Norwegian Financial Mechanism 2014-2021

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 "Business Development and Innovation"

hereinafter referred to as the "Programme"

Chapter 1
Scope, Legal Framework, and Definitions

Article 1.1
Scope

This programme agreement between the Norwegian Ministry of Foreign Affairs (hereinafter referred to as the NMFA) and the National Focal Point lays down the rights and obligations of the Parties regarding the implementation of the Programme and the financial contribution from the Norwegian Financial Mechanism 2014-2021 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 2014-2021:

(a) Agreement between the Kingdom of Norway and the European Union on the Norwegian Financial Mechanism 2014-2021 (hereinafter referred to as the Agreement);(b) the Regulation on the implementation of the Norwegian Financial Mechanism 2014-2021 (hereinafter referred to as the "Regulation") issued by Norway in accordance with Article 10(5) of the Agreement;

(c) the Memorandum of Understanding on the Implementation of the Norwegian Financial Mechanism 2014-2021 (hereinafter referred to as the "MoU"), 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 the annexes to this programme agreement.

Chapter 2
The Programme

Article 2.1
Co-operation

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

2. The Parties agree to provide all information necessary for the good functioning of this programme agreement and to apply the 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. 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 2014-2021 in the Beneficiary State and for the full and correct

implementation of this programme agreement. In particular, the National Focal Point undertakes to:

(a) comply with its obligations stipulated in the Regulation and this programme agreement;

(b) ensure that the Certifying Authority, the Audit Authority, the Irregularities Authority and the Programme Operator properly perform the tasks assigned to them in the Regulation, this programme agreement and the programme implementation agreement;

(c) take all necessary steps to ensure that the Programme Operator is fully committed and able to implement and manage the Programme;

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

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

2. The NMFA shall, subject to the rules stipulated in the legal framework referred to in Article 1.2 of this 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 and outcomes of the Programme

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

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

Article 2.4
Programme grant

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

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

3. The financial plan annexed to this programme agreement shall:

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

(b) indicate the agreed advance payment, if any.

4. 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 paragraph 2 of Article 6.3 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
Programme implementation agreement

With reference to Article 6.8 of the Regulation and without prejudice to paragraph 2 thereof, the National Focal Point shall, before any payment is made to the Programme, sign a programme implementation agreement with the Programme Operator. The National Focal Point shall notify the NMFA of such signing.

Article 2.7
Reporting

The National Focal Point shall ensure that the Programme Operator provides financial reports, annual programme reports and a final programme report in accordance with Chapter 9 and Articles 6.11 and 6.12 of the Regulation as well as statistical reporting in accordance with guidelines adopted by the NMFA.

Article 2.8
External monitoring

The external monitoring and audit referred to in Articles 11.1, 11.2, 11.3 and 11.4 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 2.9
Modification of the Programme

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

2. Programme specific exceptions from paragraph 1, if any, are set in the annexes to this programme agreement.

3. Expenditures incurred in breach of this article are not eligible.

4. Should there be a doubt as to whether the proposed modifications require approval by the NMFA, the National Focal Point shall consult the NMFA before such modifications take effect.

5. Requests for modifications shall be submitted and assessed in accordance with Article 6.9 of the Regulation.

Article 2.10
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 into 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 2.11
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: Director
EFTA Secretariat
Rue Joseph II, 12-16
1000 Brussels
Telephone: +32 (0)2 286 1701
Telefax (general): +32 (0)2 211 1889
E-mail: fmo@efta.int

3. Changes of or corrections to the contact information referred to in this article shall be given in writing without undue delay by the Parties to this programme agreement.

Article 2.12
Representations and Warranties

1. This programme agreement and the awarding of the programme grant is based on information provided by, through, or on behalf of the National Focal Point to the NMFA 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 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 or the project contract shall comply with Article 7.6 of the Regulation.

