Norwegian Financial Mechanism 2021-2028

PROGRAMME AGREEMENT

between

The Norwegian Ministry of Foreign Affairs

and

The Department of Assistance Programmes, Ministry of Development Funds and Regional Policy,

hereinafter referred to as the "National Focal Point",

representing Poland,

hereinafter referred to as the "Beneficiary State"

together hereinafter referred to as the "Parties"

for the financing of the Programme "Local Development"

hereinafter referred to as the "Programme"

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Chapter 1
Scope, legal framework, and definitions

Article 1.1
Scope

This Programme Agreement between the Norwegian Ministry of Foreign Affairs (hereinafter referred to as the NMFA) and the National Focal Point lays down the rights and obligations of the Parties regarding the implementation of the Programme and the financial contribution from the Norwegian Financial Mechanism 2021-2028 to the Programme.

Article 1.2
Legal Framework

1. This Programme Agreement shall be read in conjunction with the following documents which, together with this Programme Agreement, constitute the legal framework of the Norwegian Financial Mechanism 2021-2028:

a) the Agreement between the Kingdom of Norway and the European Union on a Norwegian Financial Mechanism for the period May 2021–April 2028;

b) the Regulation on the implementation of the Norwegian Financial Mechanism 2021-2028 (hereinafter referred to as the "Regulation");

c) the Memorandum of Understanding on the Implementation of the Norwegian Financial Mechanism 2021-2028, entered into between Norway and the Beneficiary State; and

d) any guidelines adopted by the NMFA in accordance with the Regulation.

2. In case of an inconsistency between this Programme Agreement and the Regulation, the Regulation shall prevail.

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

Article 1.3
Definitions

Terms used and institutions and documents referred to in this Programme Agreement shall be understood in accordance with the Regulation, in particular Article 1.6 thereof, and the legal framework referred to in Article 1.2 of this Programme Agreement.

Article 1.4
Annexes and hierarchy of documents

1. Annexes attached hereto form an integral part of this Programme Agreement. Any reference to this Programme Agreement includes a reference to its annexes unless otherwise stated or clear from the context.

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

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

Chapter 2
The Programme

Article 2.1
Co-operation

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

2. The Parties agree to provide all information necessary for the good functioning of this Programme Agreement, including risk assessment and response analysis, and to apply the principles of implementation as set out in the Regulation.

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

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

Article 2.2
Main responsibilities of the Parties

1. The National Focal Point is responsible and accountable for the overall management of the Norwegian Financial Mechanism 2021-2028 in the Beneficiary State and for the full and correct

implementation of this Programme Agreement. In particular, the National Focal Point undertakes to:

a) comply with its obligations stipulated in the Regulation and this Programme Agreement;

b) ensure that the Certifying Authority, the Audit Authority and the Programme Operator properly perform the tasks assigned to them in the Regulation and this Programme Agreement;

c) take all necessary steps to ensure that the Programme Operator is fully committed and able to implement and manage the Programme, including ensuring the appropriate allocation of staff and other resources, throughout the programme period;

d) take the necessary measures to remedy irregularities in the implementation of the Programme and ensure that the Programme Operator takes appropriate measures to remedy irregularities in projects within the Programme, including measures to recover misspent funds; and

e) make all the necessary and appropriate arrangements in order to strengthen or change the way the Programme is managed.

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

Article 2.3
Objective(s) of the Programme

1. This Programme Agreement sets out the objective(s), outcome(s), outputs, indicators and targets for the Programme.

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

Article 2.4
Programme grant

1. The maximum amount of the programme grant, the programme grant rate, and the estimated eligible cost of the Programme shall be as specified in this Programme Agreement.

2. The programme budget annexed to this Programme Agreement shall:

a) contain a breakdown between the Programme's budget headings; and

b) indicate the agreed advance payment, if any.

3. The management cost of the Programme Operator shall not exceed the amount specified in this Programme Agreement.

Article 2.5
Special conditions and programme specific rules

1. This Programme Agreement shall list any conditions set by the NMFA with reference to Article 6.3.2 of the Regulation. The National Focal Point shall ensure compliance with these conditions and take the necessary steps to ensure their fulfilment.

2. The National Focal Point shall ensure compliance with any other programme specific rules laid down in this Programme Agreement.

Article 2.6
Reporting

The National Focal Point shall ensure that the Programme Operator provides financial reports and a Final Programme Report in accordance with Chapter 9 and Article 6.8 of the Regulation as well as other reporting in accordance with guidelines adopted by the NMFA.

Article 2.7
Monitoring and audits

The monitoring and audits referred to in Chapter 10 and Chapter 11 of the Regulation shall not in any way relieve the National Focal Point or the Programme Operator of their obligations under the legal framework regarding monitoring of the Programme and/or its projects, financial control and audit.

