

# THE STANDARD PROJECT AGREEMENT

Final Version, 27/06/08

**PLEASE MODIFY RESPECTING THE STYLES AND FORMATING IN USE FOR EACH PARAGRAPH**

THE COOPERATION PROGRAMME BETWEEN SWITZERLAND AND THE REPUBLIC OF  
POLAND

## PROJECT AGREEMENT

BETWEEN

SWITZERLAND

REPRESENTED BY

THE STATE SECRETARIAT FOR ECONOMIC AFFAIRS (SECO)

**(Or)**

THE SWISS AGENCY FOR DEVELOPMENT AND COOPERATION (SDC)

AND

THE REPUBLIC OF POLAND

REPRESENTED BY

THE MINISTRY OF REGIONAL DEVELOPMENT AS THE NATIONAL COORDINATION  
UNIT (NCU)

CONCERNING

THE GRANT

FOR

THE PROJECT “[NAME OF THE PROJECT OR PROGRAMME]”

TO BE IMPLEMENTED DURING THE PERIOD

[DAY, MONTH, YEAR] – [DAY, MONTH, YEAR]

The Government of Switzerland and the Government of the Republic of Poland

*Having regard to the friendly relations between the two countries,*

*Desirous of strengthening these relations and the fruitful co-operation between the two countries,*

*Intending to promote further the social and economic development in the Republic of Poland,*

*Referring to the Framework Agreement between the Swiss Federal Council and the Government of the Republic of Poland concerning the implementation of the Swiss-Polish cooperation programme to reduce economic and social disparities within the enlarged European Union, concluded on 20 December 2007,*

*Considering the Swiss Grant for [Name of the Project or Programme] in [place], in the Republic of Poland ,*

*have agreed as follows:*

## **Article 1** **Definitions**

In this Project Agreement, unless the context otherwise requires, the following terms shall have the following meaning:

“Framework Agreement” means the Agreement between the Swiss Federal Council and the Government of the Republic of Poland concerning the implementation of the Swiss-Polish Cooperation Programme to reduce the economic and social disparities within the enlarged European Union, concluded on 20 December 2007;

“Contribution” means the non-reimbursable financial contribution granted by Switzerland under the Framework Agreement;

“Project Agreement” means the Agreement between the State Secretariat for Economic Affairs (SECO) or the Swiss Agency for Development and Cooperation (SDC) and the Ministry of Regional Development acting as the National Coordination Unit (NCU) and [Name of the Intermediate Body] acting as the Intermediate Body which lays down the rights and obligations of the Contracting Parties regarding the implementation of the Project;

“National Coordination Unit” (NCU) means the Polish unit in charge of the coordination of the Swiss-Polish Cooperation Programme. In reference to the Framework Agreement, Art 9., the Republic of Poland has authorized the Minister of Regional Development to act on its behalf as the NCU for the Swiss-Polish Cooperation Programme;

“Project” means all activities undertaken under this Project Agreement;

“Grant” means the non-reimbursable financial contribution granted by Switzerland under this Project Agreement;

“Contracting Parties” of the Project Agreement means the Polish Government, represented by the NCU [and the Intermediate Body] on the one side and the Swiss Government, represented by SECO or SDC on the other side;

“Paying Authority” means the institution established in the Ministry of Finance ensuring appropriate financial control within the Swiss-Polish Cooperation Programme;

“Intermediate Body” is the [Name and legal status of the Intermediate Body] acting under the responsibility of the NCU with regard to the Executing Agency implementing this Project;

“Executing Agency” is the [Name and status of the Executing Agency] mandated by the NCU (or by the Intermediate Body) to implement the Project financed under this Project Agreement.

## **Article 2**

### **Objectives and Scope of the Project**

2.1 The objective of the Project [Name of the Project] is [Project purpose].

2.2 The Executing Agency is [name of the Executing Agency].

2.3 The Project has to be implemented according to the following documents, forming the list of Annexes:

- the confirmation of the Project approval by the SDC or SECO (Annex 1)
- the Final Project Proposal (Annex 2)
- the Disbursement Plan (Annex 3).

Annexes constitute an integral part of the Project Agreement.

2.4 The Project Agreement shall be implemented in compliance with the following documents:

- The Framework Agreement and respective guidelines adopted on its basis;
- The Swiss-Polish Co-operation Programme Management and Implementation System in Poland

## **Article 3**

### **Amount and Utilization**

3.1 The estimated total cost of the Project amounts to CHF [Amount in figures] [Amount in words]. The estimated eligible cost of the Project amounts to CHF [Amount in figures] [Amount in words] (see Annex 1).

