/A	400
	Output 4.3	Partnerships and collaboration among CSOs and other entities supported	Number of partnerships between different CSOs supported	N/A	Cumulative number	Project promoters' records; Copies of partnership agreements	Annually (APR)	0	N/A	7
			Number of partnerships between CSOs and private entities supported	N/A	Cumulative number	Project promoters' records; Copies of partnership agreements	Annually (APR)	0	N/A	5
			Number of partnerships between CSOs and public entities supported	N/A	Cumulative number	Project promoters' records; Copies of partnership agreements	Annually (APR)	0	N/A	10

			Number of coalitions, networks and platforms of CSOs supported	N/A	Cumulative number	Project promoters' records	Annually (APR)	0	N/A	10
			Number of CSOs providing support for organisations that operate local media	N/A	Cumulative number	Copies of contracts concluded with Project Promoters	Annually (APR)	N/A	N/A	5
	Output 4.4	Monitoring and advocacy campaigns aimed at preventing deterioration of legal and policy environment for CSOs actions conducted	Number of monitoring law and policy initiatives conducted on national, local and subsectoral level	N/A	Cumulative number	Project promoters' records	Annually (APR)	0	N/A	7
			Number of advocacy campaigns and other initiatives conducted on national, local and subsectoral level	N/A	Cumulative number	Project Promoters' records	Semi-annually (APR and September IFR)	0	N/A	3
	Output 4.5	Citizens awareness of CSOs' role and need for supporting them raised	Number of awareness raising campaigns and other actions conducted on national and local level	Financial Mechanism	Cumulative number	Project Promoters' records, Audio/video/print material produced as part of the campaign	Semi-annually (APR and September IFR)	0	N/A	2
			Number of people reached through awareness raising and promotional activities	N/A	Cumulative number	Project promoters' records	Semi-annually (APR and September IFR)	0	N/A	250,000
PA15	Bilateral Outcome	Enhanced collaboration between beneficiary and donor state entities	Level of trust between cooperating entities in Beneficiary States and Donor States	N/A	Scale 1-7	Survey results	Annually (APR)	6.61[2]	2022	≥4.5[3]
			Level of satisfaction with the partnership	N/A	Scale 1-7	Survey results	Annually (APR)	6.55[4]	2022	≥4.5[5]

[2] Survey carried out by the FMO
[3] And an increase on the baseline
[4] Survey to be carried out by the FMO
[5] And an increase on the baseline

		involved in the programme	Share of cooperating organisations that apply the knowledge acquired from bilateral partnership	N/A	Percentage	Survey results	Annually (APR)	N/A[6]	N/A[7]	50.00%[8]
			Share of participants in bilateral initiatives financed from ACF-N bilateral fund reporting improved knowledge/methods/approaches	State type	Percentage	Survey results	Annually (APR)	N/A	N/A	50 %
	Bilateral Output 1	Partnerships between beneficiary and donor state entities supported	Number of projects involving cooperation with a donor project partner	N/A	Cumulative number	Copies of contracts concluded with Project Promoters, Partnership agreements between Project Promoters and project partners	Semi-annually (APR and September IFR)	0	N/A	50
	Bilateral Output 2	Cooperation between beneficiary and donor state entities facilitated	Number of bilateral cooperation initiatives financed from the ACF-N bilateral fund	Donor State	Cumulative number	FO records	Annually (APR)	0	N/A	10
			Number of individuals participating in bilateral activities financed from the ACF-N bilateral fund	Donor State	Cumulative number	FO records; Attendance sheets	Semi-annually (APR and September IFR)	0	N/A	200
PA15	Regional civil society initiatives	Strengthened regional (cross-border) cooperation in the civil society sector	Share of CSOs with improved knowledge from regional cooperation	N/A	Percentage	Survey results	Annually (APR)	N/A	N/A	50 %
			Number of initiatives jointly implemented by entities across borders	N/A	Cumulative number	Project promoters' records	Annually (APR)	N/A	N/A	3
	Output 1	Regional cooperation	Number of CSOs participating in regional cooperation	N/A	Cumulative number	Project promoters' records	Annually (APR)	N/A	N/A	250

[6] N/A
[7] N/A
[8] TBD, Survey to be carried out by the FMO

		between civil society organisations facilitated	Number of participants in events funded by the regional civil society initiatives fund	Gender	Cumulative number	Project Promoters' records; Attendance sheets	Annually (APR)	N/A	N/A	500

Conditions

General

1.An additional management fee amounting to 720,000 EUR, representing an increase of 30% to the regular fee of 2,400,000 EUR, shall be used by the Fund Operator. The activities implemented under the increased management fee are detailed in Annex II of this Agreement, which shall be reported on in the annual and final programme reports

2.For the indicator under Outcome 2 “Share of target group favourable to human rights” where the baseline value is “to be determined” (TBD), the Fund Operator shall submit to the FMO for approval the baseline value, together with a description of the data collection method used, no later than 6 months after the finalisation of the selection of the relevant projects. The updated baseline value shall be agreed upon through a modification of the programme implementation agreement

Pre-eligibility

Not applicable

Pre-payment

Not applicable

Pre-completion

Not applicable

Post-completion

Not applicable

Operational period of the programme	
End of the operational period of the programme	31/12/2024
Grant rate and co-financing	
Programme total budget (€)	€ 33,727,500
Re-granting amount (€)	€ 29,355,432
Programme grant rate (%)	100.00 %
Maximum amount of Programme grant - EEA Financial Mechanism (€)	€ 30,000,000
Maximum amount of Programme grant - Norwegian Financial Mechanism (€)	€ 3,727,500
Maximum amount of Programme grant - Total (€)	€ 33,727,500