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

Article 3.3
Project partners and partnership agreements

1. A project may be implemented in a partnership between the Project Promoter and project partners as defined in paragraph 1(w) of Article 1.6 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 7.7 of the Regulation.

2. The partnership agreement shall be in English if one of the parties to the agreement is an entity from Norway.

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

4. The creation and implementation of the relationship between the Project Promoter and the project partner shall comply with the applicable national and European Union law on public procurement as well as Article 8.15 of the Regulation.

5. 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. Subject to Article 8.7 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.

2. Eligible expenditures of projects are those actually incurred by the Project Promoter or project partners, meet the criteria set in Article 8.2 of the Regulation and fall within the categories and fulfil the conditions of direct eligible expenditure set in Article 8.3 of the Regulation, the conditions regarding the use of standard scales of unit costs set in Article 8.4 of the Regulation as well as indirect costs in accordance with Article 8.5 of the Regulation.

4. The first date of eligibility of expenditures in projects shall be set in the project contract in accordance with Article 8.13 of the Regulation. The first date of eligibility of any pre-defined projects shall be no earlier than the date on which the National Focal Point notifies the NMFA of a positive appraisal of the pre-defined projects by the Programme Operator in accordance with paragraph 3 of Article 6.5 of the Regulation.

5. 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
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 9.4 of the Regulation.

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

4. The National Focal Point shall ensure that payments are transferred in accordance with paragraph 2 of Article 9.1 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 4.4
Transparency and availability of documents

The National Focal Point shall ensure an audit trail for financial contributions from the Norwegian Financial Mechanism 2014-2021 to the Programme in accordance with Article 9.8 of the Regulation.

Article 4.5
Irregularities, suspension and reimbursements

The NMFA has the right to make use of the remedies provided in the Regulation, in particular Chapter 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 paragraph 1(h) of Article 13.1 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 paragraph 1(h), 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.

****

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

For the Donors	For the National Focal Point
Signed in Warsaw on 12/09/2019	Signed in Warsaw on 12/09/2019
.....	.....
Olav Myklebust	Jerzy Kwieciński
Ambassador Royal Norwegian Embassy, Poland	Minister of Investment and Economic Development

Annex I to the Programme Agreement

Programme Operators and Partners	
Programme Operator:	Polish Agency for Enterprise Development (PARP)
Donor Programme Partner:	Innovation Norway (IN)
IPO:	-
Other Programme Partner(s):	-

Programme Objective	Increased value creation and sustainable growth

PA	Outcome/Output	Expected programme results	Indicator	Disaggregation	Unit of measurement	Source of verification	Frequency of reporting	Baseline values	Baseline year	Target value
PA01	Outcome 1	Increased competitiveness of enterprises within the focus areas of green industry innovation, blue growth and welfare technology	Number of innovative technologies/processes/solutions applied (new-to-the-enterprise)[1]	Sector	Cumulative number	Project Promoters' records	2023, 2024	0	N/A	205
			Number of innovative products, services or processes commercialized[2]	Sector	Cumulative number	Project Promoters' records	2023, 2024	0	N/A	55
			Number of innovative technologies/processes/solutions developed[3]	Sector	Cumulative number	Project Promoters' records	Annually (APR)	0	N/A	70
			Number of jobs created	Gender, Age	Cumulative number	Payroll records, employment agreements	Annually (APR)	0	N/A	300
			Number of registered applications for Intellectual Property Protection	N/A	Cumulative number	Copies of filed application(s), Registration	Annually (APR)	0	N/A	15

[1] Solutions/technologies/products already developed/available in the market, adjusted to the enterprises' own need and applied in its activity. These types of projects can include an adjustment of material, process etc. according to applicant/enterprise's needs. Sectors: green industry innovation, blue growth, welfare technology, including SGS for women

[2] Commercialisation is understood as first introduction into the market of a new or significantly improved product/service/process. Sectors: green industry innovation, blue growth, welfare technology, including SGS for women

