

**Guidelines on Block Grant
for Non-governmental Organisations
and Polish-Swiss Regional Partner Projects**

**within the framework of
the Swiss-Polish Cooperation Programme**

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This document has been created as an initiative of the Ministry of Regional Development as a development of the records of Clause A of Annex No 3 to Framework Agreement between the Government of the Republic of Poland and the Swiss Federal Council on implementation of Swiss – Polish Cooperation Programme concerning the Block Grant. It regulates in more detailed manner issues such as: frames of the Block Grant, its implementation structure as well as thematic and objective scope. It will form a basis for the selection procedure of the Block Grant Intermediary by the Ministry of Regional Development as well as the framework – for the Intermediary chosen – for preparation of detailed guidelines for the Applicants and Beneficiaries of the aforementioned Grant.

This document constitutes draft Guidelines for the Block Grant, prepared in agreement between the representatives of Polish non-governmental organisations (mainly Association for the Forum for Non-Governmental Initiatives, Foundation for Polish Science, Stefan Batory Foundation, Rural Development Foundation), Ministry of Regional Development and Ministry of Labour and Social Policy).

These Guidelines were subject to consultations on the forum of the Public Benefit Council and in the next step were broadly consulted within the Polish non-governmental sector. In the result of the above actions, there will be elaborated a document which shall be presented during conference to organisations participating actively in the consultations.

After completion of the above stage of preparatory work, final version of this document will be prepared and will constitute basis for launching the selection procedure for the Block Grant Intermediary.

Having selected the Intermediary, there shall be organised official conference presenting the final Guidelines for the implementation of the Block Grant and its Intermediary.

1. Introduction

On 20 December 2007 Minister for Regional Development signed a Framework Agreement with representatives of the Swiss Federal Council on the basis of which Poland received 49% of the entire allocation available, i.e. CHF 464,570,000. Within a given agreement, parties assigned CHF 20,500,000 for the implementation of the Block Grant for Non-governmental Organisations and Polish – Swiss Regional Partner Projects.

In this context, the Polish – Swiss cooperation shall be carried out in respect to horizontal policies. Because it shall be aimed at allowing socially and economically de-favoured individuals and groups to benefit from the development, enhance the men and women possibility of exercising their equal rights by using an approach focusing on the equal rights of both genders. The implementation of the Block Grant

should take place in respect to above issues, with participation of all interested stakeholders and in line with the requirements of the sustainable development in its environmental, social and economic aspects.

2. General rules

2.1. Objectives

In order to ensure that the non-governmental organisations can contribute to the alleviation of the social and economic differences between Poland and more fully developed countries of the European Union, and on the territory of Poland – between dynamic urban centres and peripheral regions poorly developed in structural terms, as well as in order to promote and enhance the partnerships between Polish and Swiss local and regional governments or institutions and social partners, Block Grant for the Non-governmental Organisations and Polish – Swiss Regional Partnerships shall be established.

2.2. Legal Basis

The Block Grant shall be created on a national level on the basis of Annex No 1 and 3 to the Framework Agreement between the Government of the Republic of Poland and the Swiss Federal Council about the implementation of the Swiss – Polish Cooperation Programme. Its task shall be to support the NGOs and Polish and Swiss local and regional authorities or institutions and social partners in implementation of small projects within the scope defined in these guidelines.

2.3. Allocation

The total allocation of the Block Grant for the Non-governmental Organisations and Regional Polish – Swiss Partnership Projects is 20,500,000 Swiss francs, including CHF 18,500,000 shall be allocated for supporting Polish NGOs and CHF 2,000,000 for regional partnerships (the amounts shall be diminished by the management costs incurred by the Intermediary).

2.4. Implementation period

In line with the provisions of the Framework Agreement the commitments between Ministry of Regional Development, the Swiss party and the Block Grant Intermediary can be assumed by 14 June 2012. The period of entering into contracts with the final beneficiaries shall be determined by the Intermediary taking into consideration the fact that the last payments in favour of the aforementioned Grant Beneficiaries shall be made by 31 December 2014. Payments in favour of the Block Grant Intermediary can be made by 31 December 2015.

