PROGRAMME IMPLEMENTATION AGREEMENT

between

THE FINANCIAL MECHANISM OFFICE

European Free Trade Association

Rue Joseph II 12-16

B-1000 Brussels

Belgium

and

Foundation in Support of Local Democracy

ul. Żurawia 43, Warszawa 00-680, 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 100% 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 II.

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 Donors 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 Donors 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 Donors 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.

3. 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 regranting 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

Signed in Brussels on 01/09/2020

.....
Árni Páll Árnason
Acting Director

For the Fund Operator

Signed in ..... on .....

.....

Signed in Warsaw on 01/09/2020

.....
Cezary Trutkowski
President of the Board

ACTIVE CITIZEN FUND - Poland

EEA Financial Mechanism 2014-2021

Results Framework and Budget (Annex I)

Fund Operator and Partners	
Fund Operator:	Foundation in Support of Local Democracy
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 civil society organisation activities	Financial Mechanism, Age, Gender, Funding source (applied for)	Cumulative number	Project Promoter's records, Attendance sheets, Petition signatures	Annually (APR)	0	N/A	21,500
			Number of CSOs directly funded	Financial Mechanism, CSO Roma focus, Funding source (applied for)	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	470
PA15	Outcome 1	Increased support for human rights	Number of beneficiaries of services provided or improved[1]	Gender, Roma	Number	Project Promoter's records	Semi-annually (APR and September IFR)	0	N/A	3,000
			Number of national/local policies and laws influenced	N/A	Number	Formal responses, acknowledgement of input to consultations,	Annually (APR)	0	N/A	30

[1] Extra disaggregation include: age

						Informal feedback, Survey responses				
	Output 1.1	CSOs human rights capacity & advocacy supported	Number of CSOs introducing human rights perspective in their activities and/or internal regulations & advocacy[2]	N/A	Number	Project Promoter's records	Annually (APR)	0	N/A	70
			Number of entities cooperating in advocacy activities on human rights[3]	N/A	Number	Project Promoter's records	Annually (APR)	0	N/A	40
	Output 1.2	Awareness on human rights and equal treatment increased	Number of people reached by human rights awareness campaigns	Age, Gender, Roma	Number	Project Promoter's records	Annually (APR)	0	N/A	15,000
			Number of awareness raising campaigns conducted	Funding source (applied for)	Cumulative number	Project Promoter's records, Audio/video/print material produced as part of the campaign	Semi-annually (APR and September IFR)	0	N/A	30
	Output 1.3	Education on human rights and equal treatment provided	Number of entities providing education on human rights and equal treatment[4]	N/A	Number	Project Promoter's records	Annually (APR)	0	N/A	120
			Number of people trained on anti-discrimination/ human rights violations issues[5]	Gender, Age	Number	Project Promoter's records	Annually (APR)	0	N/A	3,500
	Output 1.4	Services made available for persons experiencing discrimination and human rights violations	Number of institutions providing services to victims of discrimination and human rights violations	Type of institution/enterprise	Number	Project Promoter's records	Annually (APR)	0	N/A	30
PA15	Outcome 2	Vulnerable groups are empowered	Number of beneficiaries of services provided or improved[6]	Financial Mechanism, Gender, Roma, Funding source (applied for)	Cumulative number	Project Promoter's records	Semi-annually (APR and September IFR)	0	N/A	4,700

[2] Extra disaggregations include: rural area/town/city
[3] Extra disaggregations include: Type of entity (Organisation/institution/group)
[4] Extra disaggregations include: rural area/town/city & type of entity (CSO/educational institution/informal group)
[5] Extra disaggregations include: rural area/town/city & civil/public servant
[6] Extra disaggregations include: age / region

	Output 2.1	CSOs promote inclusion and awareness of vulnerable groups at regional and local level	Number of CSOs promoting inclusion and awareness of vulnerable groups[7]	N/A	Cumulative number	Project Promoter's records	Annually (APR)	0	N/A	106
	Output 2.2	Support provided to vulnerable groups	Number of institutions providing new or improved solutions to address the needs of vulnerable groups[8]	Type of institution/enterprise	Cumulative number	Project Promoter's records	Annually (APR)	0	N/A	106
			Number of partnerships between CSOs and public/private institutions and/or employers[9]	CSO partnership type	Cumulative number	Project Promoter's records, partership agreements	Annually (APR)	0	N/A	53
			Number of intergenerational initiatives supported[10]	N/A	Cumulative number	Project Promoter's records	Annually (APR)	0	N/A	32
			Number of members of vulnerable groups participating in activities (including advocacy for their needs/their communities' needs)[11]	Gender, Age	Cumulative number	Project Promoter's records	Annually (APR)	0	N/A	2,100
	Output 2.3	New solutions of intersectoral cooperation and service delivery developed	Number of CSOs engaged in participation/policy/strategy/operational solutions development[12]	N/A	Cumulative number	Project Promoter's records	Annually (APR)	0	N/A	32
			Number of new solutions developed[13]	N/A	Cumulative number	Project Promoter's records	Annually (APR)	0	N/A	21
PA15	Outcome 3	Strengthened democratic culture and civic awareness	Number of national/local policies and laws influenced	Financial Mechanism, Funding source (applied for)	Cumulative number	Formal responses, acknowledgement of input to consultations, Informal	Annually (APR)	0	N/A	53