Article 2.8
Modification of the Programme

1. Unless otherwise explicitly stipulated in this Programme Agreement, any modification of the Programme is subject to prior approval by the NMFA.

2. Budget reallocations to and from calls and pre-defined projects (both within the same outcome and between outcomes) are permitted without a modification of the Programme Agreement or prior approval by the NMFA for an amount of up to 10% of the total allocation for each planned call or pre-defined project.

3. Changes to the Programme which have been agreed in their entirety through a modification of the relevant Memorandum of Understanding do not require a modification of the Programme Agreement. In such cases, the Programme Agreement shall be updated by the NMFA.

4. Programme specific exceptions from paragraph 1, if any, are set in the annexes to this Programme Agreement.

5. Expenditures in breach of this Article are not eligible.

6. Should there be a doubt as to whether a modification of the Programme Agreement is required, the National Focal Point shall consult the NMFA before such modifications take effect.

7. Requests for modifications shall be submitted and assessed in accordance with Article 6.7 of the Regulation.

Article 2.9
Communication

1. All communication to the NMFA regarding this Programme Agreement shall take place in English and be directed to the Financial Mechanism Office (hereinafter referred to as the FMO), which represents the NMFA towards the National Focal Point and the Programme Operator in relation to the implementation of the Programme.

2. To the extent that original documents are not available in the English language, the documents shall be accompanied by full and accurate translations in English. The National Focal Point shall bear the responsibility for the accuracy of the translation that it provides and the possible consequences that might arise from any inaccurate translations.

Article 2.10
Contact information

1. The contact information of the Programme Operator is as specified in this Programme Agreement.

2. The contact information for the NMFA and the Financial Mechanism Office are:

Financial Mechanism Office Att: Managing Director EFTA House Avenue des Arts, 19H 1000 Brussels Telephone: +32 (0)2 286 1701 E-mail: fmo@efta.int

3. Changes of or corrections to the contact information referred to in this Article shall be given in writing without undue delay by the Parties to this Programme Agreement.

Article 2.11
Representations and warranties

1. This Programme Agreement and the awarding of the programme grant is based on information provided by, through, or on behalf of the National Focal Point to the NMFA prior to the signing of this Programme Agreement.

2. The National Focal Point represents and warrants that the information provided by, through, or on behalf of the National Focal Point, in connection with the implementation or conclusion of this Programme Agreement are authentic, accurate and complete.

Chapter 3
Projects

Article 3.1
Selection of projects and award of grants

1. The National Focal Point shall ensure that the Programme Operator selects projects in accordance with Chapter 7 of the Regulation and this Programme Agreement.

2. Eligibility of Project Promoters and project partners is stipulated in Article 7.2 of the Regulation and, in accordance with paragraph 4 thereof, subject only to the limitations stipulated in this Programme Agreement.

3. Pre-defined projects shall be outlined in this Programme Agreement.

4. The National Focal Point shall take proactive steps to ensure that the Programme Operator complies fully with Article 7.5.2 of the Regulation.

Article 3.2
Project contract

1. For each approved project a project contract shall be concluded between the Programme Operator and the Project Promoter.

2. In cases where a project contract cannot, due to provisions in the national legislation, be made between the Programme Operator and the Project Promoter, the Beneficiary State may instead issue a legislative or administrative act of similar effect and content.

3. The content and form of the project contract shall comply with Article 7.9 of the Regulation.

4. The National Focal Point shall ensure that the obligations of the Project Promoter under the project contract are valid and enforceable under the applicable law of the Beneficiary State.

Article 3.3
Project partners and partnership agreements

1. A project may be implemented in a partnership between the Project Promoter and project partners as defined in point (y) of Article 1.6 of the Regulation. If a project is implemented in such a partnership, the Project Promoter shall sign a partnership agreement with the project partners with the content and in the form stipulated in Article 7.10 of the Regulation.

2. If one of the parties to the agreement is an entity from Norway, the partnership agreement shall be in English and shall be based on a template provided by the NMFA.

3. The eligibility of expenditures declared by a project partner is subject to the same rules as would apply if the expenditures were declared by the Project Promoter.

4. The National Focal Point shall ensure that the Programme Operator verifies that the partnership agreement complies with this Article. A draft partnership agreement or letter of intent shall be submitted to the Programme Operator before the signing of the project contract.

Chapter 4
Finance

Article 4.1
Eligible expenditures

1. Without prejudice to Article 8.9 of the Regulation, eligible expenditures of this Programme are:

a) management costs of the Programme Operator in accordance with the detailed budget in the financial plan;

b) payments to projects within this Programme in accordance with the Regulation, this Programme Agreement and the project contract; and

c) payments to activities funded by the bilateral funds allocated to the programme.

