

**Guidelines for applicants applying for
the Project Preparation Facility
under the Swiss-Polish Co-operation Programme**

I. General Information

On the basis of Annex 3 to the *Framework Agreement between the Government of the Republic of Poland and the Swiss Federal Council on the implementation of the Swiss-Polish Co-operation Programme to Reduce Economic and Social Disparities within the Enlarged European Union*, hereinafter referred to as the Framework Agreement, the Polish and Swiss side established a Project Preparation Facility worth 3 million Swiss francs.

The aim of the Project Preparation Facility (the PPF) is financial support for the preparation of the Final Project Proposal, according to requirements stipulated in Annex 2, section 2.4 of the Framework Agreement.

Resources granted under the PPF will be used in the process of preparation of Final Project Proposals, based on Project Outlines previously approved by the Swiss side.

The rules stipulated in this document for the PPF were formulated according to the provisions of the *Project Preparation Facility Agreement concluded between Switzerland and the Government of the Republic of Poland*.

II. Management and Implementation System

The management and implementation system of the Project Preparation Facility is based on the following institutions:

- National Coordination Unit¹ (NCU) - Operator of the Project Preparation Facility - manages and has general supervision over the use of resources under the Project Preparation Facility;
- the Intermediate Body (IB) defined separately for each thematic area – carries out tasks on the implementation of the Project Preparation Facility entrusted to it by the NCU (Operator of the PPF) or acts on its behalf in relations with the Executing Agencies implementing projects in appropriate thematic areas established under the SPPW;

The tasks of the IB within the implementation of the Project Preparation Facility include in particular:

- supervision and management of projects' implementation according to provisions of respective agreements for the PPF, accordingly for a given thematic area;
- appraisal of Project Outlines, including the appraisal of the part concerning the PPF;
- monitoring the projects which are implemented by the Executing Agency by verification of reports and requests for payment submitted by the EA (with financial documentation confirming expenses incurred) on the correctness and cohesion with the available information;

¹ The Ministry of Regional Development functions as the NCU.

- reimbursement of expenses incurred by the Executing Agency which is not a state budget entity, according to submitted requests for payment;
 - certifying the expenses incurred by the Executing Agency which is a state budget entity, according to submitted requests for payment;
 - reporting to the NCU on the progress in implementing the PPF;
 - detecting irregularities and reporting on them to the NCU;
 - ensuring that all important documents concerning the PPF are kept for the period of 3 years after their end;
- Paying Authority – ensures the correct supervision and financial control over the use of financial aid; the Ministry of Finance functions as the Paying Authority for the PPF;
 - Audit Institution – checks the use of resources under the Swiss-Polish Co-operation Programme – the SPPW (including under the PPF); the Ministry of Finance fulfils the role the Audit Institution for the PPF;
 - Executing Agency – implements the project according to provisions of the *Project Preparation Agreement*

III. Types of Potential the Executing Agencies

The co-financing may be applied for by organisational units of public or private sector or non-governmental organisations, established or registered in the Republic of Poland according to the Polish law.

The types of potential Executing Agencies are in detail stipulated for each thematic area in the description of a given area.

IV. Amount of Co-financing

Costs of planned tasks under the PPF should be economically justified, necessary and directly connected with the preparation of the Final Project Proposal and proportionate to its amount; the minimum amount of co-financing is 10 000 Swiss francs (CHF).

V. Level of Co-financing

The level of co-financing may not exceed 85% of total eligible costs of the project under the PPF. Except for financial resources granted under the PPF, a minimum contribution of 15% of the Executing Agency is required. A detailed level of co-financing under the PPF shall be stipulated for each project separately in the *Project Preparation Agreement* concluded between the Executing Agency and the Intermediate Body.

VI. Duration of the Project

The duration of the project under the PPF may not exceed 6 months, from the moment of signing the *Project Preparation Agreement* until the end of its implementation (i.e. the end of implementation of activities stipulated in § 3(1) of the *Project Preparation Agreement*). Detailed time-frame of the implementation of a given project shall be stipulated in the *Project Preparation Agreement* concluded between the Executing Agency and the Intermediate Body.

VII. Eligible Expenses

An expense which jointly meets the following conditions shall be eligible for co-financing:

- a) was incurred during the expenses eligibility period,
- b) is in conformity with the binding regulations of the community and national law,
- c) is in conformity with the binding Framework Agreement, Project Preparation Facility Agreement concluded between the Government of the Republic of Poland and Switzerland and national law,
- d) is in conformity with categories of expenses and budget resulting from stipulations of the Project Preparation Agreement,
- e) is necessary for the implementation of the project and was directly linked to the preparation of the Final Project Proposal,
- f) was made in a economical manner, i.e. on the basis of the rule of aiming to achieve assumed effects at the lowest amount of expense,
- g) was duly documented with invoices or accounting documents of equivalent evidential force,
- h) is not subject to exceptions stipulated in the next part of this document as „ ineligible expenses”.