[7] Extra disaggregations include: rural area/town/city
[8] Extra disaggregations include: rural area/town/city
[9] The indicator intends to measure partnerships focused on improving empowerment measures towards vulnerable groups. Extra disaggregations include: rural area/town/city
[10] Extra disaggregations include: youth/adults/elderly
[11] Extra disaggregations include: vulnerable group
[12] Extra disaggregations include: rural area/town/city
[13] Extra disaggregations include: rural area/town/city

						feedback, Survey responses				
			Share of target group with sense of agency in local community	N/A	Percentage	Survey results	Annually (APR)	17.97 %	2022	19.77 %[14]
	Output 3.1	Civic awareness & engagement promoted	Number of awareness raising campaigns carried out	Financial Mechanism, Funding source (applied for)	Cumulative number	Project Promoter's records, Audio/video/print material produced as part of the campaign	Semi-annually (APR and September IFR)	0	N/A	42
			Number of CSOs engaging citizens in joint actions (incl. community or civil society activities concerning environmental protection)[15]	N/A	Cumulative number	Project Promoter's records	Annually (APR)	0	N/A	105
			Number of volunteers working in supported CSOs[16]	Gender, Age	Cumulative number	Project Promoter's records Volutnteer works contracts	Annually (APR)	0	N/A	126
	Output 3.2	Civic and media literacy education implemented and promoted (incl. PDP2)	Number of CSOs educating citizens in community or civil society activities and media literacy[17]	N/A	Cumulative number	Project Promoter's records	Annually (APR)	0	N/A	190
			Number of public and educational institutions/organisations partnering with CSOs on civic education	N/A	Cumulative number	Project Promoter's records; partnership agreements	Annually (APR)	0	N/A	158
			Number of people educated about civic rights, participation and media literacy[18]	Gender, Age	Cumulative number	Project Promoter's records, Lists of attendance	Annually (APR)	0	N/A	5,250
			Number of initiatives for improved/expanded civic and media literacy education[19]	N/A	Cumulative number	Project Promoter's records	Annually (APR)	0	N/A	105
	Output 3.3	Participation of citizens in	Number of CSOs involving citizens in public policy decision making	N/A	Cumulative number	Project Promoter's records	Annually (APR)	0	N/A	53

[14] Target is +10% from baseline.
[15] Extra disaggregations include: rural area/town/city
[16] Extra disaggregations include: region
[17] Extra disaggregations include: rural area/town/city
[18] Extra disaggregations include: region/vulnerable groups
[19] Extra disaggregations include: rural area/town/city

		public policy decision making supported (PDP1 included)	Number of created or upgraded physical or virtual spaces for civic participation	N/A	Cumulative number	Project Promoter's records	Annually (APR)	0	N/A	53
			Number of studies on social capital at the local level	N/A	Number	Project Promoter's records, survey reports	Annually (APR)	0	N/A	3
			Number of people participating in consultations with a public decision-making body[20]	Gender, Age	Cumulative number	Formal responses, acknowledgement of input to consultations, Informal feedback, Survey responses	Annually (APR)	0	N/A	2,100
	Output 3.4	CSO watchdog role reinforced	Number of CSOs engaged in monitoring public and private decision-making[21]	N/A	Cumulative number	Project Promoter's records	Annually (APR)	0	N/A	21
			Number of public institutions trained in transparency, accountability, open government standards[22]	N/A	Cumulative number	Project Promoter's records, Lists of attendance	Annually (APR)	0	N/A	32
			Number of CSOs initiatives promoting access to public information[23]	N/A	Cumulative number	Project Promoter's records	Annually (APR)	0	N/A	21
PA15	Outcome 4	Enhanced capacity & sustainability of civil society	Number of joint initiatives conducted by CSOs in collaboration with other CSOs[24]	N/A	Number	Project Promoter's records, Parntership agreements	Annually (APR)	0	N/A	250
			Number of CSOs that regularly disseminate information on their activities and results to the public[25]	N/A	Cumulative number	Project Promoter's records	Annually (APR)	217	2023	397[26]
			Number of CSOs with effective management procedures	N/A	Cumulative number	Project Promoter's records	Annually (APR)	218	2023	368[27]

[20] Extra disaggregation includes: region
[21] Extra disaggregations include: rural area/town/city
[22] Extra disaggregation by: regions
[23] Extra disaggregations include: regions
[24] Extra disaggregations include: regions
[25] Extra disaggregations include: local/regional
[26] (Baseline + 180)
[27] (Baseline + 150)