2. Expenditures of Project Promoters and project partners are eligible provided that they are in accordance with the provisions of Chapter 8 of the Regulation and any further provisions contained in this Programme Agreement.

3. The first date of eligibility of expenditures in projects shall be set in the project contract in accordance with Article 8.14 of the Regulation. The first date of eligibility of any pre-defined project shall be no earlier than the date of entry into force of the Programme Agreement.

4. The maximum eligible costs of the categories referred to in paragraph 1 are set in this Programme Agreement. Programme specific rules on the eligibility of expenditure set in this Programme Agreement shall be complied with.

Article 4.2
Proof of expenditure

Costs incurred by Programme Operators, Project Promoters and project partners shall be supported by documentary evidence as required in Article 8.12 of the Regulation.

Article 4.3
Proof of conditions fulfilled for simplified cost options

Costs of the Programme Operators, Project Promoters and project partners that are covered by simplified cost options shall be supported by the proof of conditions fulfilled in accordance with Article 8.13 of the Regulation.

Article 4.4
Payments

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

2. Payments to the Programme shall take the form of an advance payment, interim payments and payment of the final balance and shall be made in accordance with Articles 9.2, 9.3 and 9.5 of the Regulation.

3. Payments of the project grant to the Project Promoters may take the form of advance payments, interim payments and payments of the final balance.

4. The National Focal Point shall ensure that payments are transferred in accordance with Article 9.1.2 of the Regulation.

5. Chapter 9 of the Regulation shall apply to all aspects related to payments, including currency exchange rules and handling of interests on bank accounts.

Article 4.5
Transparency and availability of documents

The National Focal Point shall ensure an audit trail for financial contributions from the Norwegian Financial Mechanism 2021-2028 to the Programme in accordance with Article 9.8 of the Regulation.

Article 4.6
Irregularities, suspension and reimbursements

The NMFA has the right to make use of the remedies provided in the Regulation, in particular Chapter 13 thereof. The National Focal Point has a duty to take all necessary measures to ensure that the provisions in Chapter 12 and 13 of the Regulation regarding irregularities, suspension of payments, financial corrections and reimbursement are complied with.

Chapter 5
Final provisions

Article 5.1
Dispute settlement

1. The Parties waive their rights to bring any dispute related to the Programme Agreement before any

national or international court and agree to settle such a dispute in an amicable manner.

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

Article 5.2
Termination

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

a) a general suspension decision according to Article 13.6 of the Regulation or a decision to suspend payments according to point (h) of Article 13.1.1 of the Regulation has not been lifted within 6 months of such a decision;

b) a suspension of payments according to Article 13.1 of the Regulation, other than under point (h) of Article 13.1.1, has not been lifted within one year of such a decision;

c) a request for reimbursement according to Article 13.2 of the Regulation has not been complied with within one year from such a decision;

d) the Programme Operator becomes bankrupt, is deemed to be insolvent, or declares that it does not have the financial capacity to continue with the implementation of the Programme; or

e) the Programme Operator has, in the opinion of the NMFA, been engaged in corruption, fraud or similar activities or has not taken the appropriate measures to detect or prevent such activities or, if they have occurred, nullify their effects.

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

3. Termination does not affect the right of the Parties to make use of the dispute settlement mechanism referred to in Article 5.1 or the right of the NMFA to make use of the remedies provided in Chapter 13 of the Regulation.

Article 5.3
Waiver of responsibility

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

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

3. The NMFA does not assume any risk or responsibility whatsoever for any damages, injuries, or other possible adverse effects caused by the Programme or its projects including, but not limited to inconsistencies in the planning of the Programme or its projects, other project(s) that might affect it or that it might affect, or public discontent. It is the full and sole responsibility of the National Focal Point and the Programme Operator to satisfactorily address such issues.

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

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

6. Nothing in this Programme Agreement shall be construed as a waiver of diplomatic immunities and privileges awarded to the European Free Trade Association, its assets, officials or employees.

Article 5.4
Entry into force and duration

1. This Programme Agreement shall enter into force on the date of the last signature of the Parties.

2. This Programme Agreement shall remain in force until five years have elapsed after the date of the acceptance of the Final Programme Report.

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

For the Norwegian Ministry of Foreign Affairs
Signed in ..... on .....

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For the National Focal Point
Signed in ..... on .....