[3] Projects aimed at developing new or significantly improved technology/process/solution, mainly through R&D activities such as validation or demonstration of technologies in relevant (industrial) environment, prototypes demonstrated in operational environment, system completed and qualified (Technology Readiness Level 5-8). Sectors: green industry innovation, blue growth, welfare technology, including SGS for women

						acknowledgement from relevant Patent Office				
			Estimated annual CO2 emissions reductions (tons)	N/A	Annual number	Energy audit reports, Energy certificates	Annually (APR)	0	N/A	120,000
			Estimated annual decrease of energy consumption (GWh)	N/A	Annual number	Project Promoters' records	2023, 2024	0	N/A	170
			Estimated annual collection of waste from production and operational processes for re-use or recycling or decrease in waste production (tons)	N/A	Annual number	Project Promoters' records	2023, 2024	0	N/A	120,000
			Estimated annual growth in turnover[4]	N/A	Percentage	Project Promoters' Records	2023, 2024	N/A	N/A	5
			Estimated annual growth in net operational profit	N/A	Percentage	Project Promoters' Records	2023, 2024	N/A	N/A	5
	Output 1.1	Enterprises supported to increase their green innovation potential	Number of SMEs supported to apply green technologies/processes/solutions (new to the enterprise)	N/A	Cumulative number	Copies of contracts signed with Project Promoters, Project Promoters' records, Partnership agreements	Semi-annually (APR and September IFR)	0	N/A	85
			Number of SMEs supported to develop new product/technologies in green industry	N/A	Cumulative number	Copies of contracts signed with Project Promoters, Project Promoters' records, Partnership agreements	Semi-annually (APR and September IFR)	0	N/A	7

[4] Measuring results in enterprises supported by the Programme. Definition of "turnover": Enterprises net revenue for a fiscal year (after deduction of VAT, trade reductions and other indirect taxes).

			Number of SMEs supported to commercialize new technologies/processes/solutions in green industry	N/A	Cumulative number	Copies of contracts signed with Project Promoters, Project Promoters' records, Partnership agreements	Semi-annually (APR and September IFR)	0	N/A	7
	Output 1.2	Enterprises supported to increase their blue growth potential (the environment in marine and inland waters area)	Number of SMEs supported to apply blue growth technologies/processes/solutions (new to the enterprise)	N/A	Cumulative number	Copies of contracts signed with Project Promoters, Project Promoters' records, Partnership agreements	Semi-annually (APR and September IFR)	0	N/A	20
			Number of SMEs supported to develop new product/technologies in blue growth	N/A	Cumulative number	Copies of contracts signed with Project Promoters, Project Promoters' records, Partnership agreements	Semi-annually (APR and September IFR)	0	N/A	3
			Number of SMEs supported to commercialize new technologies/processes/solutions in blue growth	N/A	Cumulative number	Copies of contracts signed with Project Promoters, Project Promoters' records, Partnership agreements	Semi-annually (APR and September IFR)	0	N/A	3
	Output 1.3	Enterprises supported to increase their	Number of SMEs supported to apply	N/A	Cumulative number	Copies of contracts signed with Project	Semi-annually (APR and	0	N/A	10

		innovation potential in welfare technologies	technologies/processes/solutions (new to the enterprise)			Promoters, Project Promoters' records, Partnership agreements	September IFR)			
			Number of SMEs supported to develop new product/technologies in welfare technologies	N/A	Cumulative number	Copies of contracts signed with Project Promoters, Project Promoters' records, Partnership agreements	Semi-annually (APR and September IFR)	0	N/A	20
			Number of SMEs supported to commercialize new technologies/processes/solutions in welfare technologies	N/A	Cumulative number	Copies of contracts signed with Project Promoters, Project Promoters' records, Partnership agreements	Semi-annually (APR and September IFR)	0	N/A	20
	Output 1.4	Female enterprises supported in the programme focus areas (green industry innovation, blue growth, welfare technologies)	Number of female enterprises supported to apply innovative technologies/processes/solutions (new to the enterprise)	N/A	Cumulative number	Copies of contracts signed with Project Promoters, Project Promoters' records, Partnership agreements	Semi-annually (APR and September IFR)	0	N/A	75
			Number of female enterprises supported to develop new product/technologies processes/solutions	N/A	Cumulative number	Copies of contracts signed with Project Promoters, Project Promoters'	Semi-annually (APR and September IFR)	0	N/A	25