- 3.2 Switzerland shall provide a Grant in Swiss Francs amounting to **maximum CHF [Amount in figures]**, (**[Amount in words]**), to the Republic of Poland for the implementation of the Project defined in Art. 2.
- 3.3 The Grant shall cover a **maximum of [Rate of co-financing]**% of the total eligible costs of the Project in Swiss Francs. This percentage shall never be exceeded during the project implementation. The NCU shall ensure the timely provision of the co-financing of a **minimum of [XX %]** of the total eligible costs of the Project in Swiss Francs by domestic sources.
- 3.4 As stipulated in Art. 7.1 of the Framework Agreement, the Value Added Tax (VAT) shall be considered as an eligible cost only if it is genuinely and definitively borne by the Executing Agency. VAT, which is recoverable, by whatever means, shall not be considered eligible even if it is not actually recovered by the Executing Agency or by the final recipient.
- 3.5 As stipulated in Art. 7.2 of the Framework Agreement, other levies, taxes or charges, in particular direct taxes and social security contributions on salaries and wages, shall constitute eligible costs only if they are genuinely and definitively borne by the Executing Agency.
- 3.6 The following costs shall not be eligible for grant support: expenditures incurred before the signing of the present Project Agreement by all parties, interests on debt, the purchase of real estate and recoverable VAT as specified in Art. 3.4 of this Project Agreement.
- 3.7 The final date for eligibility of costs corresponds with the end of the Project as defined in Art. 22.2. Eligibility of costs for reporting, auditing and evaluation ends twelve months after Project completion (but not later than 14 June 2017). Reimbursement Requests must have been received by Switzerland not later than six months after the final date of eligibility of costs.
- 3.8 Any unutilised portion of the Grant remaining at the completion of the Project shall be eligible for re-commitment according to Art. 3.2 of the Framework Agreement, unless otherwise mutually agreed by the Contracting Parties.

#### **Article 4**

#### **Reimbursement Procedures**

- 4.1 The Grant shall be disbursed in accordance with the Framework Agreement, Annex 2, chapters 3 and 4, and the Disbursement Plan (Annex 3 of this Agreement).
- 4.2 Disbursements shall be made in the form of reimbursements of eligible costs incurred within the Project upon receipt and approval by Switzerland of the reports pursuant to Art. 8 and 9, with a reservation of the provisions of Article 4.5.
- 4.3 The Reimbursement Requests sent to Switzerland by the Paying Authority shall be in Swiss Francs, whereas the Paying Authority shall convert the local currency into Swiss Francs at the daily exchange rate prevailing at the date of finalisation of the Reimbursement Request.

- 4.4 Reimbursement Requests referred to in Article 4.3 must be received by Switzerland no later than six months after the final date of eligibility of costs. cp. Art. 3.7 and Date in Art. 22.2 plus six months.
- 4.5 Provision on initial instalment (in exceptional cases): An initial instalment of CHF 00'000 shall be made by Switzerland upon entry into force of this Project Agreement, and after the receipt of the payment request by the Intermediate Body.
- 4.6 At Project completion:  
A final reimbursement of maximum CHF 00.000.-- [Amount in words] made by Switzerland after fulfilment of all contractual obligations of the Republic of Poland, after the receipt of the final Reimbursement Request submitted to Switzerland by the Paying Authority as well as the corresponding final Interim Report, the Project Completion Report and the conclusion of Final Financial Audit Report conducted.
- 4.7 All payments related to this Project Agreement shall be transferred by Switzerland in Swiss Francs to the Government of the Republic of Poland, account n° [Account Number], Swift N° [Swift Number] or bank code [Number of the Bank code] at [Name of the Bank, Place] by Switzerland.