2.5. Value of Co-financing for projects within the Block Grant

Within the framework of the Block Grant it shall be possible to implement projects of a non-profit character.

For the priority areas 1 and 2 the value of co-financing shall vary from CHF 10,000 to CHF 250,000 and shall be verified in terms of its consistence with the state aid rules.

However the existence of the Block Grant does not deprive non-governmental organisations or local/regional authorities of their right to apply for other types of financial assistance within the framework of the Cooperation Programme.

2.6. Thematic Scope

The Block Grant shall make it possible to obtain co-financing within the framework of the following priorities:

- a) Priority 1: Promotion of the role of the civic society as an important participant in enhancement of the social and economic cohesion of the country;
- b) Priority 2: Promotion and/or enhancement of partnerships between regions, institutions and social partners of Poland and Switzerland.

2.7. Implementation of Block Grant

The implementation of the Block Grant shall take place in accordance with the provisions of the Framework Agreement and its three Annexes as well as these guidelines focusing, among other things, on the principles of sustainable development, equal rights of both genders, the principle of good government, as well as the promotion and enhancement of local and regional partnerships between Poland and Switzerland.

The Block Grant shall be implemented by an external Intermediary who has the knowledge of and the experience in the thematic scope of the Grant.

The final decision about the Intermediary of the Block Grant and the implementation system proposed by that entity shall be subject to the approval to be given by Swiss Ministry of Foreign Affairs operating through the agency of Swiss Agency for Development and Cooperation (SDC). Following the selection of the Intermediary, Ministry of Regional Development, acting as the National Coordination Unit, and Swiss Agency for Development and Cooperation shall sign a tripartite agreement on implementation of the aforementioned Block Grant with the Intermediary.

All the information on the Cooperation Programme can be found on the following websites: www.programszwajcarski.gov.pl (in Polish) and www.contribution-enlargement.admin.ch (in English).

3. Priority areas and thematic scope

- a) Priority 1. Promotion of the role of the civil society as an important participant in improvement of the social and economic cohesion of the country:

General intention of this part of the Block Grant is to support development of a civil society in Poland. In case of this priority, assistance granted under the Block Grant is dedicated to NGO activities aiming to increase active participation of citizens in a public life.

Diagnosis and justification of the choice of qualified project catalogue

Regardless of the assumed definition of civil society, it should be admitted that it is based on the citizens: aware of their rights and responsibilities, involved in activities aimed at the common benefit, and able to assume personal responsibility for their own fate and the fate of the community they live in. Without their activity, democracy may take a purely procedural character, and social and economic development may be slowed down.

The problem of the so-called democratic deficit and civic apathy is not just the problem of Poland¹. But it has a disturbing extent in Poland. The involvement of Poles in non-party political activities, such as signing petitions (5.5% versus the European average of 25%), contacting a governmental or local government politician (6% versus the European average of 13 %) or participation in demonstrations (1.4% versus 6.2%) is low, as well, against the general European background. The participation in elections is low, too – and it is true not only in case of the participation in national elections or referenda but also in local elections. The level of trust in public organisations is very low and at present the level of trust in law is the lowest in Europe. Furthermore, the situation is worsened by the fact that level of social trust in Poland – understood as trust towards other people- is alarmingly low. Other problems include a very low level of the so-called social capital. As far as its dimensions extending beyond the family relationships are concerned it is, again, the lowest in Europe.

And similarly, the level of citizen's identification with the state is very low in Poland and more and more Poles accept illegal use of the common property. The percentage of responses accepting such behaviours increased substantially between 2005 and 2007².

Just as disturbing data relates to the activity of Poles in different organisational forms. Mere 20% of people declare their membership of any organisation³ and one

¹ Green Book on Future of Democracy in Europe (Council of Europe)

² Data taken from the Social Diagnosis 2007

³ See more: www.civicpedia.pl

of the most common problems faced more and more frequently by non-governmental organisations is lack of people ready to act on an disinterested basis. Volunteers participate in the work of just 40% of organisations. Last year the level of volunteer participation in Poland which is below the level experienced in other countries (2.5 times lower than the European average⁴) started to decrease even further⁵.