	Output 4.1	Partnerships between CSOs supported (incl. PDP3)	Number of CSO platforms and networks supported[28]	N/A	Cumulative number	Project Promoter's records	Annually (APR)	0	N/A	17
	Output 4.2	Capacity building provided to CSOs (PDP 3 included)	Number of professional staff trained (including leaders, volunteers etc)[29]	Financial Mechanism, Age, Gender, Funding source (applied for)	Cumulative number	Project Promoter's records, Attendance sheets	Semi-annually (APR and September IFR)	0	N/A	1,350
			Number of CSOs participating in capacity building/learning initiatives funded by the programme[30]	N/A	Cumulative number	Project Promoter's records; Lists of attendance	Annually (APR)	0	N/A	370
PA15	Bilateral Outcome	Enhanced collaboration between beneficiary and donor state entities involved in the programme.	Level of trust between cooperating entities in Beneficiary States and Donor States	N/A	Scale 1-7	Survey results	Annually (APR)	6.64	2022	4.5[31]
			Level of satisfaction with the partnership (on a scale)	N/A	Scale 1-7	Survey results	Annually (APR)	6.47	2022	4.5[32]
			Share of cooperating organisations that apply knowledge acquired from bilateral partnership	Funding source (applied for)	Percentage	Survey results	Annually (APR)	N/A	N/A	50
			Share of participants in bilateral initiatives funded by the ACF bilateral fund reporting improved knowledge/methods/approaches	Gender, State type	Percentage, 50	Project Promoter's records; Lists of attendance	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[33]	Funding source (applied for)	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	30

[28] Extra disaggregations include: rural area/town/city
[29] Extra disaggregations include: type of training
[30] Extra disaggregations include: type of CSO
[31] Target is ≥4.5, and an increase on the baseline value
[32] Target is ≥4.5, and an increase on the baseline value
[33] Extra disaggregations include: type of cooperation (first time or continuation)

	Bilateral Output 2	Cooperation between beneficiary and donor state entities facilitated through the ACF bilateral fund	Number of organisations, which take part in bilateral cooperation initiatives / activities.[34]	State type	Number	Project Promoter's records, Parntership agreements	Annually (APR)	0	N/A	100
			Number of individuals participating in bilateral activities funded by the ACF bilateral fund	Gender, State type	Number	Project Promoter's records; Lists of attendance	Annually (APR)	0	N/A	120
PA15	Regional civil society initiatives	Strengthened regional (cross-border) cooperation in the civil society sector	Number of new or developed initiatives jointly implemented by entities across borders	N/A	Number	Project Promoter's records, Parntership agreements	Annually (APR)	0	N/A	6
	Output 1	Regional cooperation between civil society organisations facilitated	Number of CSOs participating in regional cooperation	N/A	Number	Project Promoter's records, Parntership agreements	Annually (APR)	N/A	N/A	8
			Number of participants in events funded by the regional civil society initiatives fund	Gender	Number	Project Promoter's records; Lists of attendance	Annually (APR)	N/A	N/A	48

[34] Extra disaggregations include: area of cooperation

Conditions

General

1. An additional management fee amounting to EUR 573,000, representing an increase of 30% to the regular fee of EUR 1,910,000, 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 following Outcome 3 indicator where the baseline value is "to be determined" (TBD), the Fund Operator shall submit to the FMO 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:

* "Share of target group with sense of agency in local community"

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 (€)	€ 26,415,000
Re-granting amount (€)	€ 23,191,000
Programme grant rate (%)	100.00 %
Maximum amount of Programme grant - EEA Financial Mechanism (€)	€ 23,000,000
Maximum amount of Programme grant - Norwegian Financial Mechanism (€)	€ 3,415,000
Maximum amount of Programme grant - Total (€)	€ 26,415,000

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	€ 2,483,000	€ 239,050	€ 2,722,050	100.00 %	€ 0	€ 2,722,050	€ 248,300	n/a
PA15	Outcome 1 (EEA Grants)	€ 4,713,300		€ 4,713,300	100.00 %	€ 0	€ 4,713,300	n/a	n/a
PA15	Outcome 1 (Norway Grants)		€ 0	€ 0	100.00 %	€ 0	€ 0	n/a	n/a
PA15	Outcome 2 (EEA Grants)	€ 4,713,300		€ 4,713,300	100.00 %	€ 0	€ 4,713,300	n/a	n/a
PA15	Outcome 2 (Norway Grants)		€ 300,000	€ 300,000	100.00 %	€ 0	€ 300,000	n/a	n/a
PA15	Outcome 3 (EEA Grants)	€ 7,484,400		€ 7,484,400	100.00 %	€ 0	€ 7,484,400	n/a	n/a
PA15	Outcome 3 (Norway Grants)		€ 410,000	€ 410,000	100.00 %	€ 0	€ 410,000	n/a	n/a
PA15	Outcome 4 (EEA Grants)	€ 3,300,000		€ 3,300,000	100.00 %	€ 0	€ 3,300,000	n/a	n/a
PA15	Outcome 4 (Norway Grants)		€ 2,270,000	€ 2,270,000	100.00 %	€ 0	€ 2,270,000	n/a	n/a
PA15	Fund for bilateral relations	€ 191,000	€ 40,950	€ 231,950	100.00 %	€ 0	€ 231,950	n/a	n/a
PA15	Fund for regional civil society initiatives	€ 115,000	€ 155,000	€ 270,000	100.00 %	€ 0	€ 270,000	n/a	n/a
Total		**€ 23,000,000**	**€ 3,415,000**	**€ 26,415,000**	**100.00 %**	**€ 0**	**€ 26,415,000**	**€ 248,300**	**€ 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	€ 408,308