PA	Budget Heading	EEA Grants	Norway Grants	Total grant	Programme grant rate	Programme co-financing	Programme eligible expenditure	Advance payment	Exceptional advance
PA15	Management fee	€ 3,120,000	€ 260,890	€ 3,380,890	100.00 %	€ 0	€ 3,380,890	€ 312,000	n/a
PA15	Outcome 1 (EEA Grants)	€ 9,256,877		€ 9,256,877	100.00 %	€ 0	€ 9,256,877	n/a	n/a
PA15	Outcome 1 (Norway Grants)		€ 0	€ 0	100.00 %	€ 0	€ 0	n/a	n/a
PA15	Outcome 2 (EEA Grants)	€ 5,671,711		€ 5,671,711	100.00 %	€ 0	€ 5,671,711	n/a	n/a
PA15	Outcome 2 (Norway Grants)		€ 0	€ 0	100.00 %	€ 0	€ 0	n/a	n/a
PA15	Outcome 3 (EEA Grants)	€ 5,829,044		€ 5,829,044	100.00 %	€ 0	€ 5,829,044	n/a	n/a
PA15	Outcome 3 (Norway Grants)		€ 0	€ 0	100.00 %	€ 0	€ 0	n/a	n/a
PA15	Outcome 4 (EEA Grants)	€ 5,431,800		€ 5,431,800	100.00 %	€ 0	€ 5,431,800	n/a	n/a
PA15	Outcome 4 (Norway Grants)		€ 3,166,000	€ 3,166,000	100.00 %	€ 0	€ 3,166,000	n/a	n/a
PA15	Fund for bilateral relations	€ 290,568	€ 94,110	€ 384,678	100.00 %	€ 0	€ 384,678	n/a	n/a
PA15	Fund for regional civil society initiatives	€ 400,000	€ 206,500	€ 606,500	100.00 %	€ 0	€ 606,500	n/a	n/a
Total		**€ 30,000,000**	**€ 3,727,500**	**€ 33,727,500**	**100.00 %**	**€ 0**	**€ 33,727,500**	**€ 312,000**	**€ 0**

Retention of management fee(Art. 2.2.1 c)	
Retention of management fee - percentage of the management fee	15.00 %
Retention of management fee - planned Euro value	€ 507,134

ACTIVE CITIZENS FUND – Poland
EEA Financial Mechanism 2014-2021

Operational rules (Annex II)

This Annex sets out the operational rules for the programme. The Programme Implementation Agreement is based on the Memorandum of Understanding and the Terms of Reference for the Active Citizens Fund (ACF)-National in Poland, published on 19 February 2018. Commitments, statements and guarantees, explicit as well as implicit, made in the Concept Note, are binding for the Fund Operator (FO) unless otherwise explicitly stipulated in the annexes to this Programme Implementation Agreement.

1. Programme summary

The FO is Stefan Batory Foundation (SBF) in partnership with the Unit for Social Innovation and Research ("Shipyard") and the Academy of Civic Organizations Foundation (FAOO).

The programme shall support the objective "Civil society and active citizenship strengthened and vulnerable groups empowered" through two open calls for thematic projects with two separate tracks (small and large grants); two open calls for sectoral projects; one open call for organisational grants; one open call for media support grants and two pre-defined projects. These programme modalities are detailed further below and in section 4 of this Annex.

The programme shall cover the following five areas of support:

- Democracy, active citizenship, good governance and transparency
- Human rights and equal treatment through combating any discrimination on the grounds of racial or ethnic origin, religion or belief, gender, disability, age, sexual orientation or gender identity
- Social justice and inclusion of vulnerable groups
- Gender equality and gender-based violence
- Environment and climate change

The programme shall address the country-specific concerns:

Strengthen the capacity and sustainability of the civil society sector shall be ensured through the following actions:

- Sectoral projects under Outcome 4 will support activities strengthening CSOs in particular regions or sub-sectors of civil society, and activities strengthening the whole civil society sector;
- Project promoters selected in the thematical and sectoral calls under Outcomes 1-4 will be offered an additional amount of up to 20% of the project grant (for small grants, this will be a fixed amount up to €5,000), to develop their organizational capacity, enhance outreach and increase sustainability;
- Project promoters selected in the media support call under Outcome 4 will be offered an additional amount of up to €12,500 to develop their organizational capacity, enhance outreach and increase sustainability;
- A pre-defined project (PDP 2) will provide a capacity-building programme for CSOs, enabling them to identify capacity gaps in the areas of finance, human resources, strategy and marketing, and upgrade the skills needed to improve performance;
- Offering capacity building support to potential applicants and project promoters, and fostering exchange of good practices through regional and bilateral cooperation.

Improve outreach to under-served geographic areas and target groups shall be ensured through the following actions:

- An allocation of approximately 22% of re-granting funds to Outcome 3 on empowerment of vulnerable groups;
- Varying grant sizes to ensure the accessibility of funds to smaller CSOs. In order to increase the success of smaller and less experienced organisations in accessing funds, applicants will be required to apply for only one track (small or large) per call;
- A pre-defined project (PDP 1) aiming at developing and implementing methods to encourage civic participation particularly in areas outside urban and peri-urban centres;
- Support activities undertaken by the FO to reach potential applicants and promoters from under-served geographic regions and target groups;
- A separate scheme of small grants for thematic projects to ensure access of less experienced organizations
- For small grants for thematic projects, the in-kind contribution in the form of voluntary work may constitute up to 100% of the co-financing.