## **Article 5** **Procurement**

*To be adapted according to Project specificity; in accordance with Annex 2, section 3.3 describing the various possible requirements for procurements.*

- 5.1 Procurement within the framework of the Project Agreement is to be made by the ... in accordance with the respective national law and regulations, in compliance with the respective EU directives and with the Framework Agreement, Annex 2, chapter 3.3. A confirmation of compliance with the relevant procurement rules shall be provided to Switzerland by the NCU within 30 calendar days after the award of the contract. To increase transparency and to prevent corruption, tender documents shall contain an integrity clause.
- 5.2 According to Annex 2, Article 3.3 of the Framework Agreement, an English translation of the official tender evaluation report shall be provided to Switzerland for information at the latest 30 calendar days after the award of contract by the competent authorities.
- 5.3 If the public tenders are above the threshold of CHF 500'000, according to Annex 2, Article 3.3 of the Framework Agreement, the English translation of the tender documents and the contracts shall be submitted to Switzerland for information at the latest 20 calendar days before commencement of tendering and 20 calendar days after the signing of the contracts, respectively. The respective translation costs will be borne by the Project and financed under the Grant.
- 5.4 Switzerland shall have the right to participate in the tender evaluation committee as an observer.

- 5.5 If, according to the respective national law and EU directives, the public procurement law does not apply to contracts concluded within the framework of the Project Agreement, the NCU shall ensure fair competition and equal treatment of potential contractors.

## **Article 6**

### **Responsibilities of NCU (optional: and of the Intermediate Body)**

- 6.1 The NCU shall take or delegate all actions within its field of competences and responsibility, including coordination, the provision of advanced payments, control of the co-financing, construction permits and other measures, necessary or appropriate, for carrying out the Project.
- 6.2 The NCU supervises and steers the implementation of the Project.
- 6.3 The NCU is responsible for the implementation, controlling and evaluation of the Project as well as for the use of the Grant in accordance with this Project Agreement, and as stated in the Annex 2 of the Framework Agreement. The NCU ensures the compliance of the Executing Agency and other entities with this Project Agreement as well as with the Framework Agreement.
- 6.4 The NCU shall ensure that an Implementation Agreement is concluded with the [Name of the Executing Agency] that shall be assigned as the Executing Agency for this Project. This Implementation Agreement shall comply with the Project Agreement and with the Framework Agreement. The same shall apply to any other contract subscribed in the framework of the implementation of the Project.
- 6.5 The NCU undertakes to support, advise and inform the Swiss Embassy (or SDC or SECO) with regard to project-related issues. The NCU undertakes to inform the Swiss Embassy immediately in writing with regard to any developments that could seriously jeopardise the implementation of the Project. In the event of the threat of any irreparable disadvantage, the NCU shall immediately undertake to apply the requisite precautions.
- 6.6 The NCU and the Executing Agency will at all time clearly state that they are acting within the framework of the Swiss-Polish Cooperation Programme to reduce economic and social disparities within the enlarged European Union. All publications must refer to the Project as a "Swiss-Polish Project". The general public in Poland will be informed adequately about the Project and the support provided by Switzerland.
- 6.7 All communications to SDC or SECO with regard to this Project Agreement shall be directed to the Swiss Embassy in Warsaw which generally represents SDC or SECO towards the NCU (and the Intermediate Body).

## **Article 7** **Monitoring and Review**

- 7.1 The NCU shall ensure the establishment of a monitoring system that allows to assess periodically the status of achievement of the proposed objectives. Results and conclusions have to be part of the project reports as mentioned in Art. 8 below and should be the base of the annual reports on the Swiss-Polish Cooperation Programme as stipulated in Art. 8 of the Framework Agreement.
- 7.2 A review shall be organised by the NCU at the end of the second year of the implementation of the Project. The purpose is [description of the purpose]. The terms of reference for the review shall be consulted with Switzerland.

## **Article 8** **Reporting**

- 8.1 Interim Reports shall cover a period of at least [three] months and are due to Switzerland not later than [three] months after the end of the period covered according to the Disbursement Plan (Annex 3). The first Interim Report covering the period of [1<sup>st</sup> of Month, YY] to [30<sup>th</sup> of or 31<sup>st</sup> of Month, YY] is due not later than [31<sup>st</sup> of Month, YY]. Interim Reports support payment claims and are therefore to be presented to Switzerland with the corresponding Reimbursement Request. They include information on financial and physical progress, compare actual with planned expenses and provide an update on progress status, while confirming the co-financing. Any deviation has to be justified and corrective measures suggested.
- 8.2 Annual Project Reports are due to Switzerland not later than [four] months after the end of the calendar year. The first Annual Project Report covering the year [XX] is due not later than 30<sup>th</sup> of April, [XX+1]. Annual Project Reports have an operational part that describes the progress of the Project and include a financial part (Financial Report) having a summary data on financial progress for the reporting year as well as cumulative data to date. They compare actual with planned expenses and progress, based on quantified targets for output and where possible outcome indicators. Any deviation has to be justified and corrective measures suggested. Annual project reports are not linked to Reimbursement Requests.
- 8.3 The Project Completion Report is due not later than [six] months after the end of the Project, meaning not later than [30<sup>th</sup> of or 31<sup>st</sup> of Month, YY] for this Project. The Project Completion Report - together with the last Interim Report and the conclusions of the Final Financial Audit - is the base for the payment of the final reimbursement. The Project Completion Report has an operational part that documents and comments the overall achievement of outputs and outcomes against the original plan, the compliance with principles such as cross cutting themes and sustainability, and suggests lessons learned and conclusions. It contains a financial part (Final Financial Report) having a summary of financial data for the whole project and compare effective with planned expenses.