						records, Partnership agreements				
			Number of female enterprises supported to commercialise new technologies/processes/solutions	N/A	Cumulative number	Copies of contracts signed with Project Promoters, Project Promoters' records, Partnership agreements	Semi-annually (APR and September IFR)	0	N/A	15
			Share of selected female enterprises supported by mentoring activities	N/A	Percentage	Copies of contracts signed with Project Promoters, Project Promoters' records, Partnership agreements	Semi-annually (APR and September IFR)	0 %	N/A	30 %
PA01	Bilateral Outcome	Enhanced collaboration between beneficiary and donor state entities involved in the programme	Level of trust between cooperating entities in the beneficiary state and the donor state	N/A	Scale 1-7	Survey results	Annually (APR)	6.34[5]	N/A	4.5[6]
			Level of satisfaction with the partnership	N/A	Scale 1-7	Survey results	Annually (APR)	6.28[7]	N/A	4.5[8]
			Share of cooperating organizations that apply the knowledge acquired from bilateral partnership	N/A	Percentage	Survey results	Annually (APR)	0 %	N/A	50[9]

[5] Survey to be carried out by the FMO
[6] Target is ≥4.5, and an increase on the baseline value
[7] Survey to be carried out by the FMO
[8] Target is ≥4.5, and an increase on the baseline value
[9] Target is minimum 50%

			Share of donor business partnerships which continue after project implementation period	N/A	Percentage	Survey results or Project Promoters' statement	2023, 2024	0 %	N/A	50[10]
	Bilateral Output 1	Donor partnership projects supported	Share of projects involving cooperation with a donor project partner	Donor State	Percentage	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[11]

[10] Target is minimum 50%
[11] Target is minimum 30% of selected projects

Conditions

General

The National Focal Point shall ensure that the Programme Operator encourages synergies with other programmes in Poland, including for Environment and Energy and Climate Change and Research.

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	21/12/2017	30/04/2025
Grant rate and co-financing		
Programme eligible expenditure (€)		€ 98,930,673
Programme grant rate (%)		85.00 %
Maximum amount of Programme grant - EEA Financial Mechanism (€)		-
Maximum amount of Programme grant - Norwegian Financial Mechanism (€)		€ 84,091,072
Maximum amount of Programme grant - Total (€)		€ 84,091,072

PA	Budget Heading	Norway Grants	Total grant	Programme grant rate	Programme co-financing	Programme eligible expenditure	Advance payment
PA01	Programme management	€ 5,355,000	€ 5,355,000	85.00 %	€ 945,000	€ 6,300,000	€ 1,190,000
PA01	Outcome 1 (Norway Grants)	€ 78,736,072	€ 78,736,072	85.00 %	€ 13,894,601	€ 92,630,673	n/a
Total		**€ 84,091,072**	**€ 84,091,072**	**85.00 %**	**€ 14,839,601**	**€ 98,930,673**	**€ 1,190,000**

Retention of management costs	
Retention of management costs - Percentage of the management costs	10.00 %
Retention of management costs - Planned Euro value	€ 630,000

Business Development and Innovation

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 Programme Operator (PO) unless otherwise explicitly stipulated in the annexes to this programme agreement.

The Programme Operator is the Polish Agency for Enterprise Development (PARP). Innovation Norway (IN) is the Donor Programme Partner (DPP).