All five areas of support are supported. Programme re-granting funds shall be provided through four outcomes:

1. Outcome 1 “Increased citizen participation in civic activities” shall be reached through two open calls offering small and large grants and a pre-defined project, the specific details of which are specified in section 4.1;
2. Outcome 2 “Increased support for human rights and anti-discriminatory practice” shall be reached through two open calls offering small and large grants, the specific details of which are specified in section 4.1;
3. Outcome 3 “Increased empowerment of vulnerable groups” shall be reached through two open calls offering small and large grants, the specific details of which are specified in section 4.1;
4. Outcome 4 “Enhanced capacity and sustainability of civil society (organisations and the sector)” shall be reached through two open calls offering sectorial grants ; one open call offering organisational grants; one open call offering media support grants and a pre-defined project, the specific details of which are specified in section 4.1.

2. Eligibility

2.1 Eligible applicants:

The rules on eligibility of applicants are set in Article 6.1 of the Programme Implementation Agreement (PIA).

An eligible applicant shall be an NGO established as a legal entity registered in Poland. Eligible applicants may have the legal form of:

- association
- foundations
- social cooperatives
- non-profit companies
- country housewives’ associations
- faith-based organizations

Applicants may submit their proposals individually or as a leader in a partnership with other entities. Applicants may submit only one application in each call. Additionally, they may be a partner only in one project submitted by another applicant. An organisation which does not apply for the grant as a leader of the partnership, may partner in two projects submitted by other applicants. For projects supported by the media support grants, an entity may be a project promoter in one project, and additionally may be a partner in another project, or may be a partner in two projects.

Project promoters which receive grants in the first thematic call for proposals cannot apply for a grant in the next thematic call. Project promoters are allowed to partner only in one project financed under the programme. Project promoters in thematic projects can apply in calls for sectoral projects and vice versa. However, if they receive grants in both call, they cannot partner in any other projects submitted by other applicants. This limitation does not include projects supported by organisational grants and media support grants.

For organisational grants, eligible applicants comply with all the requirements for taking part in calls for proposals for thematic projects, and in addition:

- be association, foundation or union of associations
- have been registered for at least 5 years at the time of application
- have an average annual income (turnover) for the last three financial years of not less than PLN 300,000 (€ 75,000)
- present a multi-annual strategy for the development of the entire organisation or one of its key activity areas
- present a preliminary balance sheet and profit and loss account of the organisation for 2021
- present letters of recommendation of at least seven organisations (including informal, ad hoc and self-help organisations [including grassroots organisations] that are not registered legal entities in the beneficiary state [informal groups])

For media support grants, eligible applicants comply with all the requirements for taking part in calls for proposals for thematic projects, and in addition:

- be association, foundation or union of associations
- present letters of recommendation of at least three organisations and/or editorial teams

In case of projects supported by the EEA financial mechanism eligible partners from the donor states shall include entities from Iceland, Liechtenstein or Norway. In case of projects supported by the Norwegian financial mechanism eligible partners from the donor states shall only include entities from Norway.

Projects implemented under the organisational grants shall not include project partners.

2.2 Special rules on eligibility of costs:

With reference to the participation of the FO in the following Bilateral Cooperation and Regional Civil Society Initiatives:

- workshop on “European Civil Society Priorities in the face of increasing populism and closing civic space” in Brussels on 15 April 2019
- workshop on “Active Citizens Days” in Oslo on 10 – 11 September 2019
- workshop on “Gender Equality, a key for economic and social development” in Iceland in Reykjavik 31 October – 1 November 2019

the related expenditures can be, by a way of exception, incurred before the start date of the programme operational period as defined in PIA Art 1.13.

With reference to the modality on organisational grants, as set in Article 6.10 of the Programme Implementation Agreement, the following rules shall apply:

The project promoter receives the grant as a lump sum. The provisions on eligibility of expenditures stipulated in chapter 4 of the PIA shall not apply. The project promoter does not need to provide financial reports on the specific expenditures made under the grant.

Payments of the grant are made in lump sum instalments against interim narrative and financial reports. Payments of the grant do not depend on specific and individual expenditure incurred by the project promoter. The costs are considered as incurred within the project once paid to the project promoter.

With reference to Article 6.6.2 of the Programme Implementation Agreement, the project contract shall include provisions on the intermediate and final performance of the multiannual organisational workplan/strategy. In case of evident non-satisfactory performance, or the workplan/strategy is not implemented in line with the principles set in Article 1.4 of the PIA, the grant paid to the project promoter may be cancelled or reduced proportionately. Articles 9.2, 9.3.2 and 9.5 of the Programme Implementation Agreement do not apply.

3. Bilateral relations

3.1 Bilateral relations

The Programme shall contribute to strengthening bilateral relations between Poland and the Donor States.

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

The use of the bilateral fund shall be described in the Bilateral Cooperation Plan, of which the final version will be submitted to the Financial Mechanism Office (FMO) at the latest 12 months after the date of PIA signature.

The FO shall work in close cooperation with the Norwegian Helsinki Committee and the Icelandic Centre for Human Rights.