The aforementioned data shows that we deal with civic apathy in Poland and the democratic deficit is truly deep and – in some dimensions – it is alarming. It seems necessary to counteract those phenomena, what has to be of a continuous character. Activities in this respect require cooperation among many stakeholders (administration, different kinds of organisations, mass-media, etc.), and visible results will take some time, since they concern a change of attitudes, what is obviously slow process.

It is assumed that the citizen activity requires the simultaneous existence of three elements: appropriate democratic institutions (legal procedures and social rules), a wide-spread knowledge of the existence of those procedures and the ability to use them and, finally, the attachment to, or at least understanding of the idea of the common and the public good. Simply speaking, the point is to ensure the possibilities, the skills and a penchant for being involved in public affairs. There is a lot of things that need to be done in Poland in each of those areas.

Therefore, the enhancement of the currently weak civil society in Poland should foremost head towards activation of the citizens themselves, realized by promoting the participatory model of democracy. In this very model, specific role can be played by non-governmental organisations, as one of institutional forms for self-organisation of citizens and expression of their activity. That is why, within the priority no. 1, assistance of the Block Grant will be dedicated to financing undertakings of the organisations, aiming to increase civil activity at all levels and various dimensions. The basic argument for such a construction of a relevant priority is the fact that non-governmental organisations are very often one of the first schools of democracy for many people, and, as they are founded as an answer to particular problems, they involve people, who are willing to undertake disinterested actions in favour of common benefit in its various dimensions. Therefore, they may be not only example, but also – with a proper financial support- good executor of activities addressed to an increase of the participation in a public life of people inactive so far.

⁴ European Social Survey 2006/2007

⁵ KLON/JAWOR 2007 – Volunteering and Philanthropy of the Poles Research

Need to focus the thematic scope of the Block Grant

The Block Grant for the Non-governmental organisations should meet the criterion of significance and thus it should support those actions which respond to real problems.

Moreover, the limited amount of the available funds points to the need to reduce the thematic scope of the Block Grant. If the thematic width is not reduced the complete dispersion of the available funds is imminent.

The fact that Switzerland, i.e. the country where the democratic procedures (especially in their direct format) are developed extremely well (not to say, they are a symbol of the country), is the donator of this Grant is another important argument supporting this choice of the support area.

In the context of the foregoing information it seems justified that in case of this Block Grant it is necessary to focus, first and foremost, on those activities the NGOs are engaged in that are aimed at activation of the citizens in the public affairs.

Due to the above, below activities aimed at activation of civil society (and in their frames also tasks involving strengthening of organisational capacities of the beneficiaries) may refer to all its' domains and be realized by all non-governmental organisations, regardless of the profile of their activity.

The thematic scope of projects for non-governmental organisations:

1) Civic education:

- Educational activities regarding election rights of the electorate (excluding the election campaigns and party canvassing) and aiming to increase awareness of civil rights (including consumer education);
- information/educational campaigns and programmes aimed at stimulation of civil activity;
- creation of tools, including the IT tools, which make it possible to increase the civil participation (e.g. specialised Internet portals independent from public authorities, used for making the public information available or ensuring the public mobilisation);
- educational and creative programmes addressed to the leaders of non-governmental organizations, active in the area of civil participation;
- Activities aimed at increase of knowledge and awareness in the area of the co-operation in various organisational forms;

- Programmes aimed at development of civil attitudes among children and youth, including aimed at development of the students' local government and involvement of youth in activities for the local environment;
- Programmes aimed at strengthening the confidence in the public institutions and shortening the distance between the citizens and the public institutions;
- Civil advisory – activities as well as advisory and information programmes aiming at civil education in the scope of their civil rights and methods of their accomplishment (involving stimulation civil activation as well as education on citizen's independence and responsibility for him-/herself – different than in case of legal advisory).