The Programme objective: ***"Increased value creation and sustainable growth"*** shall be attained through projects to be selected within ***one outcome "Increased competitiveness of enterprises within the focus areas of green industry innovation, blue growth and welfare technology"*** by way of at least one round of open call for proposals and small grant schemes (SGS). All projects selected within calls for proposals and the SGS shall support a wide range of initiatives aimed at improving the economic performance of SMEs in order to contribute to increased value creation and sustainable growth. Call for proposals and the small grant scheme shall be launched as detailed below:

- Call for proposals in green industry innovation area ***(Call 1)*** shall support development, commercialisation and application of green innovative products, technologies, processes or solutions that directly or indirectly improve the environment and increases the SME's competitiveness. Included are innovations in circular economy, investment in innovative green technologies, greener production processes, material efficiency activities, waste management etc.
- Call for proposals in blue growth ***(Call 2)*** shall support development, commercialisation and application of innovative products, technologies, processes or solutions in the blue sector and will address both marine and inland waters. Supported investments may refer to production optimization, automation, increase of durability and reliability of processes as well as the introduction of new to the market solutions. The environment pollution will be considered through support of innovations that result in environmental protection in the blue sector, as for instance insufficient system of waste collection and processing from ships, investments in environmentally friendly power supply sources on ships, in ports and marines better waste management, as well as improving energy efficiency and pollution reduction.
- Call for proposals in welfare technology development ***(Call 3)*** shall support the development and commercialisation and application of innovative products (goods or services) or technologies which improve quality of life and better meets the societal challenges, including demographic trends toward an aging society.
- Small grants schemes for female enterprises ***(SGS)*** shall support female enterprises to increase their competitiveness by innovative development, commercialisation or application in the area of green industry, blue growth or welfare technology. The SGS shall aim to support projects improving knowledge in the area of innovation by way of innovation advisory and/or R&D services and/or mentoring. Investment shall be limited to support development implementation or commercialisation of the innovation.

2. Eligibility

2.1 Eligible applicants:

The rules on eligibility of applicants and partners are set in Article 7.2 of the Regulation. The following limitations shall be placed:

	Eligible applicants (project promoters)	Eligible project partners

Call 1	SME as defined by Commission Regulation (EU) No 651/2014 of 17 June 2014 Annex I (SME definition) conducting business activity for at least one fiscal year by the call deadline and having obtained minimum € 140 000 of sales revenues in one of the last three fiscal years.	Private and public entities established in Norway
Call 2	SME as defined by Commission Regulation (EU) No 651/2014 of 17 June 2014 Annex I (SME definition) conducting business activity for at least one fiscal year by the call deadline and having obtained minimum € 20 000 of sales revenues in one of the last three fiscal years.	
Call 3	SME as defined by Commission Regulation (EU) No 651/2014 of 17 June 2014 Annex I (SME definition) conducting business activity for at least one fiscal year by the call deadline and having obtained minimum € 20 000 of sales revenues in one of the last three fiscal years.	
SGS	Female enterprises to be understood as SME as defined by Commission Regulation (EU) No 651/2014 of 17 June 2014 Annex I (SME definition) which is, according to the entity registration certificate, managed or co-managed by a female person who is engaged in a decision-making process (e.g. as a member of the board) as an owner or a co-owner, No eligibility conditions in terms of annual turnover amount or minimal period of economic activity shall be imposed.	

Cooperation with Polish research institutions shall be encouraged through selection criteria; however these shall not constitute partnership projects.

The partnership relationship shall be established between the project promoter and the Norwegian project partner before submitting a project application to the Programme Operator. The project partner contribution to the project could be limited to delivery of the services, works or goods (in this case the Guidelines of the Minister of Investment and Development's for the procurement of the EEA Financial Mechanism 2014-2021 and the Norwegian Financial Mechanism 2014-2021 are not applicable). Nevertheless, The Project Promoter shall prove in the project application that the choice of the project partner has been made in accordance with the best business practices and allow to achieve best economic results from project resources.