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Annex I to the Programme Agreement

Roles	
Programme Operator:	Ministry of Development Funds and Regional Policy
Donor Programme Partner:	Norwegian Association of Local and Regional Authorities
IPO:	-
Other Programme Partner(s):	-

Indicator	Disaggregation	Unit of measurement	Data source	Baseline	Planned Target[1]
PA06 objective: More resilient, inclusive, and sustainable communities.					
Outcome 1: Improved quality of life and safety in Polish cities					
Level of user satisfaction with new digital services/tools offered by cities		Scale 1-5	PP records	N/A	4
Number of new accessibility solutions introduced		Cumulative number	PP records	0	10
Number of cities increasing their capacity to transition to a low-emission economy		Cumulative number	PP records	0	10
Number of city staff (outside the programme) that attended best practice and networking events		Cumulative number	PP records	0	4,000
Level of city staff satisfaction with efficiency gains thanks to the implementation of new smart tools		Scale 1-5	PP records	N/A	4
Number of people benefiting from local initiatives aimed at promoting (re)integration and social inclusion	Gender	Cumulative number	PP records	0	500
Number of cities engaging in knowledge exchange on emergency prevention and preparedness as part of the 'Resilient Cities Network'		Cumulative number	PP records	0	18
Number of schools and non-formal education institutions with improved capacities to provide civic education		Cumulative number	PP records	0	200
Output 1.1: Improved sustainability of cities and their functional areas					
Number of green facilities created (or rehabilitated)		Cumulative number	PP records	0	10
Number of new or improved investments/ services that include accessibility measures		Cumulative number	PP records	0	10

[1] Planned targets included in the above table represent the level of ambition at the time of Programme Agreement conclusion or following major modifications of the Programme. These targets shall not be used to measure the level of success of the programme. Actual targets following project contracting shall be reported on annually in the Country Reports and the Final Programme Report.

Number of new or improved community centres, including local social activation centres		Cumulative number	PP records	0	5
Length of cycle lanes/ sidewalks built/ renovated (in km)		Cumulative number	PP records	0	25
Number of people participating in activities promoting local entrepreneurship	Gender	Cumulative number	PP records	0	150
Area of new investment areas (green/brownfields adapted in the project for investment activities) in beneficiary cities (in m2)		Cumulative number	PP records	0	10,000
Output 1.2: Smart city tools/solutions implemented					
Number of new or improved smart governance tools / solutions implemented[2]		Cumulative number	PP records	0	5
Number of new or improved smart environment tools / solutions implemented[3]		Cumulative number	PP records	0	5
Number of new or improved smart technology tools/solutions implemented[4]		Cumulative number	PP records	0	5
Output 1.3: Resilient City tools/solutions implemented					
Number of municipalities with updated, tested resilience or crisis management plans		Cumulative number	PP records	0	5
Number of anti-disinformation systems or protocols operationalised in municipalities		Cumulative number	PP records	0	5
Number of resilience tools/solutions implemented		Cumulative number	PP records	0	10
Number of new or improved guidelines or standard operating procedures developed		Cumulative number	PP records	0	5
Number of projects related to challenges experienced as a result of the invasion of Ukraine		Cumulative number	PP records	0	10
Output 1.4: Public participation in city governance strengthened					
Number of public consultation processes organised by a public institution		Cumulative number	PP records	0	60
Number of people who participated in consultations with a public institution		Cumulative number	PP records	0	10,000

[2] Integrated smart-shrinkage strategies, interoperable open-data platforms, digital citizen-engagement applications, accessible e-governance services, urban innovation spaces, digital cultural or tourism platforms.

[3] Renewable-energy and energy-efficiency systems, sensor-based water and waste management, automated urban-greenery maintenance, emission-free smart mobility services, climate-resilience early-warning systems, intelligent building-management systems, continuous environmental-monitoring platforms.

[4] Generative-AI applications for city management, digital twins and integrated data platforms, IoT and sensor networks, video-analysis technologies, robotic process automation, AI-based city monitoring, data-driven mobility management, accessibility-enhancing technologies, edge-computing infrastructure.

Output 1.5: Local capacity improved					
Number of training courses delivered		Cumulative number	PP records	0	75
Number of municipal sector employees that have completed a training course		Cumulative number	PP records	0	1,200
Output 1.6: Civic education teaching tools developed and applied across all voivodeships					
Number of civic education training modules developed aligned with the national curriculum		Cumulative number	PP records	0	4
Number of teachers/community leaders trained		Cumulative number	PP records	0	5,000
Number of events organised gathering educators and local authorities		Cumulative number	PP records	0	6
Bilateral Outcome: Enhanced collaboration between beneficiary and donor state entities involved in the programme					
Level of relevance of the partnership	State type	Scale 1-5	FMO survey	N/A	4
Level of efficiency of the partnership	State type	Scale 1-5	FMO survey	N/A	4
Level of effectiveness of the partnership	State type	Scale 1-5	FMO survey	N/A	4
Level of added value of the partnership	State type	Scale 1-5	FMO survey	N/A	4
Level of sustainability of the partnership	State type	Scale 1-5	FMO survey	N/A	4
Level of involvement of the donor project partner in project activities	State type	Scale 1-5	FMO survey	N/A	4
Level of trust between partners	State type	Scale 1-5	FMO survey	N/A	4
Level of overall satisfaction with the partnership	State type	Scale 1-5	FMO survey	N/A	4
Bilateral Output 1: Enhanced collaboration between Beneficiary State and Donor State entities					
Number of study visits organised between bilateral partners		Cumulative number	PP records	0	30

Conditions

General

1. The maximum level of funding for investment in infrastructure and equipment (hard measures) in the Programme is set at 66% of the total eligible expenditure of the Programme. The maximum level of funding for investment in infrastructure and equipment (hard measures) in the projects under the calls for proposals is set at 78% of the total eligible expenditure of the Project.