2) Control measures:

- Activities aimed at strengthening and promotion of instruments and the democratic procedures regarding social monitoring of actions taken by public authorities and institutions;
- civic monitoring of the actions taken by the public administration on a central and local level;
- Social initiatives concerning the anticorruption actions, access to public information and civic journalism;
- Monitoring and review how the public administration and political circles implement civil participation actions;
- Monitoring of electoral pledges at central and local level.

3) Participation in public policy:

- Promotion and participation in social consultations contributed to both by organisations and individuals;
- elaboration and dissemination of good practice in the area of civil participation: debate organisation techniques, referenda, petitions, deliberations, legislative and resolution-making initiative, public hearings etc. (excluding election campaigns);
- Citizen activities focusing on the assessment of the quality of the public administration work (social audit) and increase in the so-called responsiveness of the public authority activities;
- Projects aimed at an increased scope of civil participation in the formulation and implementation of public policies (development of strategies, budgeting, determination of indicators based on the citizens' level of satisfaction etc.), including programmes aimed at supporting the

activity of the young in the public life, implemented in co-operation with the public administration;

- Building the participation and spokesperson mechanisms to be exercised by groups which are neglected or underrepresented in a public debate (e.g. elderly people, people in extreme poverty, disabled people, immigrants etc.).

The implementation of the projects may also include actions aimed at activation or enlargement of the membership and enhancement of democratic procedures inside the organisation as well as enhancement of the competence of the non-governmental organisation representatives in terms of their formal participation in the consultation or monitoring procedures.

It is important to bear in mind that activities regarding civil activation (participation), enumerated above, must represent main objective and subject of a submitted project.

Nevertheless, with a view to implementing above projects, it is possible to dedicate a part of financial resources to the capacity building of non-governmental organisations through inter alia: trainings and professional consultations, improvement of quality of services relevant to accurate and effective project implementation, development of long-term operational strategies, advisory, etc. Moreover, under the capacity building it is also possible to finance project management costs, reaching no more than 10% of the project eligible costs, aiming at actual administration and operational management of the project.

The above measures must support and contribute to the realisation of main objectives and subject of a project (indicated in points 1) - (3)), and cannot exceed in total 30% of the project value (including aforementioned management costs).

PLEASE NOTE: The Block Grant is not aiming to finance set-up of new non-governmental organisations or to strengthen institutional capacities of organisations already existing in isolation from the implementation of main objective of the Grant and project.

b) Priority 2. Promote and/or enhance the partnership between regions, institutions and social partners of Poland and Switzerland:

Thematic scope of projects for Polish and Swiss partners:

- Create/enhance the partnership among the Polish and Swiss self-government entities (of a local or regional level), institutions and social partners in various thematic areas in order to promote and exchange the

best practice and transfer the knowledge (incl. through study visits) among the partner institutions;

- Create/enhance the network of co-operation between the Polish/Swiss self-government entities (of a local/regional level), institutions and social partners and the Polish Non-governmental Organisations in order to increase their role in the decision-making concerning the region/subregion by means of study tours, common conferences, meetings, partnerships and conferences;
- Projects providing for the transfer of knowledge and experience from the Swiss self-government entities (of a local or regional level), institutions and social partners concerning the provision of access to information and participation in the decision-making process about specific projects (e.g. implementation of infrastructure investments, environmental policy, spatial development plans, multi-sectorial development strategies) by means of information activities, social consultations and negotiations with social partners;
- Small projects of a local or regional character implemented in various thematic areas and aimed at implementation of shared activities, exchange of the best practice and the transfer of knowledge (incl. through study visits) among regions.

PLEASE NOTE: Within a given priority area, only non-investment projects are allowed.

4. Implementation System

4.1. Block Grant

The Block Grant for the Non-governmental Organisations and Polish-Swiss Regional Partner Projects will be operated in line with appropriate provisions of Annexe No 3 to the Framework Agreement on Block Grants as a fund established on a national level for a clearly defined purpose, providing financial assistance to organisations or institutions and making it possible to manage (cost-effectively) the programmes made up of many small projects.