Within the SGS, in the case of partnership concerning relation of female entrepreneur with Norwegian mentor, the relation can be established between the project promoter and the project partner after conclusion of the project contract.

2.2 Special rules on eligibility of costs:
The rules of eligibility of costs are set in Chapter 8 of the Regulation.

Any public support under the Programme will comply with the procedural and substantive state aid rules applicable at the time when the public aid is granted. Activities planned in the Programme, will

be in conformity with the EU and Polish state aid rules, including the General Block Exemption Regulation (Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty), de minimis regulation (Commission Regulation (EU) No 1407/2013 of 18 December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid), state regulation on regional aid map, state act on establishing Polish Agency for Enterprise Development and state regulation on granting aid by Polish Agency for Enterprise Development.

The following types of direct costs meeting the general principles on the eligibility of expenditures specified in Article 8.2 of the Regulation and state aid or de minimis aid regulations shall be eligible:

- costs of implementation of an investment (an initial investment in the sense of Article 2 point 49 of Commission Regulation (EU) No 651/2014), excluding purchase of used tangible assets and land or real estate;
- costs of consultancy services provided by external consultants. The services concerned shall not be a continuous or periodic activity nor relate to the undertaking's usual operating costs, such as routine tax consultancy services, regular legal services or advertising;
- costs of development projects;
- costs of support services such as labelling, testing and certification;
- acquisition of services provided by external consultants and related to creation and implementation of new or significantly improved product, service, technology or new design;
- costs of foreign business trips according to the state regulation on foreign business trips;
- costs of mentoring services aiming at growth of knowledge, social skills and competence improvement and improvement of skills and competence in the field of green technology, blue growth and welfare technology;
- costs of grant contract collateral;
- extra investment costs for environmental protection according to Article 36, 37, 38, 40, 41 or 47 of Commission Regulation (EU) No 651/2014, excluding purchase of used tangible assets and land or real estate;
- costs of investments for the construction, replacement or upgrade of port infrastructures or access infrastructure and costs of dredging according to art. 56b or 56 c of Commission Regulation (EU) No 651/2014, excluding purchase of used tangible assets and land or real estate.

The exact catalogue of eligible costs in each grant scheme will be specified and described in the open call documentation.

3. Bilateral relations

3.1 Bilateral relations

The Programme shall contribute to strengthening bilateral relations between Poland and Norway.

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.

PARP shall organise a bi-annual Cooperation Committee meeting, to advise on the preparation, implementation and progress of the programme, as well as on the use of the bilateral fund. Parties of the bilateral initiatives might specifically be designated by the Cooperation Committee or selected through an open call. PARP and Innovation Norway shall constitute the Cooperation Committee. The NFP, the Norwegian Embassy, the Donor States and the FMO shall be invited as observers in the Cooperation Committee.

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):

There shall be at least one round of calls for proposals and SGS launched. In case funds remain uncommitted further to the selection of projects, the Programme Operator may launch additional calls.

Any funds remaining uncommitted further to any call for proposals may be reallocated to projects or the second call for proposals under the blue growth focus area, if still feasible considering the time frame of the Programme. The NMFA shall be informed no later than four weeks following the reallocation. Such reallocations do not require NMFA prior approval or amendment of the Programme Agreement.

In case funds allocated to Call 1 or Call 2 are not sufficient for financing all the projects meeting the requirements of the relevant call, the Programme Operator may propose to shift projects to be financed under the other call in which funds are available during the preparation of the ranking list as described under section 4.2 below. The detailed criteria for such alteration shall be described in the call for proposal.