Expenses eligible are expenses incurred on:

- a) remuneration of external experts taking part in the preparation of the Final Project Proposal which meets the requirements stipulated in section 2, Annex 2 of the Framework Agreement concluded between the Government of the Republic of Poland and Switzerland and for a given thematic area;
- b) remuneration of competent experts preparing documentation such as: feasibility study, environmental impact report and/or all other documents considered as required during the submission of the Final Project Proposal (stipulated in detail in the list of obligatory annexes), which enable to conduct detailed assessment of the project;
- c) translations of documents listed in b) into English.

General time-frame for eligibility of expenses under the PPF

Expenses may be considered eligible under the PPF if they were incurred in the period from the day of signing the Project Preparation Facility Agreement, i.e. 1 July 2008 until 14 December 2011.

Nevertheless, detailed time-frame of the eligibility of expenses under the PPF project will be stipulated in the *Project Preparation Agreement* concluded between the Intermediate Body and the Executing Agency.

The following do not constitute eligible expenses:

- a) remuneration for all kinds of activities which lie within the function and field of competence of the applicant;
- b) all kinds of charges and taxes, including VAT, required for the elaboration of the Final Project Proposal not directly linked with services;
- c) VAT which is recoverable on the basis of the binding laws.

Additionally, the following are considered ineligible:

- fines, penal charges,
- financial penalties,
- losses connected with currency exchange,
- costs of court proceedings.

Eligibility of VAT

If VAT is an eligible expense, the Executing Agency is obliged within the Project Preparation Facility to apply provisions of the *Guidelines on the eligibility of the value added tax*, which refer to all thematic areas of the Swiss-Polish Co-operation Programme.

Double financing

1) Double financing means unlawful total or partial reimbursement of a given expense twice from public resources – the SPPW and community or national resources.

2) Double financing includes in particular:

- a) reimbursement of the same expense under two different projects co-financed from the resources of SPPW and community or national resources,
- b) reimbursement of costs of VAT from the resources of the SPPW, and then recovery of this tax from the resources of the state budget on the basis of the Act of 11 March 2004 on the goods and services tax (Journal of Law No. 54, item 535, as amended),
- c) receiving reimbursement from the resources of the SPPW for an expense which was earlier financed from preferential loan from public resources without paying back immediately the reimbursed part of this loan.

In-kind contribution

No in-kind contribution is foreseen in projects implemented within the Project Preparation Facility.

VIII. Submitting Applications

The filling in of the generator for a Project Outline in part V. *Project Preparation Facility* by the applicant is a basis to apply for resources under the PPF.

Part V. *Project Preparation Facility* should be completed according to the *Guidelines on filling in the application form of the SPPW* (content-related abstract below).

Part V. PROJECT PREPARATION FACILITY

Part I is active **only** for a Project Outline. Submitting the Project Outline, the Executing Agency may also apply for resources from the Project Preparation Facility (the PPF). The Project Preparation Facility ensures financial support for the process of elaboration of the Final Project Proposals.

5.1. Submitting an application to the PPF

Please indicate whether, in case of a positive decision on the Project Outline, the Executing Agency will apply for resources from the Project Preparation Facility to elaborate above all the required annexes (e.g. a feasibility study, an environmental impact report etc.) for the Final Project Proposal.

5.2. Description of the Project under the PPF

Description (max 8 500 characters) should include the following key issues:

- objectives of the PPF Project;
- planned activities subject to financing under the PPF;
- management structure with the indication of entities implementing the PPF Project;
- potential partnership/s in this respect (with regard to the role and scope of partners' duties);

5.3. Justification of the need for Project implementation under the PPF (max 2 500 characters)

5.4. Activities and implementation schedule

Please give the planned start and end date of the PPF Project and show in the table names, scopes (add by clicking on „+” sign) and planned costs of specific activities which are to be financed under the PPF Project.

Please estimate time-frame for the implementation of the PPF Project in weeks.

After completing the table, click on „calculate”.

Sums of fields 5.4. (Activities and implementation schedule) and 5.5. (Budget) must be equal.

5.5. Budget

Please note that the amount of co-financing for the PPF Project is at least 10 000 Swiss francs. Except for financial resources granted under the Project Preparation Facility, a minimum of 15% of contribution of the Executing Agency is required. The level of co-financing shall be determined separately in each case.