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 Memoranda of Understanding and the Terms of Reference for the Active Citizens Fund (ACF)-Regional in Poland, published on 26 November 2018. Commitments, statements and guarantees, explicit as well as implicit, made in the Concept Note and the Supplementary Information 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 Foundation in Support of Local Democracy (FSLD), in partnership with the Information Society Development Foundation (ISDF) and Education for Democracy Foundation (EDF).

The programme shall support the objective "Civil society and active citizenship strengthened and vulnerable groups empowered" through two open calls for proposals, with separate tracks for large and small grants, an ongoing open call for proposals (quick response fund), micro and organisational (macro) grants, and three 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 outside the capital city of Warsaw.

- Project promoters under Outcomes 1-3 are offered an additional amount of up to 15% of the project grant to develop their organizational capacity, enhance outreach and increase sustainability.
- A pre-defined project under Outcome 4 will support activities strengthening regional and local civil society organisations outside the capital city of Warsaw.
- Six thematic areas are given special priority in the open calls. "Special focus projects" in these areas will receive additional assistance and mentoring. 'Special focus projects' shall be prioritized in the project selection, through additional points in the evaluation and quotas. They are defined as: Outcome 1: Projects aiming at supporting execution and compliance of human rights in the case of (i) groups of migrants & refugees, (ii) LGBT+ groups, (iii) manifestations of discrimination; Outcome 2: Projects counteracting domestic violence; Outcome 3: Projects strengthening democratic culture and civic participation in the case of: (i) watchdogs, (ii) public participation in policy making

Improve outreach to under-served geographic areas and target groups.

- 23% of the total re-granting amount is allocated to Outcome 2 "Vulnerable groups empowered".
- The Programme aims to ensure a balanced distribution of projects across Poland's regions and increase the chances of smaller local and regional organisations for receiving grants and implementing key Programme actions. ~~Regional allocations shall ensure an equal distribution of funds between regions. Up to 15 % of the re-granting amount can be re-allocated to another region.~~
- Tracks for small and large grants in Call 1 and 2 shall ensure the accessibility of funds to smaller CSOs.
- Four of the six 'special focus projects' address the needs of under-served target groups.
- Special assistance is given to project applicants and promoters in under-served areas and target groups.

All five areas of support shall be addressed.

All five areas of support are addressed.

Focus on supporting initiatives/measures with impact outside the capital city of Warsaw.

- All supported projects shall be implemented outside the capital city of Warsaw.
- Calls are organized and promoted with the assistance of up to eight regional information & project support centres

Programme re-granting funds shall be provided through four outcomes:

1. **Outcome 1 "**Increased support for human rights" shall be reached through two open calls offering small and large grants and an ongoing open call, the specific details of which are specified in section 4.1;
2. **Outcome 2** "Vulnerable groups are empowered" shall be reached through two open calls offering small and large grants and an ongoing open call, the specific details of which are specified in section 4.1.;
3. **Outcome 3** "Strengthened democratic culture and civic awareness" shall be reached through two open calls offering small and large grants, an ongoing open call and two pre-defined projects, the specific details of which are specified in section 4.1.;
4. **Outcome 4** "Enhanced capacity and sustainability of civil society" shall be reached through four~~two~~ open calls offering small~~, and~~ large, micro and organisational (macro) 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.

An eligible applicant shall be an NGO established as a legal entity registered in Poland.

Eligible applicants may have the legal form of:

- Foundations and associations registered in the National Court Register and/or in the record of ordinary associations,

- Rural women's circles registered in the Register of Rural Women's Circles maintained by the President of the Agency for Restructuring and Modernisation of Agriculture,

- Social cooperatives,

- Non-profit enterprises (public limited companies and private limited companies which do not operate for profit but use their entire income to achieve their statutory goals).

Applicants may submit their proposals individually or as a leader in a partnership with other entities (partners). The following entities are eligible partners:

- Any entity in accordance with Article 6.1.3 of the main text of this Agreement,

- Non-formal (non-registered) groups of activists.