- 8.4 The financial parts of the Interim Reports, Annual Project Reports and of the Project Completion Report, based on invoices or documents of equivalent value, are to be presented in local currency.

## **Article 9**

### **Audit**

- 9.1 In accordance with the annual audit planning agreed upon with Switzerland, the Audit Institution established at the level of the Ministry of Finance and the entitled Audit Organisations (e.g. control unit of the Intermediate Body) shall perform control and audits in accordance with the respective national law. In doing so, they shall verify the correct use of funds, make recommendations to strengthen the control system and report any actual or alleged fraud or irregularity.
- 9.2 Audit Organisations shall ensure that the Audit Institution has access to the documentation elaborated by them during their control and audits carried out within the Swiss-Polish Cooperation Programme.
- 9.3 **Optional: for each Project lasting longer than two years, according to Art. 3.6, Annex 2 of the Framework Agreement:** An internal or an external certified Audit Organisation will carry out intermediary Financial Audit(s) covering two years of the implementation. The conclusions and recommendations shall be transmitted to the Swiss Embassy by the NCU at the latest **three** months after the termination of the year in question.
- a) The 1<sup>st</sup> intermediary Financial Audit should cover the period of [**1<sup>st</sup> of Month, YY**] from the beginning of the Project to 31<sup>st</sup> of December, [**YY+2**]; conclusions and recommendations have to be presented to Switzerland by the NCU not later than 31<sup>st</sup> of March, [**YY+3**].
- b) **Additional for Project lasting longer than four years:** The 2nd and last intermediary Financial Audit should cover the period of [**1st of January, YY**] to 31st of December, [**YY+2**]; conclusions and recommendations have to be presented to Switzerland by the NCU not later than 30th of June, [**YY+3**].
- 9.4 At Project completion, an internal or external certified Audit Organisation will carry out a Final Financial Audit. The conclusions and recommendations shall be transmitted to Switzerland together with the Project Completion Report, by the NCU at the latest **six** months after the termination of the Project, not later than [**30<sup>th</sup> or 31<sup>st</sup> of Month, YY**].
- 9.5 The NCU (or the Intermediate Body) shall ensure that an Audit Organisation for the Project will be appointed. The NCU confirms that the selected Audit Organisation is a public institution (**or** an external certified company) of recognised professional reputation and in line with the International Standards on Auditing (ISAs) issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants.



**In case of external audit:** The costs are eligible for reimbursement and are included in the Project budget. **In case of internal audit:** Costs are borne by the respective internal Audit Organisation.

- 9.6 The objective of the audit of financial statements of the Project is to enable the Audit Organisation to express an opinion whether the financial statements are prepared, in all material respects, in accordance with an applicable financial reporting framework (ISA 200, point 2). Thus, financial statements need to be prepared in accordance with one, or a combination of the international accounting standards, the national accounting standards or another authoritative and comprehensive financial reporting framework which has been designed for use in financial reporting and is identified in the financial statements (ISA 120, Point 3). The Audit Organisation shall conduct the financial audit in accordance with International Standards on Auditing (ISA), issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC), to obtain reasonable assurance that the financial statements taken as a whole are free from material misstatement, whether due to fraud or error (ISA 200, point 17). Results of any previous audits shall be taken into consideration. The Audit Organisation shall take into account additional requirements that may be suggested by the NCU or by Switzerland.
- 9.7 In addition to the Audit Organisation's report on the financial statements, the Audit Organisation is expected to provide the Executing Agency with a management letter concerning any material weaknesses in accounting and internal control systems detected by the Audit Organisation. The copy of such letter shall be presented to the NCU. Audit arrangements with the Audit Organisation shall be effective for the whole Project duration unless it is terminated, amended or superseded with appropriate justifications.
- 9.8 The NCU shall comment the result of the audit and the proposed recommendations.
- 9.9 Switzerland shall have the right to request additional external financial reviews.