2. Prior to the launch of the calls for proposals the parties shall agree on a description of the measures to be taken to ensure that the Project promoters respect the values and principles referred to in Article 1.3.1, and that all projects and activities are consistent with respect for these values.

3. Prior to the launch of the calls for proposals the parties shall agree on a description of the process and conditions for re-granting by project promoters in projects under the calls for proposals.

4. The National Focal Point shall ensure that the Programme Operator ensures that Project Promoters:

- Keep any buildings purchased, constructed, renovated or reconstructed under the project in their ownership for a period of at least 5 years following the completion of the project and continue to use such buildings for the benefit of the overall objectives of the project for the same period;

- Keep any buildings purchased, constructed, renovated or reconstructed under the project properly insured against losses such as fire, theft and other normally insurable incidents both during project implementation and for at least 5 years following the completion of the project; and

- Set aside appropriate resources for the maintenance of any buildings purchased, constructed, renovated or reconstructed under the project for at least 5 years following the completion of the project. The specific means for implementation of this obligation shall be specified in the project contract.

Pre-eligibility

Not applicable

Pre-payment

Not applicable

Pre-completion

Not applicable

Post-completion

Not applicable

Eligibility of costs - period	**First date**	**Final date**
Eligibility of costs	24/04/2025	30/04/2032
Grant rate and co-financing		
Programme eligible expenditure (€)		€ 198,397,058.82
Programme grant rate (%)		85.00 %
Maximum amount of Programme grant - EEA Financial Mechanism (€)		-
Maximum amount of Programme grant - Norwegian Financial Mechanism (€)		€ 168,750,000.00

Maximum amount of Programme grant - Total (€)	€ 168,750,000.00

PA	Budget Heading	Norway Grants	Total grant	Programme grant rate	Programme co-financing	Programme eligible expenditure	Grant advance payment
PM	Programme management	€ 8,700,500.00	€ 8,700,500.00	85.00 %	€ 1,535,382.35	€ 10,235,882.35	€ 348,020.00
PA06	Outcome 1 (Norway Grants)	€ 159,299,500.00	€ 159,299,500.00	85.00 %	€ 28,111,676.47	€ 187,411,176.47	€ 6,371,980.00
BF	Bilateral funds at programme level	€ 750,000.00	€ 750,000.00	n/a	n/a	€ 750,000.00	€ 0.00
Total		**€ 168,750,000.00**	**€ 168,750,000.00**	**85.00 %**	**€ 29,647,058.82**	**€ 198,397,058.82**	**€ 6,720,000.00**

Retention of management costs	
Retention of management costs - Percentage of the management costs	10.00 %
Retention of management costs - Planned Euro value	€ 1,023,588.24

Local Development

Operational rules (Annex II)

1. Programme summary

This Annex sets out the operational rules for the Programme. The Programme Agreement is based on the MoU, the Concept Note, and comments made by the NMFA. Commitments, statements and guarantees, explicit as well as implicit, made in the Concept Note, are binding for the National Focal Point and the Programme Operator unless otherwise explicitly stipulated in the Annexes to this Programme Agreement.

The objective of the Programme "More resilient, inclusive, and sustainable communities" shall be achieved through projects contributing to one Outcome: "Improved quality of life and safety in Polish cities". The Programme will be implemented through three calls for proposals and three pre-defined projects:

Call 1 (Sustainable City) shall support comprehensive projects aimed at creating more sustainable, resilient, and inclusive communities in Poland. The call is addressed to subregional centres and regional urban agglomerations. Projects shall establish modern development standards for subregional centres and strengthen the institutional capacity of local governments, including through bilateral cooperation with local governments from Norway. Projects must include activities falling under the eligible thematic areas described in the Concept Note: institutional, environmental, social and economic areas. The institutional area is mandatory, but promoters must also include activities in at least one of the three other areas.