Special eligibility criteria for different grant sizes:

- Large grants (EUR 23.001 - 84.000, 12-24 months of project implementation): a~~A~~t least 12 months of operation prior to the date of submission required (formal eligibility criterion) and experience in implementing and reporting in at least three projects in the relevant thematic area over the last three years prior to submission (quality evaluation criterion).

- Small grants (EUR 6.000 - 23.000, 6-18 months of project implementation): a~~A~~t least 6 months of operation prior to the date of submission required (formal eligibility criterion) and at least one person of the project team with experience of project implementation in the relevant thematic area (quality evaluation criterion).

- Micro grants (EUR 10000 - 12000, 6-18 months of project implementation): no more than 3 years of operation prior to the date of submission required (formal eligibility criterion).

- Organisational grants (macro grants, EUR 85000 - 100000, 18-20 months of project implementation) at least 36 months of operation prior to the date of submission required , average annual turnover ~~income~~ of at least EUR 100 000 for the 3 completed financial years (best 3 years chosen from the last five completed financial years) (formal eligibility criterion); multiannual organisational workplan and/or strategy (quality evaluation criterion);

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 Regional Civil Society Initiative:

- Active Citizens Fund Operators' meeting in Brussels 12-13 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.

For organisational grants:

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 at least interim (annual) 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.

As a derogation from the limit set in the letter from the FMO of 31 October 2022 regarding reallocations between outcomes, the maximum total amount that may be allocated to the Fund for Bilateral Relations is € 362,000

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):
Four~~Two~~ rounds of calls for proposals and one quick response fund (ongoing call for proposals) are planned. If not all funds are disbursed as part of planned calls for proposals, additional calls for proposals may be organized.

The below table 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	Implementation modality	Call/project number	EEA Grant contribution	Norway Grant contribution	Maximum grant rate (%)	Maximum grant amount per project	Minimum grant amount per project	Max and Min duration of project (where relevant)	Estimated start date of project/call (quarter/YYYY)
Outcome 1	Call for proposals	Call 1	€2 617 842, 03	€0	100%	€ 84 000 plus up to 15% for projects implemented with Donor States entities	€ 6000	Maximum 24 months, minimum 6 months	Quarter 1, 2021
Outcome 1	Call for proposals	Call 2	€1 805 281,00	€0	100%	€ 84 000 plus up to 15% for projects implemented with Donor States entities	€ 6000	Maximum 20 months, minimum 6 months	Quarter 1, 2022
Outcome 1	Quick Response Fund (ongoing call for proposals)	Call 3	€290 176,97	€0	100%	€ 15 000 plus up to 15% for projects implemented with Donor States entities	€ 6000	Maximum 8 months, minimum 3 months	Quarter 3-4, 2021 and Quarter 3, 2022 - Quarter 2, 2023
Outcome 2	Call for proposals	Call 1	**€ 2 973 180,00**	€0	100%	€ 84 000	€ 6000	Maximum 24 months,	Quarter 1, 2021

Outcome	Implementation modality	Call/project number	EEA Grant contribution	Norway Grant contribution	Maximum grant rate (%)	Maximum grant amount per project	Minimum grant amount per project	Max and Min duration of project (where relevant)	Estimated start date of project/call (quarter/YYYY)
						plus up to 15 for projects implemented with Donor States entities		minimum 6 months	
Outcome 2	Call for proposals	Call 2	**€ 1 661 565,00**	€300 000	100%	€ 84 000 plus up to 15% for projects implemented with Donor States entities	€ 6000	Maximum 20 months, minimum 6 months	Quarter 1, 2022
Outcome 2	Quick Response Fund (ongoing call for proposals)	Call 3	**€ 78 555,00**	€0	100%	€ 15 000 plus up to 15% for projects implemented with Donor States entities	€ 6000	Maximum 8 months, minimum 3 months	Quarter 3-4, 2021 and Quarter 3, 2022 - Quarter 2, 2023
Outcome 3	Call for proposals	Call 1	**€ 4 078 970,00**	€0	100%	€ 84 000 plus up to 15% for projects implemented with Donor States entities	€ 6000	Maximum 24 months, minimum 6 months	Quarter 1, 2021
Outcome 3	Call for proposals	Call 2	**€ 2 477 580,00**	€410 000	100%	€ 84 000 plus up to 15% for projects implemented with Donor States entities	€ 6000	Maximum 20 months, minimum 6 months	Quarter 1, 2022
Outcome 3	Quick Response Fund (ongoing call for proposals)	Call 3	**€ 228 342,50**	€0	100%	€ 15 000 plus up to 15% for projects implemented with Donor	€ 6000	Maximum 8 months, minimum 3 months	Quarter 3-4, 2021 and Quarter 3, 2022 - Quarter 2, 2023