Field „Total eligible costs” and percentage amounts are generated after completing 5.5. (Budget).

After completing the table, click on „calculate”.

Sums of fields 5.4. (Activities and implementation schedule) and 5.5. (Budget) must be equal.

IX. Application Assessment Stages in the Part Concerning the PPF

Parallel with the procedure of assessment and selection of Project Outlines, the Intermediate Body shall assess the part of the application concerning the PPF on the basis of formal and content-related criteria indicated below.

Negative appraisal of the Project Outline means a negative decision on the granting of co-financing under the PPF.

Positive appraisal of the Project Outline is a condition to conduct the assessment of *Part V. Project Preparation Facility*, but is not equivalent to the granting of co-financing under the PPF.

The tables below contain questions used for assessment of Part V of application concerning the PPF.

I. Formal appraisal	YES	NO
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1. Was the Project Outline positively appraised?		
2. Did the applicant declare (indication in the application) that he applies for resources from the Project Preparation Facility?		
3. Is the application in part concerning <i>V. Project Preparation Facility</i> complete? (i.e. all fields intended for filling in are filled in)		
4. Will the received resources from the PPF contribute to the preparation / translation of the documentation for the Final Project Proposal?		
5. Does the requested amount not exceed 85 % of co-financing and is in compliance with the rules of the donor for a given type and kind of project?		
6. Was the level of own contribution of the applicant correctly determined, both in numbers and in per cents?		
7. Is the requested amount equal to at least 10 000 Swiss francs (CHF)?		
8. Is the implementation period of the project not longer than 6 months?		
9. Is the duration of the project in conformity with the eligibility period of expenses under the Project Preparation Facility (i.e. from the day of signing the agreement to 14 December 2011)?		

Projects under the PPF which meet all criteria of formal assessment are subject to content-related appraisal by the Intermediate Body. The Intermediate Body shall, after analysing the points below, recommend a project under the PPF or shall take a decision on rejection.

II. Content-related appraisal	YES	NO
1. Are the project objectives justified precisely, genuinely and clearly?		
2. Do the project objectives refer to the preparation of the correct Final Project Proposal which will be elaborated on the basis of the submitted Project Outline?		
3. Did the applicant determine the way of managing the project including the division of duties and key personnel carrying out tasks under the Project Preparation Facility?		
4. Is the time-frame of project implementation clearly determined?		
5. Did the applicant indicate in the table a detailed division of planned activities and their scope, giving the time of implementation of given activities in weeks?		
6. Are the planned activities necessary for the preparation of the Final Project Proposal?		
7. Are the planned costs of specific activities rational (they correspond with market prices), efficient and proportionate to the amount determined in the Project Outline (a ratio of outlay to result)?		
8. Is achieving the planned results in the period stipulated for the project		

under the Project Preparation Facility realistic?		
9. Are the expenses planned in the project under the Project Preparation Facility eligible?		
Recommendations		
Justification		

Answers to questions from the content-related part are assessed positively (YES) if they are: complete, sufficient and accurate, the description of the project contains logical and clearly formulated objectives, the management structure is transparent and the duties of personnel are accurately specified. The justification is clear, logical and shows a real need for the project implementation. Planned activities are necessary, clearly linked and adequate to results. The anticipated expenses are rational and correspond with suggested activities and are fully in compliance with the provisions of the *Guidelines for applicants applying for the Project Preparation Facility under the Swiss-Polish Co-operation Programme* in part concerning the eligibility of expenses.

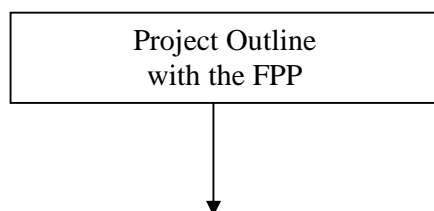
Answers to questions from the content-related part are assessed negatively (NO) if: they are too general or not sufficient, information is not very clear and is not complete in substantial part. The anticipated expenses are not rational and do not correspond with suggested activities. Objectives, justification and management structure described by the applicant do not clearly ensure the success of the project implementation. The implementation of the project may be questionable or the project in the described shape may not be implemented.

Projects which shall receive a positive recommendation (with justification) of the Intermediate Body may apply for further acceptance of the project prepared under the Project Preparation Facility.