Call 2 (Smart City) shall support projects implementing the Smart City 4.0 concept in Polish cities, promoting the use of modern digital technologies, citizen participation, and alignment with the UN Sustainable Development Goals. The call targets the European metropolis, national metropolises, supra-regional metropolises, and national urban agglomerations. Projects shall strengthen institutional capacity for smart city development and management, improve organizational efficiency, and enhance the quality of services provided to residents. Projects must include activities falling under at least one of the eligible thematic areas described in the Concept Note: smart shrinkage solutions, data-driven and evidence-based governance, citizen engagement and participatory tools, inclusive policymaking, e-Governance and digital public services, urban innovation spaces, smart cultural initiatives and tourism-supporting activities, renewable energy & energy efficiency, smart water & waste management, urban greenery & vegetation management, smart and sustainable mobility, climate resilience, BMS – Building Management Systems, environmental monitoring, generative AI, digital twins and data integration platforms, IoT infrastructure and sensor-based management, video sensor technologies, RPA – Robotic Process Automation, AI-based smart city monitoring, data-driven mobility management, accessibility-enhancing technologies, edge computing technologies.

Call 3 (Resilient City) shall support projects aimed at strengthening the resilience of Polish cities through improved emergency management and risk preparedness. The call targets the European metropolis, national metropolises, supra-regional metropolises and national urban agglomerations. Projects shall adopt an integrated all-hazards approach, covering prevention, preparedness, response, and recovery, with priority given to prevention and preparedness. Projects shall also include the mandatory thematic are of "Information integrity". In addition, and given the pilot nature of the projects and the intention to develop and establish best practices/models, the

projects may also include activities falling under maximum two of the following thematic areas: the development of alert and warning systems, monitor environmental and other risks by using Internet of Things (IoT) solutions; improving infrastructure, equipment, and management of the crisis centres in the cities, critical infrastructure protection, including alternative methods of water and energy supply; use of geospatial information system (GIS) for urban risk monitoring and analysis; modernisation and development of protective structures and storage facilities.

PDP 1 and PDP 2 shall support the implementation of the Programme and the respective calls for proposals by strengthening the institutional capacity of cities in Poland for comprehensive local development focusing on sustainable, smart and resilient cities. The projects will provide technical assistance and capacity building and support bilateral cooperation. A third PDP strengthening civic education will build systemic capacity for democratic and inclusive education, supporting Poland's education reform and promoting resilience to disinformation.

The promotion of the values and principles referred to in Article 1.3.1 of the Regulation shall guide programme implementation and be assessed at all stages.

2. Selection of projects

2.1 Calls and availability of funds (including number of calls, duration of calls, and estimated size):

Modality	**Available amount (€)**	**Project grant rate (%)**	**Minimum and maximum project grant amount (€)**	**Indicative launch date and duration of call**
Outcome 1				
Call 1 Sustainable Cities	€74,132,873	Up to 100%	€2,000,000 - €3,500,000	Launch date: October 2026 – January 2027 Duration: minimum 3 months
Call 2 Smart Cities	€47,058,824	Up to 100%	€3,000,000 - €5,000,000	Launch date: October 2026 – January 2027 Duration: minimum 3 months
Call 3 Resilient Cities	€47,058,824	Up to 100%	€3,000,000 - €5,000,000	Launch date: October 2026 – January 2027 Duration: minimum 3 months

The project grant rate shall in all cases be set at a level that complies with the State Aid rules in force and takes into account any and all other forms of public support granted to projects. Any remaining costs of the project shall be provided or obtained by the Project Promoter and/or the project partner.

2.2 Eligible applicants and project partners:

Modality	**Eligible applicants**[5]	**Eligible partners**[6]
Call 1 Sustainable Cities	Subregional centres and regional urban agglomerations[7]	• Polish municipalities and counties, • Polish municipal companies, county-run companies and municipal-county-run companies, • Polish municipal unions or county-municipal unions, from the municipal functional areas of the applicant. Norwegian municipalities.
Call 2 Smart Cities	The European metropolis, national metropolises, supra-regional metropolises and national urban agglomerations[8]	• Polish municipalities and counties, • Polish municipal companies, county-run companies and municipal-county-run companies, • Polish municipal unions or county-municipal unions, from the municipal functional areas of the applicant. Norwegian municipalities.
Call 3 Resilient Cities	The European metropolis, national metropolises, supra-regional metropolises and national urban agglomerations[9]	• Polish municipalities and counties, • Polish municipal companies, county-run companies and municipal-county-run companies,

[5] As defined in the Recommendations for planning regional policy interventions in development strategies.

[6] Municipal functional areas as defined in the Recommendations for planning regional policy interventions in development strategies.