Outcome	Implementation modality	Call/project number	EEA Grant contribution	Norway Grant contribution	Maximum grant rate (%)	Maximum grant amount per project	Minimum grant amount per project	Max and Min duration of project (where relevant)	Estimated start date of project/call (quarter/YYYY)
						States entities			
Outcome 4	Additional funds for capacity building for applicants under outcome 1-3	For applicants under Call 1	**€ 1 635 170,00**	€0	100%	Additional 22% of project grant for capacity building in call 1		Maximum 24 months, minimum 6 months	Quarter 1, 2021
Outcome 4	Additional funds for capacity building for applicants under outcomes 1-3	For applicants under Call 2	**€ 1 364 844,00**		100%	Additional 22% of project grant for capacity building in call 2		Maximum 20 months, minimum 6 months	Quarter 1, 2022
Outcome 4	Call for proposals	Call 4	**€0**	**€ 1 790 000,00**	100%	€110 000,00	€85 000,00	Maximum 20 months, minimum 18 months	Quarter 1, 2022
Outcome 4	Call for proposals	Call 5	**€0**	**€480 000**	100%	€12 000,00	€10 000,00	Maximum 8 months, minimum 6 months	Quarter 1, 2023

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

There will be a preliminary administrative and eligibility assessment which shall be carried out on the basis of the applicants' self-declarations. Applicants whose applications have been rejected at this stage may appeal against this decision to the FO within five working days of the reception of the rejection letter. The final administrative and eligibility assessment of applications will be carried out after the evaluation process. Organisations that have been awarded grants shall submit the relevant documents within ten working days of the reception of the grant notification.

The evaluation of project applications shall be carried out in four stages:

- Stage 1: Each project will be assessed by two independent experts. For the purpose of ranking the project applications, the average of the scores awarded by the experts shall be used. If the difference between the scores is more than 30% of the higher score, the application shall be scored by a third expert. In such cases, the average score of the two closest scores should be used for the ranking of the projects applications. Projects that received less than 50% of the total score will not be considered for funding.

- Stage 2: The FO may organize a meeting of experts aimed at developing the ranking list to be recommended to the Selection Committee. The purpose of this meeting is to ensure a harmonised evaluation within one outcome. Experts may modify their score in justified cases based on transparent criteria. The FO shall ensure that there are minutes of the meetings of experts which contain enough detail to demonstrate the experts have operated in an open, transparent and accountable manner. All modifications of scores and ranking need to be reflected clearly in the minutes.

- Stage 3: The Selection Committee shall review the ranking list and make final recommendations for the grant award. In justified cases, the Selection Committee may modify the ranking list. The justification shall be provided in the minutes. The 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. Members of the Selection Committee shall be appointed by the Executive Board of the FO. The Selection Committee shall ensure that in case of projects supported by the EEA Financial Mechanism, eligible partners from the Donor States include entities from Iceland, Liechtenstein or Norway. In case of projects supported by the Norwegian Financial Mechanism, eligible partners from the Donor States only include entities from Norway.- Stage 4: The Executive Board shall make the final grant award decision 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.

- Stage 4: The Executive Board shall make the final grant award decision 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.

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

The Fund Operator shall establish a ranking list of the highest scoring applications, not exceeding 200% 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.

The FO shall inform all applicants about the results of the evaluation and shall publish an overview of the awarded projects on the programme 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 projects.

Where co-financing is provided, in-kind contribution in the form of voluntary work may constitute up to 100% of 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 (EUR 3,77) to the average gross hourly wage in Poland (EUR 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:

Project title:	**Model solutions fostering citizens' engagement and cooperation on local level**
Project Promoter:	Foundation in Support for Local Democracy
Project Partner(s):	n/a
Donor project partner(s):	n/a
Total maximum eligible project cost:	€ 399609,5
Project grant rate:	100%
Project grant amount:	€ 399609,5
Estimated duration:	36 months
Activities	The project's aim is to explain causes and analyse mechanisms separating self-government from the local community in order to answer the main question: how to activate and strengthen democratic culture and civic awareness, so that local communities can regain power in a sustainable way? The main outputs are: • diagnosis of local democracy in Poland demonstrating the most important mechanisms blocking and/or enhancing civic participation in local decision-making; • development of a model solutions for increased civic engagement and elaboration of policy guidelines and recommendations for policy makers at local government level • dissemination and up-scaling of policy guidelines and policy proposals civil society participatory mechanisms and social capital building on local level. The main activities are: • integration of existing diagnoses of decentralization and civic participation in the EU • development of a genuine research methodology and strategy for building stakeholders' engagement for increased civic participation and democratization of local elites • diagnosis of democratic culture and civic awareness based on all documents available (reports, statements, audio recordings or protocols of council meetings, local press etc.). • ethnographic research conducted by a team, deliberately assembled to observe, lead individual

	and group interviews as well as gather materials in selected local communities • individual interviews with actors important from the socioeconomic point of view • two surveys involving representative population samples from the selected regions.