## **Article 10** **Right of Examination**

Switzerland, as well as any third party appointed by it, shall have the right to visit the Project, conduct a comprehensive assessment or evaluation, and shall be granted full access to all documents and information related to the Project settled by this Project Agreement, during its implementation and [.....] years after its completion. The NCU shall, upon request, ensure that the above mentioned authorised representatives are accompanied by the relevant personnel and are provided with the necessary assistance.

## **Article 11**

### **Project Material**

11.1 For the duration of the Project, goods procured under the Grant shall remain at the unrestricted disposal of the Project and shall not be diverted without prior written approval of Switzerland. No ownership transfer is allowed within five years after the completion of the Project, unless the Contracting Parties agree otherwise. SDC and SECO shall assume no liability whatsoever in connection with said goods.

11.2 For project material procured under the Contribution and used only during the Project implementation but not necessary for the purpose of the Project after its Completion, the Contracting Parties shall decide before the termination of the Project about post-completion ownership and use of the goods provided with the Contribution. Switzerland shall assume no liability whatsoever in connection with said goods.

## **Article 12**

### **Liability**

SECO or SDC does not assume any risk or responsibility whatsoever for any damages, injuries, or other possible adverse effects caused by the Project, including, but not limited to inconsistencies in the planning of the Project, other project(s) that might affect it or that it might affect, or public discontent. It is the full and sole responsibility of the NCU to satisfactorily address such issues.

## **Article 13**

### **Common Concern**

The Contracting Parties share a common concern in the fight against corruption, which jeopardises good governance and the proper use of resources needed for development, and, in addition, endangers fair and open competition based on price and quality. They declare, therefore, their intention of combining their efforts to fight corruption and, in particular, declare that whoever asks for, lets himself/herself be promised or accepts an advantage for acting or refraining from acting in the context of a mandate or contract within the framework of the Project Agreement will be considered to have committed an illegal act which shall not be accepted. Any actual case of this kind shall constitute sufficient grounds to justify termination of the Project Agreement, the annulment of the procurement or resulting award, or for taking any other corrective measure laid down by the Polish law.

#### **Article 14**

#### **Suspension of payments**

- 14.1 SDC or SECO may decide on a suspension of payments if the implementation of the Project is not in compliance with the Project Agreement. SDC or SECO shall communicate such a decision and the underlying reason(s) immediately to the NCU in writing.
- 14.2 SDC or SECO, before making the decision referred to in Article 14.1, shall consult the NCU to ensure that the decision is based on accurate facts.
- 14.3 The decision referred to in Article 14.1 shall be cancelled if the reason(s) communicated to the NCU do not longer exist and / or the problems referred to have been resolved to the satisfaction of the Contracting Parties and, consequently, the payments shall be resumed. SDC or SECO shall immediately communicate the cancellation of the decision to the NCU in writing.

#### **Article 15**

#### **Refund of payments**

- 15.1 SDC or SECO may decide to request the NCU to refund the payments disbursed in accordance with the provisions of Article 4, if the suspension referred to in Article 14.1 is not feasible or not likely to be sufficient.
- 15.2 SDC or SECO before making the decision referred to in Article 15.1 shall consult the NCU to ensure that the decision is based on accurate facts.
- 15.3 SDC or SECO shall immediately inform the NCU about the decision referred to in Article 15.1 providing detailed justification.
- 15.4 The requested amount shall be refunded within three months from the date of receiving the information referred to in Article 15.3, subject to settlements of the decision referred to in Article 15.1.

#### **Article 16**

#### **Post-Completion Obligations**

- 16.1 The NCU shall ensure that the Project is operational at least [....] years after it has been completed. An ex-post evaluation of the Project may be carried out by Switzerland.
- 16.2 Switzerland has neither responsibility for nor obligation to ensuring the maintenance, the repair or the undertaking of any measures for ensuring the safety and protection of persons, equipment, installations, of all objects on site or in the vicinity.

16.3 The Contracting Parties shall keep all documents concerning this Agreement and its implementation for 10 years after completion of this Project.

### **Article 17**

#### **Language**

All correspondence with Switzerland, including operational, financial and audit reports as well as project documents and any other papers related to the Project, shall be in English.