The Block Grant is to enable organisations or institutions to carry out their undertakings by implementation of small projects and enhancement of their institutional capabilities.

The Block Grant is subject to limitations and commitments imposed by competent Polish and the EU legislation.

4.2. National Co-ordination Unit

Minister of Regional Development plays the role of the National Coordination Unit (NCU). The Ministry is generally responsible for implementation of the Cooperation Programme, including the Block Grant for the Non-governmental Organisations and Polish-Swiss Regional Partner Projects.

In this respect, the specific tasks of the NCU include:

- Ensure the creation of the Block Grant and, to this end, prepare and carry out the Block Grant Intermediary selection procedure, preliminary choice of the Intermediary and preparation of an appropriate agreement;
- Ensure the supervision over the Block Grant by creation of an appropriate monitoring, management and audit system;
- Create the financial control mechanisms;
- Appoint an observer in the steering and project approval committees;
- Control the productive and effective use of the Block Grant funds;
- Ensure a regular reporting to SDC on the progress in implementation of the Block Grant as well as ensure a regular reporting on irregularities;
- Ensure the audit and implementation of the resultant recommendations;
- Include the Block Grant into the promotional campaign on the Cooperation Programme.

4.3. Block Grant Intermediary

4.3.1. Definition of the Intermediary

A public or private sector institution or a non-governmental organisation operating in the public interest, established or registered in the territory of the Republic of Poland in accordance with the Polish law shall be the Intermediary of the Block Grant.

In principle, the Block Grant Intermediary should have experience in a co-operation with the non-governmental sector in Poland.

4.3.2. Responsibilities of the Intermediary

The Intermediary shall be responsible for the management and introduction of the assistance within the framework of the foreseen subject areas, including:

- Create and chair the steering and project approval committees;
- Organise the invitation for projects within the Block Grant,
- Evaluate projects within the Block Grant and prepare commented ranking list of projects ;

- Determine the conditions of the agreements to be concluded with organisations and institutions implementing projects within the Block Grant and sign the agreements;
- Transfer funds to the final beneficiaries;
- Create an appropriate system of financial and operational control for projects within the Block Grant;
- Employ the aforementioned control system and intervene whenever necessary;
- Monitor the progress in implementation of the projects by the final beneficiaries;
- Immediately notify the NCU about the irregularities;
- Report to the National Coordination Unit. The reporting include at least an annual report on the progress in implementation of the Block Grant and financial statements;
- Carry out promotional and information campaign about the implementation of the Block Grant;
- Keep the documentation connected with the implementation of the Block Grant.

Providing the assistance to the final beneficiaries, the Block Grant Intermediary shall follow the principles of transparency, impartiality and full responsibility, and avoid the conflict of interests. The Intermediary shall not be entitled to apply for the funds within the framework of any subject area, or use the Block Grant funds for its own operating activities, unless it is specified otherwise in the agreement between the National Coordination Unit, SDC and the Intermediary.

The Intermediary is responsible for the correct implementation of the tasks it has been entrusted with to the National Coordination Unit.

4.3.3. Intermediary Selection Procedure

The Block Grant Intermediary shall be selected within a procedure agreed between the National Coordination Unit and the Swiss Agency for Development and Cooperation indicated in the Annex No 3 to the Framework Agreement.

In order to select the Intermediary, the NCU shall organise an open call for applications. Detailed principles and conditions of the competition shall be determined in the announcement and regulations of the competition. As a result of the call the institutions applying for the position of the Intermediary shall submit the so-called Final Project Proposals to the NCU containing the description of the capabilities of the aforementioned institutions and the Block Grant management and implementation concept including, in particular the following information:

- Description of the qualifications and experience of the potential Intermediary in the management and implementation of similar projects/programmes;

- Organisational structure, the tasks and responsibilities of the Intermediary (including the establishment of the steering and project approval committees);
- Presentation of concept on specifics and frequency of calls for proposals (within the Priority 1) as well as types/ sizes, subject and length of projects within the Block Grant;
- The evaluation and selection procedure of projects within the Block Grant (including the selection criteria and a preliminary version of the application form for the final beneficiaries);
- Principles and procedures of awarding grants;
- Preliminary implementation schedule;
- Budget and financial plan (including management costs etc.);
- Disbursement (incl. settlement of projects) procedures;
- Monitoring and reporting;
- Cash flow scheme;
- Publicity measures.