Call	Estimated timing of the call	Total available amount (EUR)	Minimum grant applied for (EUR)	Maximum grant applied for (EUR)
Call 1 - Green Industry Innovation	Q4 2019	64,005,279	200,000	1,000,000
Call 2 - Blue Growth (1) - Blue Growth (2)	 Q4 2019 Q4 2021	8,781,097.72	200,000	2,000,000
Call 3 - Welfare Technology	Q4 2019	13,381,254.76	200,000	2,000,000
SGS 1 - Female Entrepreneurs	Q4 2019	6,463,041.74	12,000	200,000

4.2 Selection procedures:
The project evaluation and award of grants shall be in accordance with Article 7.4 of the Regulation.

The Programme Operator shall be responsible for project evaluation and the award of grants.

The details of the selection criteria together with the text of the open call for proposals shall be discussed and agreed in the Cooperation Committee. Notwithstanding the above, it shall be ensured that the administrative and general eligibility criteria shall not include any criteria requiring scoring.

The Programme Operator shall be responsible for reviewing the applications for compliance with administrative and general eligibility criteria.

At the first stage, automatic validation of applications shall be carried out through the IT system used for receiving the applications.

Following the automatic validation, the Programme Operator shall assess all applications for compliance with the administrative and eligibility criteria published in the call text. The applicants shall be provided with the possibility to provide additional information or documents to determine the compliance with these criteria.

The applicants whose applications are rejected at this stage shall be informed of the reasons of rejection in writing and given reasonable time to appeal that decision to the National Focal Point.

Each application that meets the administrative and eligibility criteria shall be reviewed by at least two impartial experts appointed by the Programme Operator, at least one of which shall be independent of and external to the Programme Operator. The experts shall separately score the project according to the selection criteria published with the call for proposals. Each criterion shall be assessed by at least one expert of the Programme Operator and one external expert. For the purposes of ranking the projects, the experts shall discuss and agree by consensus in panel discussion on the final score awarded by the experts. The original scores and justification by the experts and any changes to the original assessment shall be duly documented. Applicants may be requested additional information and documents at this stage.

The Donor Programme Partner shall provide assessment of the Norwegian partners, the quality and content of their partnerships including compliance with the partnership requirements as described under section 2.1 of this Annex II.

The Programme Operator shall establish one Selection Committee. The Selection Committee shall consist of a Chair and a Secretary – representatives of the Programme Operator – without voting rights, and at least three voting members, including three representatives appointed by the Programme Operator. Representatives of the National Focal Point, NMFA, and the DPP shall be invited to participate in the Selection Committee as observers.

The Programme Operator shall provide the Selection Committee with a list of the ranked projects. The Selection Committee shall review the ranked list of projects. The Selection Committee may modify the ranking of the projects in justified cases. The justification for modifications shall be detailed in the minutes of the meeting of the Selection Committee. The minutes shall be signed by all members of the Selection Committee. The Chairman of the Selection Committee shall submit the minutes and the list of the recommended projects, together with a reserve list and the list of rejected project applications and the reason for their rejection, to the Programme Operator.

The Programme Operator shall verify that the selection process has been conducted in accordance with the Regulation and that the grant award recommendations of the Selection Committee comply with the rules and objectives of the Programme. Following such verification, the Programme Operator shall decide which projects shall be supported.

The Programme Operator shall notify the applicants about the results of the selection process within reasonable time and publicise the results. All unsuccessful applicants shall be provided with a brief description of the reasons for the decision

4.3 Project grant rate:

The project grant rate shall in all cases be set at a level that complies with the State Aid rules in force and take 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.

The maximum grant amount and overall project grant rate shall be determined as below. During the project implementation, interim payments will be calculated on the basis of the accepted eligible expenditure and the corresponding grant rates. However, the maximum grant amount awarded shall not be exceeded.