Project title:	**"It's good to know".** **Fostering information literacy as a core competency for conscious citizenship in a participatory democracy**
Project Promoter:	Information Society Development Foundation
Project Partner(s):	n/a
Donor project partner(s):	To be confirmed
Total maximum eligible project cost:	€ 299898
Project grant rate:	100%
Project grant amount:	€ 299898
Estimated duration:	36 months
Activities:	The project aims to (i) strengthen the availability, credibility & value of information as well as citizens' capacity for critical analysis and evaluation, (ii) install and popularize a model of joint knowledge creation through participatory interactive formats: discussions & debates (iii) foster local dialogue in every possible form (conversations, meetings) in safe environment, (iv) develop core information literacy competencies (communication culture, critical thinking, conflict management), especially among civically passive or withdrawn participants as crucial for their involvement. The main outputs are: • CSOs educate citizens in community or civil society activities and media literacy; • 60 public and educational institutions/organisations partner with CSOs on civic education; • 1500 people are educated about civic rights, participation and media literacy; • 30 initiatives for improved/expanded civic and media literacy education are developed. The main activities are: • Needs analysis in selected places, survey and development of intervention model. • Meetings with local leaders, collection of topics relevant on the local level and outreach strategies towards selected target groups. • Identification and recruitment of Facilitators of Information Clubs as informal leaders of the local community

	• Series of citizens' meetings in local communities to increase information literacy • Event for participating towns facilitating exchange of experience, sharing practices and initiating cross-regional partnerships • Cooperation within professional groups.

Project title:	**Capacity Building learning and networking programme**
Project Promoter:	Information Society Development Foundation, Education for Democracy Foundation
Project Partner(s):	n/a
Donor project partner(s):	n/a
Total maximum eligible project cost:	€ 299986
Project grant rate:	100%
Project grant amount:	€ 299986
Estimated duration:	36 months
Activities:	The project shall serve to (i) nurture young organizations and therefore enable the continuity of CSOs functioning, (ii) develop & ensure a sufficient level of their professionalism, (iii) extend cross-sectoral connections (with different stakeholders), (iv) popularize their presence, actions and impact for smaller communities. The main outputs are: • 100 joint initiatives conducted by CSOs in collaboration with CSOs and other entities; • 1200 professional staff trained; • 300 CSOs participating in capacity building/learning initiatives The main activities are: • Two rounds of trainings for CSOs on basic competences of project-oriented thinking & more advanced issues (i.e.: management skills and strategic planning, communication skills, leadership and teambuilding, diversification of financial resources, digital skills and online safety of organizations). • Activities to strengthen NGOs' ability to join forces, advocate policies, improve transparency, accountability and public understanding. • Thematic meetings will explore special focus subjects and create spaces to gather people, solutions and good examples of policy making. • Regional 2-day events for CSOs and town/commune officials and public institutions representatives, in particular involved in cooperation with NGOs, to foster the relations and develop more efficient models for common actions & synergy.

	• Offer to around 400 CSOs to consult their strategy with an expert as well as connect with potential mentors, twin organizations and relevant learning opportunities. • Information campaign to demonstrate the potential of civil society.

5. Programme Management

5.1 Programme administrative structures

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

Name	Function	Represented organisation
Cezary Trutkowski	~~Vice~~ President of the Board	FSLD
Jacek Królikowski	President of the Board	ISDF
Martyna Bogaczyk	President of the Board	EDF

As a lead partner FSLD is responsible for the for the overall management of the programme, the establishment of the management and control system of the FO, the communication with and reporting to the FMO and the coordination with other EEA Grants stakeholders. FSLD is also the main responsible party for the preparation and implementation of the projects.

ISDF shall be responsible for capacity building (i.e., preparation of the support system for applicants and partners) and the coordination of the PDP implementation. ISDF shall also develop and implement the communication plan and be responsible for the overall communication of the programme. This includes the preparation and implementation of the planned conferences. ISDF shall set up and maintain the designated website of the programme.

EDF shall contribute to the selection of projects by developing and establishing transparent procedures for project selection and contracting. EDF is also responsible for the coordination of the bilateral cooperation and the regional exchange.

The FO shall ensure independence and separation of tasks in accordance with the provisions of this Agreement.