[7] Regional urban agglomerations: Legnica, Wałbrzych, Płock, Elbląg, Kalisz,Subregional centres: Bełchatów, Będzin, Biała Podlaska, Bolesławiec, Chełm, Chojnice, Cieszyn, Czeladź, Ełk, Głogów, Inowrocław, Jastrzębie-Zdrój, Jaworzno, Jelenia Góra, Kołobrzeg, Konin, Kutno, Kwidzyn, Leszno, Lubin, Łomża Mielec, Mikołów, Mysłowice, Nowy Sącz, Nowy Targ, Nysa, Ostrowiec Świętokrzyski, Ostrów Wielkopolski, Oświęcim, Piekary Śląskie, Piła, Piotrków Trybunalski, Przemyśl, Puławy, Racibórz, Radlin, Radomsko, Radzionków, Rydułtowy, Sanok, Siedlce, Sieradz, Skarżysko-Kamienna, Skierniewice, Sopot, Stalowa Wola, Stargard, Starogard Gdański, Suwałki, Szczecinek, Świdnica, Świętochłowice, Świnoujście, Tarnobrzeg, Tarnowskie Góry, Tomaszów Mazowiecki, Wodzisław Śląski, Zakopane, Zamość, Zawiercie, Żory, Żyrardów.

[8] European metropolis – Warszawa (1 city)National metropolises – Katowice, Kraków, Łódź, Poznań, Szczecin, Gdańsk, Wrocław (7 cities)Supra-regional metropolises – Białystok, Bydgoszcz, Lublin, Rzeszów, Toruń (5 cities)National urban agglomerations – Bielsko-Biała, Częstochowa, Gorzów Wielkopolski, Kielce, Koszalin, Olsztyn, Opole, Radom, Rybnik, Zielona Góra, Bytom, Chorzów, Dąbrowa Górnicza, Gliwice, Ruda Śląska, Sosnowiec, Tychy, Zabrze, Gdynia

[9] European metropolis – Warszawa (1 city)National metropolises – Katowice, Kraków, Łódź, Poznań, Szczecin, Gdańsk, Wrocław (7 cities)Supra-regional metropolises – Białystok, Bydgoszcz, Lublin, Rzeszów, Toruń (5 cities)National urban agglomerations – Bielsko-Biała, Częstochowa, Gorzów Wielkopolski, Kielce, Koszalin, Olsztyn, Opole, Radom, Rybnik, Zielona Góra, Bytom, Chorzów, Dąbrowa Górnicza, Gliwice, Ruda Śląska, Sosnowiec, Tychy, Zabrze, Gdynia.

		• Polish municipal unions or county-municipal unions, • Volunteer fire brigades, from the municipal functional areas of the applicant. Norwegian municipalities.

The categories of eligible applicants and Polish eligible partners are based on the Recommendations for planning regional policy interventions in development strategies, as adopted by the Minister of Funds and Regional Policy on 2 July 2026.

Cities supported by the Polish Swiss programme "Development of Towns" shall be excluded as eligible applicants under Call 1 Sustainable cities.

2.3 Selection procedures:

The text for the calls for proposals shall require project applicants to describe how they intend to integrate a gender equality dimension into their project.

The text for the three calls for proposals and selection criteria shall be agreed in the Cooperation Committee.

The Rules of Procedure of the Selection Committee shall be discussed and agreed in the Cooperation Committee.

For each of the calls, the call text shall require potential project promoters to include in their applications the potential fields where they would be interested in cooperating with a partner from Norway and their expectations as regards (potential) partnerships. An amount between € 200,000-300,000, to be decided by the Cooperation Committee for each call, shall be set aside for bilateral cooperation in each project budget. The reserved amount shall be shared between the partners and the share of each partner shall be agreed in the partnership agreement. If no partner from Norway is found within a reasonable time, the reserved amount shall be deducted from the respective project budget and returned to the Programme. The Cooperation Committee shall decide on the proposed allocation of these amounts within the Programme.

3. Pre-defined projects

1) "Strengthening the institutional capacity of cities in Poland for comprehensive local development focusing on sustainable cities."

Project Promoter:	Association of Polish Cities (APC)
Donor project partner(s):	Norwegian Association of Local and Regional Authorities (KS)
Total maximum eligible costs:	€ 5,012,226.00

Project grant rate:	100.00 %
Maximum project grant amount:	€ 5,012,226.00
Estimated duration:	60 months

The project shall strengthen the institutional capacity of cities in Poland for comprehensive local development focusing on sustainable cities. It will support the implementation of the Programme by providing technical assistance, bilateral cooperation, and capacity-building measures. It will deliver advice, education, and knowledge exchange between Polish cities and Norwegian partners, including, inter alia, support for programme development and implementation, training for project promoters, networking activities, and dissemination of best practices.

Key activities include:

- providing expert advice and analyses for the Programme Operator during Programme development, calls and at various stages of implementation (on demand).
- capacity-building, workshops and training for potential project promoters.
- educational activities for project promoters and eligible cities.
- strategic advice for cities provided through experts/advisors during project implementation.
- organising the Local Development Forum.
- organising a competition for good practices; Local Government Management Leader
- supporting, developing and facilitating bilateral cooperation at the programme and project level.
- communication and promotion of the Programme and its outcomes, through conferences, workshops, media and promotional materials.
- publication and dissemination of best practices, practical tools and lessons learned.