The grant amount for bilateral initiatives shall be up to 100% of the eligible expenditure

3.2 *Regional civil society initiatives*

Regional civil society initiatives shall take place within the framework of the Regional Civil Society Initiatives Plan, of which the final version will be submitted to the FMO at the latest 12 months after the date of PIA signature.

The funds set aside for regional civil society initiatives shall also facilitate the participation of relevant stakeholders in events/seminars/activities agreed with the Donors.

The grant amount for regional civil society initiatives shall be up to 100% of the eligible expenditure.

4. Selection of projects and financial parameters

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

Two calls for proposals for thematic projects and one call for sectoral projects are planned. If not all funds are disbursed as part of planned calls for proposals, additional call for proposals may be organized. The table below provides further information on the total planned available amounts per call, the planned duration, planned project grant amounts and estimated timing of calls, and the outcome to which the calls are linked:

Outcome	Call	Call number	Total planned contribution (EEA Grants)	Total planned contribution (Norway Grants)	Planned minimum grant amount per project	Planned maximum grant amount per project	Planned duration of project	Estimated date of publishing
1	Call for thematic projects	Call 1	€4,500,000 • Small grants: €1,350,000 • Large grants: €3,150,000	€0	Small grants: €5,000	Small grants: €25,000 • plus up to €5,000 for partnership projects with Donor States entities plus up to €5,000 for capacity building	min. 8 months / max. 2 years	Q1 2020
		Call 2	€4,500,000	€0				Q1 2021

			• Small grants - €1,350,000 • Large grants - €3,150,000		Large grants: €25,001	Large grants: €62,500 • plus up to €12,500 for projects implemented in partnership with Donor States entities • plus up to €12,500 (but not more than 20% of project grant) for capacity building		
2	Call for thematic projects	Call 1	€2,985,000 • Small grants: €655,632 • Large grants: €2,329,368	€0				Q1 2020
		Call 2	€2,985 000 • Small grants: €895,500 • Large grants: €2,089,500	€0				Q1 2021
3	Call for thematic projects	Call 1	€2,970,000 • Small grants: €891,000 • Large grants: €2,079,000	€0				Q1 2020
		Call 2	€2,970,000 • Small grants: €891,000 • Large grants: €2,079,000	€0				Q1 2021
4	Call for sectoral projects	Call 3	€4,300,000	€0	€ 25,000	€125,000 • plus up to €12,500 for	min. 1 year / max. 3 years	Q2 2020

	Call for sectoral projects on advocacy and monitoring	Call 4	€700,000	€0		projects implemented in partnership with Donor States entities • plus up to €12,500 (but not more than 20% of project grant) for capacity building	min. 12 months / max. 30 months	Q1 2021
	Call for organisational grants	Call 5	€0	€2,278,835	€50,000	€108,000	min. 16 months / max. 20 months	Q1 2022
	Call for media support grants	Call 6	€0	€871,165	€70,000	€145,500 • plus up to €12,500 for capacity building	min 10 months / max. 18 months	Q3 2022

With reference to Article 6.10 of the Programme Implementation Agreement, the call for organisational grants will not be required to include a reference to specific outputs as set in 6.2.1 g) of the Programme Implementation Agreement, but shall include the programme's results framework and explicitly state the outcomes, towards the achievement of which the activities would need to contribute to.

4.2 Selection procedures:

The selection procedures shall be carried out in accordance with Article 6.4 of the PIA.

SBF shall be responsible for project evaluation and selection process of thematic projects under Outcomes 2 and 3 and of organisational grants under outcome 4, Shipyard shall be responsible for project evaluation and selection process of thematic projects under Outcome 1 and of media support grants under outcome 4, while FAOO shall be responsible for project evaluation and selection process of sectoral projects under Outcome 4.

Applications shall be assessed in two stages in the case of sectoral and thematic projects.

Stage 1: submission and selection of project outlines

Stage 2: submission and selection of detailed project applications.

Administrative and eligibility assessment shall be carried out at both stage 1 and stage 2. The eligibility assessment shall be based on the applicant's self-declarations. Minor mistakes/omissions may be subject for request for clarifications. Full administrative and eligibility assessment of applications shall be carried out following the content related evaluation, based on the documents submitted within the deadline given following the grant award decision.

External experts shall be involved in the evaluation of project outlines (stage 1) and project applications (stage 2). In addition to the external experts the FO may set up a pool of specialised professionals (eg in the areas of digital services, social media, etc) who might be consulted by the external experts.

At stage 1 based on the scores provided by the two experts, the Fund Operator shall establish the ranking list of applicants qualified to submit detailed project applications. The Fund Operator shall inform all applicants about the results of stage 1 and shall publish the list of applicants qualified to submit detailed project applications and the list of applicants who have not qualified on the Programme's website.

At stage 2 at least two experts shall evaluate an application. The experts shall assess and score the quality of the project and assess the capacity building plans**.**

The average score allocated by experts will determine the project's ranking position. Projects that receive less than 50 % of the total scores available will not be considered for funding.

Following the assessment of the external experts, the Fund Operator may organize a meeting of experts aimed to develop the ranking list to be recommended for Selection Committee. During the meeting experts may *inter alia* discuss: 1) small grants applications where the difference between experts' scores exceeds 30 % of the higher score; (2) applications where the experts assessment of capacity building plans differ; (3) all applications in terms of their potential to achieve the planned results of the Active Citizens Fund. During the meeting, the experts determine a final scores of their applications. In the situation when in small grant thematic projects (which are assessed by two experts only) there are still applications in which difference between experts scores exceeds 30 % of the higher score or applications with different assessment of capacity building plans, the Fund Operator forwards these applications to a third expert and the average score of the two closest scores or, if the difference between scores is the same, the average score of the two highest scores, is the basis of the project's ranking position. The ranking list developed after experts' meeting together with the minutes from experts' discussion provide a basis for the discussion and recommendation of the Selection Committee.