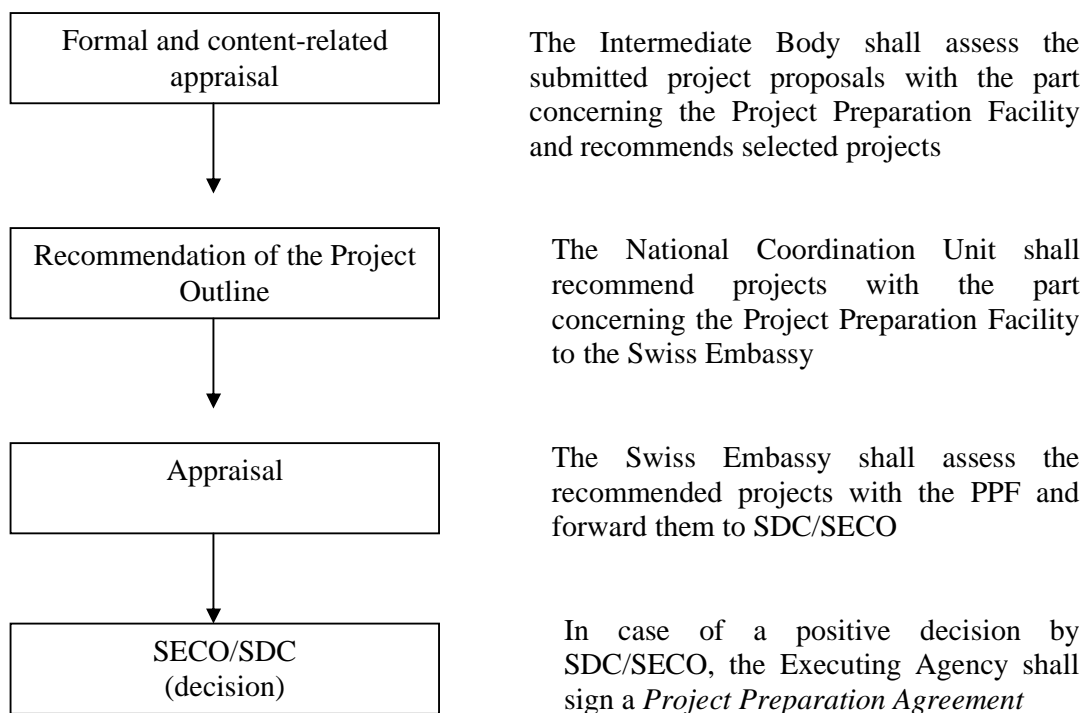
At the next stage, the project under the Project Preparation Facility shall undergo an appraisal by the National Coordination Unit, the function of which is carried out by the Ministry of Regional Development.

The final decision on the granting of co-financing is made by the Swiss side. A positive appraisal of the Project Outline by the Swiss side is necessary to obtain the co-financing under the Project Preparation Facility.

Scheme of application assessment and division of responsibilities in this respect



The Executing Agency (EA) shall submit the Project Outline with the part concerning the project for the Project Preparation Facility to the Intermediate Body (IB) during the call



X. Signing the Project Preparation Agreement between the Executing Agency and the Intermediate Body

Information on the acceptance of the project under the Project Preparation Facility is forwarded by the Intermediate Body to the Executing Agency (with information on the acceptance of the Project Outline).

Next, the Intermediate Body shall, within 30 days from receiving information on the acceptance of the project under the Project Preparation Facility, sign a *Project Preparation Agreement* with the Executing Agency².

! The final content of the *Project Preparation Agreement* may be supplemented with additional conditions of the co-financing award determined by the Swiss side.

! *Project Preparation Agreement* is concluded in Swiss francs (CHF). All exchange losses resulting from the difference between the amounts of granted co-financing expressed in Swiss francs (CHF) and actually incurred costs of project implementation expressed in PLN shall be covered by the Executing Agencies.

² Standard *Project Preparation Agreement* is available on the website of the Ministry of Regional Development / National Coordination Unit.

XI. Public procurement

Public procurement in the PPF project shall be conducted according to the Polish Public Procurement Law, the respective community directives and the provisions of Annex 2 (section 3.3) to the Framework Agreement.

XII. Reporting and Requests for Reimbursement (drawing up requests for payment)

After the end of Project implementation under the Project Preparation Facility, the Executing Agency is obliged to submit (according to binding standards³) a **request for payment in hard and electronic copy with the report on the project end / final financial report.**

The following should be in particular attached to the request for payment:

- a list of incurred expenses (in original),
- documents confirming incurred expenses i.e. photocopies, certified to be true copies of the originals, of invoices or other accounting documents of equivalent evidential force,

! The list contains in particular the following information:

- name of the applicant and appropriate Project Outline, under which the documentation with the use of the PPF resources was prepared.
- name of the company / expert preparing the documentation in question,
- amount, scope and objective of the agreement which was concluded with the company / expert preparing the documentation,
- a list of elaborated documents/ analyses.