Call	Maximum project grant rate (%)
Call 1	- up to 70% regional investment aid (initial investment) - up to 80% on investment for environment protection

	- up to 50% advisory services and support services such as labelling, testing and certification - up to 45% experimental development - up to 100% de minimis.
Call 2	- up to 70% regional investment aid (initial investment) - up to 80% on investment for environment protection - up to 80% of eligible costs in case of aid for maritime or inland ports; - up to 50% advisory services and support services such as labelling, testing and certification - up to 45% experimental development; - up to 100% de minimis.
Call 3	up to 70% regional investment aid (initial investment); - up to 50% advisory services and support services such as labelling, testing and certification - up to 45% experimental development - up to 100% *de minimis*.
SGS	- up to 70% regional investment aid (initial investment) - up to 80% on investment for environment protection - up to 100% de minimis. In case of lack of limit for *de minimis* aid, grant rates on advisory services or experimental development will be used.

5. Additional mechanisms within the Programme

5.1 Pre-defined projects

Not applicable.

5.2 Financial Instruments

Not applicable.

6. Programme Management

6.1 Payment flows

The Programme Operator shall ensure timely transfer of an advance payment, interim payment(s) and a payment of the final balance to the Project Promoter. Advance and interim payments are made up to 90% of the total project grant amount.

Advance payment

The advance payment will be transferred to the Project Promoter after the signature of the project contract and within 21 days of the approval of the advance payment request. The full amount of advance payment needs to be secured by the guarantee except for the Project Promoters in Small grant schemes.

Interim payment(s)

The interim payment(s) can take the form of pre-financing instalment(s) where the request for such payment is accompanied by the interim report and secured by the advance payment guarantee, or reimbursement of incurred expenditure.

The total amount of advance and interim payment(s) released in pre-financing instalments shall not exceed 40% of the total project grant amount and may be paid when at least 70% of the previous pre-financing (advance and interim) instalment(s) has been settled.

The interim payment(s) shall be paid within 21 days of the approval of the project interim report(s).

The Project Promoters in Small Grant Scheme shall receive the advance payment and interim payments in the form of pre-financing instalment(s) each up to 20% of the total project grant amount. The total amount of advance and interim payment(s) released in pre-financing instalments shall not exceed 80% of the total project grant amount and may be paid when at least 70% of the previous pre-financing instalment(s) has been settled. The remaining funds will be transferred in form of reimbursement of incurred expenditure.

Final payment

Upon approval of the final project report, a final balance, if applicable, shall be made within 21 days. Where the total amount of earlier payment(s) is higher than the final amount of the grant, the payment of the balance will take the form of recovery.

An individual schedule of forms of payments and reporting periods for each project shall be annexed to the project contract.

6.2 Verification of payment claims

Project Promoters shall submit interim and final project reports containing information on project progress and incurred expenditure.

In line with point i) of Article 5.6.2 of the Regulation, incurred expenditure reported through the interim, or final reports will be subject to administrative verifications before the report is approved. Verifications to be carried out shall cover administrative, financial, technical and physical aspects of projects, as appropriate, and be in accordance with the principle of proportionality.

The provisions of Article 8.12 on the proof of expenditure apply. The expenditure related to the donor project partner’s contribution where limited to delivery of service, works or goods will be proofed by an invoice issued by the donor project partner towards the Project Promoter and submitted by the Project Promoter to the Programme Operator.

Additionally, in line with point ii) of Article 5.6.2 of the Regulation, on-the-spot verifications of projects, which may be carried out on a sample basis, shall be carried out by the Programme Operator.

The procedure for verification of expenditure will be further detailed in the description of the Programme Operator’s management and control systems.

6.3 Monitoring and reporting

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

When reporting on progress achieved in Annual and Final Programme Reports, the Programme Operator shall disaggregate results achieved as appropriate and in accordance with instructions and templates received from the FMO, this may include results relating to cooperation with research institutions and Polish enterprises

6.4 Programme administrative structures

Not applicable.

7. Communication

The Programme Operator shall comply with Chapter 3 of the main text of this Agreement, the Information and Communication Requirements in Annex 3 of the Regulation on the implementation of the Norwegian Financial Mechanism 2014-2021 and the Communication plan for the programme.

8. Miscellaneous

Not applicable.