2) "Strengthening the institutional capacity of cities in Poland for comprehensive local development focusing on Smart City and Resilient City"

Project Promoter:	Institute of Urban and Regional Development (IURD)
Donor project partner(s):	Norwegian Association of Local and Regional Authorities (KS)
Total maximum eligible costs:	€ 2,383,724.00
Project grant rate:	100.00 %
Maximum project grant amount:	€ 2,383,724.00
Estimated duration:	60 months

The project shall strengthen the institutional capacity of cities in Poland for comprehensive local development focusing on smart and resilient cities. The project will provide expert advice, thematic analyses, and educational activities to support cities in digital transformation, urban resilience, and strategic planning. It will facilitate bilateral cooperation and knowledge exchange, including, inter

alia, training for project promoters, workshops on risk and vulnerability assessments, networking activities, and dissemination of best practices.

Key activities include:

- providing expert advice and analyses for the Programme Operator during Programme development, calls and at various stages of implementation (on demand).
- capacity-building, workshops and training for potential project promoters.
- educational activities for project promoters and eligible cities.
- providing experts/advisors during project implementation.
- supporting the Local Development Forum.
- supporting and facilitating bilateral cooperation at the programme and project level.
- communication and promotion of the Programme and its outcomes.
- publication of best practices, practical tools and lessons learned.

3) "Civic Education for Change"

Project Promoter:	Foundation for the Development of the Education System
Donor project partner(s):	European Wergeland Centre (EWC)
Total maximum eligible costs:	€ 11,764,705.88
Project grant rate:	100.00 %
Maximum project grant amount:	€ 11,764,705.88
Estimated duration:	60 months

The project aims to build systemic capacity for Civic Education reform in Poland by strengthening teacher training, developing high-quality educational materials, and fostering collaboration between key stakeholders such as education experts, youth workers, policy makers and education authorities. Through a cascade training model, the project will equip approximately 5,000 educators and stakeholders nationwide, across all voivodeships, with the tools to promote democratic competences, critical thinking, and media literacy. The project also includes expert coordination, regional leadership development, international exchange with Norway, and broad dissemination of results to support long-term sustainability and policy impact.

Key activities include:

- Selection and coordination of a group of 20 national experts responsible for preparing the training concept and supporting the development of educational materials.
- Training of 160 regional change leaders (10 per voivodeship), who will support the implementation of Civic Education through mentoring and localized training initiatives.

- Training programmes for 5,000 school and kindergarten teachers and other stakeholders across the country, using a cascade training model coordinated at national and regional levels to ensure broad reach, regional ownership, and long-term sustainability.

- Development, adaptation, translation and dissemination of existing high-quality teaching and methodological materials related to civic engagement, democratic competences, critical thinking, media literacy and disinformation.

- Organization of study visits and international exchange of experiences with Norway, focusing on the sharing of best practices, policy dialogue, and institutional cooperation.

- Dissemination of project results through conferences, seminars, and evaluation studies to promote successful practices and inform education policy.

4. Bilateral relations

Funds earmarked for bilateral relations under the Programme shall be allocated to bilateral initiatives aimed at enhancing the bilateral cooperation between various stakeholders of the Programme. They are planned to include among others: study visits, conferences, matchmaking seminars and visits of potential partners, internships, bilateral events in Poland and Norway aimed at exchanging experience, knowledge, technology and best practices between the beneficiary and the Donor organizations / Programme Operator and the DPP. The use of funds for bilateral relations at programme level shall be agreed by the Cooperation Committee.

The Programme Operator and the Donor Programme Partner shall agree on the rules and procedures applicable to the Cooperation Committee.

5. Programme management and financial parameters

5.1 Special rules on eligibility of costs:

Programme management costs shall take the form of eligible expenditure incurred.

5.2 Programme administrative structures:

Project promoters for projects under the calls for proposals may re-grant a part of their project grant. Except for the selection of projects (Article 5.6.1(c) of the Regulation), the Programme Operator shall remain responsible for all funds re-granted and, in relation to them, perform all tasks listed in Article 5.6 of the Regulation on the Implementation of the Norwegian Financial Mechanism 2021-2028. The Programme Operator shall ensure that any re-granting complies with the applicable national law. Re-granted funds shall be incurred by the beneficiaries of such grants in accordance with Chapter 8 of the Regulation. The rules on selection of projects included in Chapter 7 of the Regulation shall apply to the re-granting process.

6. Miscellaneous

A modification to this Programme Agreement shall be done either in a written form, by way of a qualified electronic signature, an advanced electronic signature, or acceptance by both Parties in the electronic platform used by the FMO.