Requests for payment with supporting documents and reports on the project end / final financial reports are submitted to the Intermediate Body **until 10th working day of the month following the end of project implementation.**

Requests for payment and reports on the end of project implementation/final financial reports may not cover a period longer than 6 months.

The Intermediate Body shall analyse and verify the request for payment and documents submitted by the Executing Agency which confirm expenses incurred. The Intermediate Body shall in particular:

- check the correctness of submitted documents,
- check the compliance of the request for payment with the Framework Agreement, Project Preparation Facility Agreement, Project Preparation Agreement and shall check the possibility of double financing,
- check the completeness of the documentation, including copies of invoices and accounting documents of equivalent evidential force and correctness of the *Report on the end of project implementation / final financial report* and expenses incurred in a given period,

³ Standard forms are available on the website of the Ministry of Regional Development / National Coordination Unit and the competent Intermediate Bodies.

- check the quality and completeness of the documentation prepared with the use of the PPF resources referring to the preparation of the Final Project Proposal,
- if necessary, the Intermediate Body shall check the correctness of the use of resources by conducting audit on the spot of project implementation.

! If the submitted request for payment, report on the end of project implementation/ final financial report are incorrectly filled in or do not contain required annexes, the Intermediate Body shall ask the Executing Agency to complete the missing documents or/and to submit the corrected documents or/and explanations **within 5 working days from the day of receiving information on the stated mistakes /missing parts.**

! If the Executing Agency does not submit the request for payment (with supporting documents), the report on the end of project implementation / the final financial report within the given deadline, the Intermediate Body shall ask the Executing Agency to submit the above-mentioned documents, on the pain of terminating the agreement.

After the acceptance by the Intermediate Body of the request for payment and report on the project end / final financial report submitted by the Executing Agency, the Intermediate Body shall, without delay, inform the Executing Agency about this fact (both state budget entities and entities which are not state budget entities).

Next, on the basis of the above documents received from the Executing Agency, the Intermediate Body shall until the 15th day of the second month following the end of the reporting period draw up an *Abridged request for payment* (including expenses under the PPF incurred by the Executing Agencies in a given reporting period) with periodic report and the list of expenses incurred by specific the Executing Agencies.

The next stage of the procedure connected with the approved abridged request for payment, periodic report and the list is stipulated in *The monitoring system of the Swiss-Polish Co-operation Programme* and the *Financial Flows System*.

XIII. Reimbursement / Certification of Expenses Incurred by the Executing Agency

The Intermediate Body shall **within 20 working days** from the acceptance by the Swiss side of the periodic report prepared by the NCU (on the basis of documents forwarded by the Intermediate Body), transfer the money to the bank account of the Executing Agency – which is not a state budget entity – taking into account the amount of co-financing granted by the Swiss side.

If the Executing Agency is a state budget entity, the Intermediate Body shall, within 20 days from the acceptance by the Swiss side of the periodic report, prepared by the NCU, certify expenses incurred by the Executing Agency, according to the request for payment submitted by the Executing Agency.

! Justified expenses incurred for the preparation of the Final Project Proposal and/or supporting documentation elaborated under the PPF, will be reimbursed even in case of rejection of the Final Project Proposal.

! Bank account number of the Executing Agency which is appropriate to make reimbursement under the project is defined in *Project Preparation Agreement*

XIV. Preservation of the Project Documentation

The Executing Agencies is obliged to keep the full documentation concerning the implemented project for the period of at least 3 years from the end date of its implementation.

XV. Monitoring visits /checks /audits

The Executing Agencies is obliged to make available the full documentation concerning the project to authorized representatives of the Intermediate Body, the NCU, the Swiss side and other institutions authorised to control the Swiss-Polish Co-operation Programme during the project period and within 3 years after its end.

Control /monitoring /audit activities carried out by the above mentioned authorized institutions may be conducted both on the premises of the Executing Agency and on the spot of project implementation. On-the-spot visits may be scheduled or may be conducted according to the needs on a short-term basis.

XVI. Irregularities

Should any irregularity occur which is defined in the *System of Reporting on Irregularities in the Swiss-Polish Co-operation Programme*, rules of procedure for irregularities which are stipulated in the mentioned System should be applied.

Detailed regulations concerning the potential reimbursement of the co-financing or/and termination of the *Agreement* on the basis of which the co-financing was granted, shall be stipulated in the *Project Preparation Agreement*.