If organisations apply jointly, they shall appoint a leader who shall be responsible for the commitments imposed on their behalf by the National Coordination Unit and SDC. Institutions submitting project jointly bear solid responsibility for the implementation of the tasks resulting from the agreement concluded with the National Coordination Unit and SDC.

The National Coordination Unit shall preliminary evaluate the applications and shall submit the preliminary ranking list of proposals to the Swiss Contribution Office in order to perform evaluation and selection of the proposal by the Swiss Agency for Development and Cooperation. The final decision on the Block Grant Intermediary and the implementation system proposed by him depends on the Swiss Agency for Development and Cooperation.

Following the selection of the project, the Block Grant Agreement shall be signed between the National Coordination Unit, SDC and selected institution , specifying the obligations of the parties and the provisions concerning, among other things:

- Objectives of the Block Grant;
- Organisational structure, tasks and responsibilities (including the establishment of the steering and project approval committees);
- Evaluation and selection procedure of projects within the Block Grant (including the selection criteria);
- Rules and procedures of the co-financing levels;
- Implementation schedule;
- Budget and financial plan (including the management costs etc.);
- Disbursement and audit procedures;

- Monitoring and supervision;
- Reporting;
- Publicity measures.

4.4. Steering and project approval committees

For the Priority 1. and 2. the Intermediary shall establish separate steering and project approval committees, the tasks of which shall include:

- Decide on the choice of projects within the Block Grant on the basis of the commented ranking list of projects issued by the Intermediary;
- Discuss the reports on the progress in implementation of the Block Grant;
- Review and modify project evaluation criteria (if applicable).

Both Steering Committees shall consist of an Intermediary representative (acting as the Chairman), experts in the given subject priority and thematic area, specialists in the non-governmental sector (priority 1.) or representatives from self-governmental entities (priority 2.), and representatives of the National Coordination Unit and the Swiss Contribution Office (acting as observers).

The Steering Committee shall act in an open, transparent and impartial way following the lack of the conflict of interests principle.

4.5. Swiss Agency for Development and Cooperation

The tasks of SDC include:

- Make a final decision about the selection of the Block Grant Intermediary;
- Appoint an observer to the Steering Committees on Approval of Projects;
- Monitor the progress in implementation of the Grant on a general level;
- Assess and discuss the progress in implementation with the NCU on the basis of the annual reports produced by the NCU.

5. Final Beneficiaries

The Final Beneficiaries shall implement the projects co-financed within the framework of the Block Grant in two main priority areas. A Final Beneficiary shall act in line with detailed implementation procedures defined by the Intermediary and those procedures shall form a part of the Block Grant Agreement.

5.1. Definition

The following organisations can apply for the co-financing within the framework of the Block Grant:

a) For the priority called: *Promotion of the role of the civic society in enhancement of the social and economic cohesion*:

- The non-profit and non-for-profit non-governmental organisations as construed by Art. 3.2 of *Public Benefit Activity and Volunteering Act*, registered in Poland and independent of the governmental authorities and other public institutions or political parties, or institutions acting to gain profit.

Due to the theme of this priority, informal groups of citizens may also participate in the implementation of projects submitted by eligible applicants, acting in a co-operation with them.

b) For the priority called: *Promotion and/or enhancement of partnerships between regions, institutions and social partners of Poland and Switzerland*:

- Polish self-government entities of a regional or local level as well as institutions and social partners in partnership with Swiss regional /local entities or institutions and social partners;
- Polish non-governmental organisations in line with sub-item a) acting only as partners or beneficiaries of the Polish self- government entities of a regional /local level or institutions and social partners.