Applications shall be assessed in one stage in case of calls for organisational grants and media support grants.

In case of calls for organisational grants the following deviations to those described above shall apply:

Each application shall be assessed by three independent experts external to the Fund Operator. The Fund Operator shall establish a ranking list of the highest scoring applications, not exceeding 125% of the total allocation of the call, which shall qualify for an interview with the experts evaluating the application. The interview shall also be scored by the experts. The sum of the scores given by the experts to the application and the interview shall determine the project's ranking position, to be further discussed in the meeting of the experts. During the meeting, the experts may inter alia discuss 1) the application's crucial importance for CSO sector and the democratic rule of law in Poland 2) whether the applicants on the ranking list represent all three types of organisations mentioned in the call for proposals.

In case of calls for media support grants the following deviations to those described above shall apply:

Each application shall be assessed by three independent experts external to the Fund Operator. The Fund Operator shall establish a ranking list of the highest scoring applications, not exceeding 150% of the total allocation of the call, which shall qualify for an interview with the experts evaluating the application. The interview shall also be scored by the experts. The sum of the scores given by the experts to the application and the interview shall determine the project's ranking position, to be further discussed in the meeting of the experts. During the meeting, the experts may inter alia discuss the applications in terms of their crucial importance for strengthening civic media and the democratic rule of law in Poland.

Projects that receive less than 70 % of the total scores available shall not be considered for funding (except in the call for media support grants where projects that receive less than 50 % of the total scores shall not be considered for funding).

The Selection Committee shall review the ranking lists developed on the basis of experts' assessment and shall make final recommendations for grants award. In justified cases, the Selection Committee may modify the ranking list. The justification shall be provided in the minutes.

The FO shall establish four Selection Committees: one for thematic projects (Outcomes 1-3) and one for sectoral projects (Outcome 4); one for organisational grants and one for media support grants. Each Selection Committee shall consist of at least five persons with the relevant expertise and experience, at least two of which shall be external to the FO and its Partners. The composition of the Selection Committees shall be identical for the different round of calls for each outcome.

Members of the Selection Committees shall be appointed by the Executive Board of the FO. The Executive Board shall make the final grant award decisions based on the ranking list recommended by the Selection Committee. The Executive Board may in justified cases modify the ranking list proposed by the Selection Committee.

The Fund Operator (ie. the partners responsible for the respective outcomes) shall inform via e-mail all applicants about the results of stage 2 and shall publish the results on the programme's website. Applicants may have access to scoring sheets of their application via the on-line system, which will be accessible via the programme's website.

4.3 Project grant rate:

With reference to Article 4.5 of the PIA, the project grant rate may be up to 100% of eligible expenditure of the project.

Where co-financing is provided, in-kind contribution in the form of voluntary work may constitute up to 100% of the co-financing.

In accordance with Article 4.5.3, the calculation of in-kind contribution in the form of voluntary work, will be based on a range from the minimum gross hourly wage (€3.26) to the average gross hourly wage in Poland (€10.10).

The exact calculation of the maximum hourly rates shall be based on an assessment of the type of work performed. The calculation will be updated annually.

4.4 Pre-defined projects:

The programme shall include two pre-defined projects, which shall be defined by the specifications below:

1) "Participation Practitioners Yard (PaPaYa)"

Project Promoter:	Shipyard – Centre for Social Innovation and Research
Total maximum eligible costs:	€ 350,000
Project grant rate:	100.00 %
Maximum project grant amount:	€ 350,000
Estimated duration:	54 months

The project objective is to increase the level and quality of public participation in decision-making at the local level in Poland, by training approximately 400 'public participation practitioners' to become promoters and organisers of participatory processes in their communities. The project aims to provide opportunities for learning, networking and experience-sharing among participatory practitioners to reach out to young people and people from regions and municipalities where public engagement tends to be lower and participatory processes infrequent or absent.

The project shall be implemented by way of the following main components:

1. Networking, exchange knowledge and education activities, including: 5 nation-wide 'Participation Practitioners' Forums' (annual peer-learning 2-days events); 7-8 regional 'Participation Practitioners' Forums' (peer-learning 1-day events); one interactive event for young leaders of public participation; and 4-5 seminars focused on deepening knowledge on concrete aspects or topics of participation processes.
2. A mentoring programme linking CSO representatives, local government officials, counsellors and local activists in a peer-to-peer system.
3. Development and promotion of a web portal
4. Promotion of dialogue and public participation municipalities and institutions which have not used participative tools nor organised public consultations in the past.

If due to health security reasons some of forums and seminars (components 1) will be not organized in stationary forms they will be replaced with online equivalent activities.

2) "Mobile Academy for NGOs (MANGO)"

Project Promoter:	Academy of Civic Organizations Foundation (FAOO)
Total maximum eligible costs:	€ 220,000
Project grant rate:	100.00 %
Maximum project grant amount:	€ 220,000
Estimated duration:	48 months

The objective of the project is to provide an easy access to learning opportunities for CSOs managers, staff and volunteers and thereby enhance their competences necessary to build the stability of their organizations. The project aims at strengthening the capacity and sustainability of CSOs operating outside larger cities, helping them to overcome barriers of geographic distance and limited resources by delivering 'mobile' learning opportunities, based on identified needs.