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**	**Final payment**
Small grants for thematic projects €6,000 - 23,000: possibility to apply for an additional amount (up to 15% of the total grant amount) for components implemented with Donor States entities (bilateral relations); possibility to request additional funding for capacity-building activities (up to 15% of the total grant amount)	between 6 and 18 months	Max 50%	Min 45%	Min 5%
Large grants for thematic projects €23,001 - 84,000: possibility to apply for an additional amount (up to 15% of the total grant amount) for components implemented with Donor States entities (bilateral relations); possibility to request additional funding for capacity-building activities (up to 15% of the total grant amount)	between 12 and 24 months	Max 50%	Min 40%	Min 10%
Quick response grants for intervention projects € 6,000 - 15,000: possibility to apply for an additional amount (up to 15% of the total grant amount) for components implemented with Donor States entities (bilateral relations)	between 3 and 8 months	Max 95%	n/a	Min 5%
Organisational grants (macro grants) €85,000 - 100,000 no additional amounts	between 18 and 20 months	Max 50%	Min 40%	Min 10%
Micro grants €10,000 - 12,000 no additional amounts	between 6 and 8 months	Max 9550%	n/a~~Min 45%~~	Min 5%

- Advance payments are to be paid up to 14 working days after the last signature of the contract.
- Interim payments are to be paid up to 14 working days after date of acceptance of the interim financial report.
- Final/balancing payments are to be paid up to 14 working days after the date of acceptance of the final narrative report and the final financial report.

A maximum deadline for the approval of interim and final reports by the Fund Operator will be up to 30 days from the receipt of all required information. The date of submission of the final report by project promoters will be maximum 45 days after the project implementation final date.

In exceptional cases where projects have been assessed as posing a high risk for the programme, 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 shall include 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.

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:

No	Short description of activity
1	Establishment and maintenance of up to 8 regional information and support centres with regional consultants and help desks to ensure outreach and decentralised management of the programme (cost of offices in 8 regions and 3 additional positions of regional consultants, costs of ToT for regional consultants).
2	Electronic Grant Application and Management System - I & II modules (application form and evaluation) developed and maintained
3	Technical assistance and guidance to electronic system
4	Stakeholder consultations in the regions ensuring the distribution of information about the ACF to potential stakeholders/applicants (5 meetings + online questionnaire);
5	16 regional information meetings for project applicants (8 per call)
6	Communication, promotion & outreach, particularly addressing the needs of new/inexperienced organizations and those working with underserved areas and vulnerable groups: 2 months of intensive information campaign in the regions, before the 1st and 2nd call; Trainings for regional information and support centres employees on communication standards; effective tools and communication channels;

7	12-part online learning cycle (webinars, workshops, screencasts/podcasts, materials)
9	Thematic webinars (3 programme areas) and expert counselling for regional consultants and applicants
10	Local synergies - cooperation facilitation and partnership building: support for local Polish CSOs (which don't have any previous experience in building and running project consortia) in partnerships building and effective cooperation oriented on quality and results (application stage);meetings, additional consultations;
11	Support for special focus projects: · decisive voice of experts in the preparation of call guidelines (incl. understanding of the area, specific issues connected to its implementation); · a mentoring scheme provided by experts assessing the application forms: webinars & individual consultations/each special focus area;

Additional outreach and capacity building to support project promoters:

No	Short description of activity
1	Running up to 8 regional information and support centres to ensure outreach and decentralised management of the programme : regional consultants available for project promoters, everyday problems solving, extensive tutoring, project progress monitoring (administrative and on-the-spot), reporting (cost of offices in 8 regions and 3 additional positions of regional consultants)
2	Development and maintenance of the Electronic Grant Application and Management System - III & IV modules (contracts and reporting)
3	Technical assistance and guidance to electronic system
4	16 meetings/workshops for project promoters (8 per call)
5	24-part online learning cycle (webinars, workshops, screencasts/podcasts, materials) on building outreach, working with vulnerable groups, anti-discrimination language, recognition of CSO's in local communities
6	Educational materials on 3 areas of support developed
7	Communication, promotion and outreach standard & tools - supporting CSO's working with underserved areas and vulnerable groups: guidelines, webinars, information materials (promotion and training on communication guidelines concerning outreach & language (PA) and cooperation with vulnerable groups (SPF), series of online & offline trainings on building outreach, working with vulnerable groups, anti-discrimination language & activities and recognition of CSOs in the local communities)
8	Promotion of good practices, results of projects (website and social media): promotion of good practices on project activities in local communities, promotion of multi/cross-sectoral projects as examples of effective cooperation and communication, promotion of projects' activities and results among local authorities, local government forums and local communities;
9	Local synergies - cooperation facilitation and partnership building: support for local Polish CSOs (which don't have any previous experience in building and running project consortia) in partnerships building and effective cooperation oriented on quality and results (project implementation stage);
10	Local synergies - cooperation facilitation and partnership building: match-making activities for representatives of various sectors; support for establishing local/regional coalitions introduced by orientation & mapping of regional actors (organizations & groups representing vulnerable people): regional information and support centres and public/private institutions supporting underserved groups in order to mark shortcut paths (for consultations & access), share expertise and experience;
11	Support for special focus projects: · strategy & content consultations in 6 special focus areas: online meetings of experts with project promoters, implementing the particularly sensitive projects.

12	Cost of legal defence and additional measures connected with communication of the Fund and crisis communication, overheads

8. Miscellaneous

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.