5.2. Partnerships

Within the framework of the area concerning the non-governmental organisations it is also possible to create partnerships mainly between Polish NGOs and the NGOs of other countries (Switzerland or other European Union countries) and/or Polish self-government entities. The participation of the partner must be justified in the context of the project objectives and its involvement must be of a non-profit character.

Nevertheless, only a Polish NGO can apply for the assistance.

5.3. Conditions of participation

The Applicants indicated in Clause 5.1. should fulfil the requirements determined by the Grant Intermediary, in particular they should demonstrate necessary qualifications and knowledge about the subject of the proposed project, and demonstrate the financial and operating assets necessary for the correct implementation of the project.

The institution is not entitled to participate in the competition or invitation of the applications (neither for the Intermediary or the Final Beneficiary), if:

- a) it has gone bankrupt, is in liquidation or its operations are under judicial management;

- b) its management have been found guilty of actions inconsistent with the professional ethics or serious offences proved by means of measures the use of which can be justified by the National Coordination Unit;
- c) it has failed to fulfil the obligation to pay the social insurance or taxes.

6. Requirements for projects within the Block Grant

- 6.1. The funds within the framework of the Block Grant shall be granted exclusively for non-profit projects.
- 6.2. The application submission procedures shall be prepared in line with the principle of the equal treatment of all the authorised applicants.
- 6.3. Each project shall be evaluated by experts specialising in the given priority area or activity.
- 6.4. The projects submitted for the area called *Promotion of the role of the civic society in enhancement of the social and economic cohesion* shall receive an additional score in the evaluation procedure (equal to 5% of the total number of points) in at least one of the following cases:
 - a. the applicant has its head office in the so-called geographical concentration area of the Swiss – Polish Cooperation Programme (namely the following provinces: Lubelskie, Małopolskie, Podkarpackie and Świętokrzyskie);
 - b. the partner organisation(s) has its head office in the geographical focus area;
 - c. the project applied for shall be implemented in the geographical focus area.
- 6.5. It is possible to submit projects which include more than one activity in the given priority area.

7. Final beneficiary selection procedure

- 7.1. In order to select the projects for the co-financing the Intermediary shall carry out an open call for applications which shall be announced in public. Due to a considerable diversity of projects it would be recommended to run competitions within the framework of smaller or uniform/comparable types of projects to improve the quality and credibility of the project evaluation and make it possible to obtain an appropriate "composition" of the results.
- 7.2. The estimated invitation schedule shall be given for the entire period of the Block Grant to enable the Applicants to plan their work in that period of time. The applications shall be invited at least once a year.

- 7.3. The applicants shall prepare projects on the application form, elaborated by the Intermediary, based on requirements set out in guidelines for applicants as well as formal and content-related evaluation grid. In the next step, they will submit them directly to the Intermediary.
- 7.4. Following the completion of the application submission procedure, the Intermediary shall evaluate the submitted projects on a preliminary basis (based on public formal and content-related evaluation grid) and hand over commented ranking list of projects to the members of the Steering Committee who shall decide on the co-financing to be granted to individual projects. The positive or negative co-financing decisions informed to the Applicants must be accompanied by a justification.
- 7.5. If a project submitted by an applicant is processed positively, the Intermediary shall sign the Co-financing Agreement with the Final Beneficiary.
- 7.6. Detailed Final Beneficiary selection procedures shall be based on the proposals submitted by potential Intermediaries.