The project shall be implemented by way of the following main components:

1. An online tool for organizational self-assessment, which would be developed under the PDP.
2. 16-18 one-day trainings delivered in different locations outside the largest cities, on topics such as finance, human resources, strategy, and marketing.
3. 18-20 webinars on various topics related to management and organizational development.
4. Two open meetings of a conference/seminar type for CSO managers and specialists aimed at experience sharing and peer-learning;
5. Various subject learning tracks on the e-learning platform Kursodrom for self-paced studies, built from existing educational materials.

If due to health security reasons some of trainings or meetings (components 2 and 5 above) will be not organized in stationary forms they will be replaced with online equivalent activities.

5. Programme Management

5.1 Programme administrative structures

The implementation of the Active Citizens Fund-National in Poland shall be supervised by an Executive Board with the following members:

Name	Function	Represented organisation
Ewa Kulik – Bielińska	Executive Director	SBF
Zofia Komorowska	Vice- President	Shipyard
Jakub Wygnański	Chairperson	FAOO

As a lead partner SBF is responsible for the overall management and of the programme, including establishment of the management and control system of the FO and the communication with and reporting to the FMO and the National Focal Point (as applicable). SBF shall maintain the designated website of the programme.

SBF shall be responsible for re-granting under two outcomes: Outcome 2: Increased support for human rights and Outcome 3: Vulnerable groups empowered, including grant management, contracting, payment claims verification and transfer, monitoring, reports verification, providing support for applicants and project promoters (including networking as well as experience sharing and peer-learning events). The SBF shall also manage tasks related to the Fund for Bilateral Relations and coordinate the activities undertaken as a part of the Regional Civil Society Initiatives.

Shipyard shall be responsible for re-granting under Outcome 1: Increased citizen participation in civic activities, and the implementation of PDP1 under the same Outcome. Task include grants management, contracting, payment claims verification and transfer, monitoring, reports verification, providing support for applicants and project promoters (including networking as well as experience sharing and peer-learning events).

FAOO shall be responsible for the capacity building grant-making component focusing on sectoral projects under Outcome 4: Enhanced capacity and sustainability of civil society, and the implementation of the PDP2 under the same Outcome. FAOO tasks include: grant management, contracting, payment claims verification and transfer, monitoring, reports verification, providing support for applicants and project promoters (including networking, experience sharing and peer-learning events).

The FO shall ensure compliance with the principle of separation of functions between and within each entity by developing and implementing management and control systems and effectively following their procedures and protocols. The FO's organizational structure shall ensure independence and functional separation of the persons responsible for verification of incurred expenditure and approval of payments from other persons responsible for the implementation of the programme. The management and control system established shall ensure that the financial administrator(s) and the financial director are external to the process of project selection.

For the implementation of the PDPs, functional separation of tasks and responsibilities among the team members of each of the consortium partners shall be ensured. To this end SBF as a lead partner shall be responsible for the verification of payment claims and monitoring of both PDPs implemented by Shipyard (PDP1) and FAOO (PDP2).

5.2 Verification of projects

The procedures for administrative and on-the-spot verifications of projects shall be detailed in the description of the FO's management and control systems.

5.3 Payments to projects:

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

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

Grant size	**Project implementation duration**	**Advance payment**	**Interim payments** [1]	**Final payment**
A. Small grants [2] (up to €25,000 plus up to €5,000 for partnership projects with Donor States entities plus up to €5,000 for capacity building)	min. 8 months, max. 2 years	Max 50%	Min 45%	Min 5%
B. Large grants (up to €62,500 plus up to €12,500 for projects implemented in partnership with Donor States entities plus up to €12,500 (but not more than 20% of project grant) for capacity building)	min. 8 months, max. 2 years	Max 50%	Min 40%	Min 10%
C. Sectoral projects (up to €125,000 plus up to €12,500 for projects implemented in partnership with Donor States entities; plus up to €12,500 (but not more than 20% of project grant) for capacity building)	min. 1 year, max. 3 years	Max 50%	Min 40%	Min 10%
D. Organisational grants (up to €100,000)	min. 8 months, max. 2 years	Max 50%	Min 40%	Min 10%
E. Media support grants (up to €137,600 plus up to €12,500 for capacity building)	min. 10 months, max. 18 months	Max 50%	Min 40%	Min 10%

- Advance payments are to be paid up to 10 working days after the last signature of the contract.
- Interim payments are to be paid up to 10 working days after date of acceptance of the interim financial report.
- Final/balancing payments are to be paid up to 10 working days after the date of acceptance of the final narrative report and the final financial report.

The approval of project interim and final reports shall take place within one month from the submission of all the required information.

In exceptional cases where projects have been assessed as posing a high risk for the programme[3], the FO may make a justified decision to change the payments scheme (reducing pre-financing or applying a scheme without pre-financing under which the FO reimburses project promoters only the amount of grant expenses verified by the FO).

With reference to the modality on organisational grants, as set in Article 6.10 of the Programme Implementation Agreement, the following rules shall apply:

The Fund Operator shall organise an annual meeting or call with every project promoter. Ahead of the annual meeting and before releasing interim and final payments, the Fund Operator shall request from the project promoter a narrative and financial report, which as a minimum shall consist of the latest narrative and financial general annual reports of the organisation. The FO undertakes further monitoring through on the-spot verifications. The FO and the FMO have the right to commission audits of the entire organisational accounts.

The project promoter must provide an assurance report by an external auditor at the end of the project implementation based on an 'agreed upon procedure' assignment and financed by the grant budget. This report shall provide assurance that the project promoter has used the grant in accordance with the purpose and provisions of the grant agreement. If the project promoter commissions annual statutory audit reports for other purposes, the report of the latest year of the project implementation may be provided instead, provided it covers and specifically mentions the EEA and Norway Grants contribution.

Reporting requirements, including periods and submission deadlines, shall be further detailed in the description of the FO's management and control systems.

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[1] Provided that at least 70% of previously requested funds have been spent

[2] The FO is required to determine the size of the advance payment approved for individual projects based on the cash flow requirements for the planned activities and the result of the risk assessment conducted on the project. The FO is required to adapt the length of the period that is pre-financed for individual projects in order to reduce the risk of outstanding recoveries. The FO is required to closely monitor the gap between the pre-financing made and expenditure incurred.

[3] This shall be based on a risk assessment prepared and documented by the FO.

5.4 Monitoring and reporting requirements for projects:

The FO shall describe the methodology and frequency of the monitoring activities in the FO's management and control systems, which shall be submitted to the FMO within three months from the last signature date of the PIA (in line with PIA article 2.1.1 b).

A Monitoring and Evaluation Plan based on the Manual for the Fund Operators of the Active Citizens Fund shall be submitted to the FMO as part of the Annual Programme Report.

The FO shall monitor, record and report on progress towards the programme's outcomes in accordance with the provisions contained in the legal framework. The FO shall ensure that suitable and sufficient monitoring and reporting arrangements are made with the project promoters to enable the FO to meet its obligations to the Donor States.

When reporting on progress achieved in Annual and Final Programme Reports, the FO shall assess progress towards targets and report on results achieved as appropriate and in accordance with the results framework and any instructions received from the FMO

6. Communication

Communication activities shall take place within the framework of the Communication Plan submitted by the FO. Information and communication activities shall be implemented in accordance with the Manual for the Fund Operators of the Active Citizens Fund. All measures carried out shall be in line with the Communication and Design Manual.

7. Support for organizations preparing and implementing projects

Additional outreach and capacity building to support project applicants:

Special provision regarding possible deviation from the capacity building activity plan due to the Covid-19 crisis: In case that holding of live/face-to face group meetings/trainings is not possible due to official restrictions, the Fund Operator shall, to the extent possible, use web-based instruments and methods to implement capacity building activities.

	Short description of activity

1	Organisation of 16 workshops in the regions with special attention devoted to weaker organisations and those from underserved geographic areas and target groups (8 workshops before each call for thematic projects) consisting of a general part explaining ACF-N application procedures and the Fund's logic, followed by information/inspiration sessions on each thematic area and on sectoral projects, as well as on capacity building opportunities and tools CSOs can apply to improve their sustainability. App. 240 participants. If in-person workshops that were planned to take place in 2020 can no longer be delivered due to the Covid-19 crisis, those events can be organised with use of **web-based methods during that period.** The selection of locations for regional workshops will be based on thorough mapping of places where there is a need for more targeted approach to encourage CSOs apply for a grant (areas with less civic activism, insufficient infrastructure and support programmes, rural-dominated areas). There will be an extensive targeted outreach to local organisations to encourage them to participate in the workshops. This will be done with the help of regional and local infrastructural and umbrella organizations, local authorities and other stakeholders who will serve as intermediaries to reach out to potential applicants in their communities, use of regional and local contacts of the Consortium members (partners, grantees, participants of other projects) as well as a network of regional and local media. The workshops will focus on the needs of less experienced, smaller organizations. There will be slots for group and one-to-one discussion and counselling on different aspects of the programme (capacity building, budgeting, financial management, results-based approach) and presentation of practical examples of activities that can get funding in ACF-N priority areas. Participants will be encouraged to contact FO's while developing project's ideas for individual consultancy and instruction. After the meetings FO staff will provide ongoing assistance to potential applicants via phone and mail, answering questions regarding project development, preparation of project budget in EUR, consulting project ideas, providing guidance on results-based project management, compliance with programme requirements etc. FO staff will also help to facilitate contacts of less experienced CSOs with potential partners in the Donor States.
2	Organisation of 11 information/inspiration workshops devoted to each of the thematic areas of the ACF-N in Warsaw (5 workshops before each call for thematic projects and one before a call for sectoral projects) for CSOs preparing applications. Special effort will be undertaken to ensure attendance of organisations from underserved and remote areas as well as those serving underprivileged groups by i.a. targeted invitations and offer to cover full costs of their participation. App. 165 participants. If in-person workshops that were planned to take place in 2020 can no longer be delivered due to the Covid-19 crisis, those events can be organised with use of **web-based methods during that period.** Organisation of the workshops will be preceded by mapping, identifying and targeting potential applicants which require additional support: small, less-experienced CSOs, organisations working with underprivileged groups, organisations from under-served areas/regions, rural organizations. This will be done with the help of regional and local infrastructural and umbrella organizations, local authorities and other stakeholders who will serve as intermediaries to reach out to potential applicants in their communities, use of regional and local contacts of the Consortium members (partners, grantees, participants of other projects) as well as a network of regional and local media.