8. Payment of Funds to the Intermediary

- 8.1. The management costs of the Intermediary responsible for implementation of the Fund for the NGOs shall be determined in the Block Grant Agreement. The aforementioned costs shall not exceed 10 % of the total Block Grant allocation.
- 8.2. In case of the Intermediary management costs the changes in the CHF exchange rate in relation to the Polish zloty (PLN) within the range of +/-10% shall be covered by the Intermediary.
- 8.3. The funds allocated to the Intermediary as the management costs shall be spent in instalments (tranches) as the upfront payments in a way and at the time specified by the Intermediary in the Final Project Proposal. The last tranche (in the amount of minimum 5% of total management costs) shall be paid when the report on completion of the Block Grant is submitted and approved by the National Coordination Unit and SDC. Precise amount of the tranche shall be determined in the Block Grant Agreement.
- 8.4. The funds allocated to the Final Beneficiaries shall be given to the Intermediary in instalments (tranches) as the advance payments in a way and at the time specified by the Intermediary in his Final Project Proposal, with a special consideration to the specifics of final beneficiaries.

9. Payment of funds to the final beneficiary

- 9.1. The funds granted to the Final Beneficiaries shall be paid in the form of instalments (tranches) as upfront payments except for the last one (the

retained amount) in a way that ensures an appropriate financial control and a sufficient cash flow. The final tranche (in the amount of maximum 10% of the project value) shall be paid after the Intermediary receives and accepts the report on the completion of the project from the Final Beneficiary.

- 9.2. The funds granted to the Final Beneficiaries shall cover up to 90% of the qualified costs of the projects implemented in all the areas of the Grant. The Final Beneficiaries are obliged to secure the co-financing of 10% of the qualified costs. The co-financing provided by the Final Beneficiaries can be put in in the form of cash and/or in-kind contribution (equipment, materials, fixed costs or volunteering made available).
- 9.3. In accordance with Art. 5.5 of the Framework Agreement on implementation of the Swiss – Polish Cooperation Programme the following costs are not qualified: expenses incurred prior to signing an appropriate project co-financing agreement by all the parties, interest on debt, purchase of real estate and recoverable VAT mentioned in Article of the aforementioned Framework Agreement.
- 9.4. The Final Beneficiaries bear the exchange rate risk which may arise as a result of the CHF fluctuation in relation to the Polish zloty (PLN) in connection with the financing of their projects.

10. Monitoring and Evaluation

- 10.1. As far as the monitoring is concerned the Intermediary shall proceed in accordance with the monitoring and reporting requirements contained in the Annex No 2 to the Framework Agreement, the provisions of the Block Grant Agreement and *The Swiss – Polish Cooperation Programme Monitoring System*.
- 10.2. The Intermediary shall submit periodical and annual reports on the progress in implementation and a report on completion of the Block Grant (submitted along with the final financial report and the final audit report) to the National Coordination Unit in accordance with the timetable specified in the Block Grant Agreement. The aforementioned reports shall be submitted to the Office of Swiss-Polish Cooperation Programme.
- 10.3. The Swiss Contribution Office or SDC may monitor the implementation of the Block Grant and, to this end, they shall be entitled to use the services of an institution dealing with the external monitoring of the block grants and individual small projects. The Office and the National Coordination Unit are entitled to carry out on the spot checks.

- 10.4. In order to evaluate the progress in the management and implementation of the Block Grant and implementation of its assumed goals the National Coordination Institution may monitor the level of its implementation halfway through the functioning of the said instrument.
- 10.5. The ex-post evaluation can be carried out individually or within the framework of the Block Grant programming in Poland.
- 10.6. The Intermediary shall make appropriate arrangements with the Final Beneficiaries concerning the reporting process. It should be based on the provisions of the Block Grant Agreement.

11. Financial Control and Audit

- 11.1. The financial control and audit shall be carried out in accordance with the provisions of the Block Grant Agreement.
- 11.2. The Block Grant shall be subject to periodical financial audits conducted every two years. The first audit shall cover the period from the signing of the Block Grant Agreement till the end of the year following the year of signing the aforementioned Agreement. At the end of the Block Grant the Grant shall be subject to a final financial audit.

12. Promotion

The information activities will be carried out in line with the Guidelines on Information and Promotion within the framework of Swiss – Polish Cooperation Programme. Detailed promotional measures to be taken by the Intermediary and the final beneficiaries, if necessary, shall be determined in the Block Grant Agreement.