	The workshops will focus on the needs of less experienced, smaller organizations. FO staff will discuss with participants in groups and one-to-one sessions their project ideas and how to translate them into project proposals, as well as programme rules and procedures, focusing especially on less experienced, smaller, local CSOs from underserved areas and target groups. After the workshops, FO staff will provide on-going assistance to potential applicants via phone and mail answering questions regarding projects' development, preparing project budget in EUR, consulting project ideas, providing guidance on results-based project management, compliance with programme requirements. FOs staff will also help to facilitate contacts of less experienced CSOs with potential partners in the Donor States.
3	Organisation of 2 capacity building workshops in Warsaw (one workshop before each call for thematic projects) for CSOs working on applications to help them prepare and implement viable plans for their institutional development. Priority will be given to organisations from underserved and remote areas as well as those serving underprivileged groups. This will be done by individualized invitations of applicants who were accepted to develop full proposals as well as an offer to cover full costs of their participation. App. 60 participants. If in-person workshops that were planned to take place in 2020 can no longer be delivered due to the Covid-19 crisis, those events can be organised with use of **web-based methods during that period.** The workshops will focus on the needs of less experienced, smaller organizations. There will be slots for group and one-to-one discussion on different aspects of capacity building and the ways to diagnose individual needs of the organisations.
4	Preparation of 4 films showing step by step how to prepare an application for thematic and sectoral projects as well as for capacity building grant and how to construct budget and fill the budget form. Films will focus on the needs of less experienced small organisations and will give examples most appropriate for them.
5	Preparation of 11 webinars: 1 webinar presenting general overview the ACF-N, 5 webinars devoted to selected topics that might cause difficulties for CSOs applying for thematic and sectoral projects, 4 webinars on capacity building (2 before each call for thematic projects), 1 webinar for financial and formal issues (on eligible costs, budget etc). App. 550 participants. The content of the webinars will be prepared in an interactive way to enable to answer the needs and questions of representatives of the less experienced, small organisations from remote areas (the programme's stakeholder consultations confirmed webinars are favoured by CSOs from non-urban areas as the most accessible and desirable form of training and counselling).
6	Developing and posting on FAOO's learning platform capacity building educational materials for project applicants. Materials developed for the platform will target the special needs of small inexperienced organizations and organisations from rural/under-served areas.
7	Workshops and individual consultations for applicants during the Opening Conference with a special focus on less experienced, small organisations from underserved areas and target groups. The FO will cover participation costs of organisations coming from outside Warsaw. If in-person consultations and workshops that were planned to take place in 2020 can no longer be delivered due to the Covid-19 crisis, those events can be organised with use of **web-based methods during that period.**

	Workshops on thematic projects, capacity building and bilateral exchange will be organized in a way to prioritize the needs of less experienced organisation. There will be slots for group discussion and individual consultations on the activities eligible in programme priority areas, capacity building aspects, financial management and budgeting (EUR exchange problems), bilateral cooperation. There will be a separate matchmaking session for organisations which would like to use expertise or search for partners from Donor States.

Additional outreach and capacity building to support project promoters:

	Short description of activity
1	Conducting 3 capacity building workshops in Warsaw (1 workshop after each call for thematic project and 1 after the call for sectoral projects) on issues/problems/difficulties encountered by project promoters during the implementation of capacity building plans with a special focus on less experienced project promoters requiring special assistance. Workshops will include slots for individual consultancy, mentoring and coaching for CSOs from underserved areas and target groups. The FO will cover participation costs of organisations coming from outside Warsaw. App. 100 participants.
2	Organisation of 5-8 (depending on interest among project promoters) one-day cross-thematic regional workshops for project promoters operating in different regions with special attention devoted to less experienced organizations. Workshops will include slots for individual consultancy, mentoring and coaching for CSOs from underserved areas and target groups. App. 100 -160 participants.
3	Organisation of 14 experience-sharing workshops in different locations including Warsaw for groups of promoters implementing projects in similar thematic areas with special attention devoted to less experienced organizations (2 two-day workshops x 3 thematic areas x 2 call for proposals and 2 one day workshops for sectoral projects). The topics will reflect the organisations' needs and interests, and may cover such issues as participatory processes, effective campaigns, community organising, evidence-based advocacy, networking and coalition building. Special attention will be given to peer-learning targeting weaker and under-privileged organisations. The FO will cover participation costs of organisations coming from outside Warsaw. App. 280 participants.
4	Organisation of 5-8 webinars explaining different aspects of capacity building identified by project promoters (e.g. on communication, fundraising, cooperation with community etc.) depending on identified needs, especially needs of weak, unexperienced CSOs. App. 150 – 240 participants.
5	Targeted support: counselling, coaching and mentoring for project promoters concerning content and financial problems surfacing during projects' implementation focusing especially on less experienced organizations. These include: phone and in-person consultations with FO's team, on-site visit to provide individual consultation and mentoring, counsel of external experts when needed, additional webinars addressing issues of interest to larger group of project promoters.
6	A quarterly newsletter on sectoral projects aimed to facilitate exchange of experience and networking among sectoral project promoters.

8. Miscellaneous

1. Notwithstanding Article 15.4 of the Programme Implementation Agreement, requests for modifications that do not affect the objective, outcomes, outputs, indicators or targets of the Programme may be approved without a formalised amendment to this Agreement.

2. Notwithstanding Article 1.11 of the Programme Implementation Agreement, costs related to implementing measures of additional communication and legal processes shall be conditional on the prior agreement of FMO as the Programme Operator.