### **Article 18**

#### **Competent Authorities**

For the Government of the Republic of Poland:

Ministry of Regional Development **contact address:** .....

Ministry of **[Name of the Ministry or unit acting as Intermediate Body, with full contact address]**.

**For the Swiss Government:**

**State Secretariat for Economic Affairs (SECO)**

**Effingerstrasse 1**

**CH - 3003 Bern**

**Switzerland**

**Tel: +41 31 / Fax: +41 31**

**or**

**Swiss Agency for Development and Cooperation (SDC)**

**Freiburgerstrasse 130**

**CH - 3003 Bern**

**Switzerland**

**Tel: +41 31 / Fax: +41 31**

**Embassy of Switzerland**

**[Address, location, contact of the Swiss Embassy in charge]**

## **Article 19**

### **Settlement of Disputes**

19.1 In accordance with Art. 11 of the Framework Agreement, any dispute which may result from the application of this Project Agreement shall be solved by diplomatic means.

19.2 **Option "medium": Art. 19.2, 1-7 to be applied for projects amounting to CHF 3 up to 10 million:**

1. In accordance with Article 11 of the Framework Agreement, any dispute which may result from the application of this Project Agreement shall be solved by diplomatic means.
2. Disputes as to the interpretation or application of the provisions of this Agreement which have not been settled satisfactorily by means of diplomatic negotiations within three months of the date on which they were raised by a Contracting Party shall, upon request of either Contracting Party, be submitted to a single arbitrator. The Contracting Parties shall appoint the arbitrator.
3. If both Parties cannot come to an agreement about the choice of the arbitrator within two months, the latter shall be appointed, upon the request of either Contracting Party, by the Secretary-General of the Permanent Court of Arbitration.
4. If in the case specified under paragraph 3, the Secretary-General of the Permanent Court of Arbitration is prevented from carrying out the said function, or if he is a national of either Contracting Party, the appointment shall be made by the Deputy Secretary-General, and if the latter is prevented, or if he is a national of either Contracting Party, the appointment shall be made by the next Senior Legal Staff of the Court who is not a national of either Contracting Party.
5. The applicable law is Swiss law. The seat of the arbitrator shall be in the Swiss Confederation.
6. Subject to other provisions made by the Contracting Parties, the arbitrator shall determine the procedure.
7. The decisions of the arbitrator will be final and binding for each Contracting Party.

19.3 **Option "large": Art. 19.3, 1-8 to be applied for projects amounting at least to CHF 10 million:**

1. In accordance with Article 11 of the Framework Agreement, any dispute which may result from the application of this Project Agreement shall be solved by diplomatic means.
2. Disputes as to the interpretation or application of the provisions of this Agreement which have not been settled satisfactorily by means of diplomatic negotiations within three months of the date on which they were raised by a Contracting Party shall, upon request of either Contracting Party, be submitted to an arbitral tribunal of three members. Each

Contracting Party shall appoint one arbitrator. The two designated arbitrators shall appoint a third arbitrator as chairman who shall be a national of a third country.

3. If either Contracting Party has not appointed its arbitrator and has not followed the invitation of the other Contracting Party to make the appointment within one month, the arbitrator shall be appointed, upon the request of this other Contracting Party, by the Secretary-General of the Permanent Court of Arbitration.
4. If both arbitrators cannot come to an agreement about the choice of a third arbitrator (chairman) within two months of their appointment, the latter shall be appointed, upon the request of either Contracting Party, by the Secretary-General of the Permanent Court of Arbitration.
5. If in the cases specified under paragraphs 3 and 4, the Secretary-General of the Permanent Court of Arbitration is prevented from carrying out the said function, or if he is a national of either Contracting Party, the appointment shall be made by the Deputy Secretary-General, and if the latter is prevented, or if he is a national of either Contracting Party, the appointment shall be made by the next Senior Legal Staff of the Court who is not a national of either Contracting Party.
6. The applicable law is Swiss law. The seat of the arbitral tribunal shall be in the Swiss Confederation.
7. Subject to other provisions made by the Contracting Parties, the tribunal shall determine its procedure.
8. The decisions of the tribunal will be final and binding for each Contracting Party.

## **Article 20**

### **Project Modifications and Amendments to the Project Agreement**

- 20.1 Any amendment to this Project Agreement and its Annexes shall be made in writing with the mutual agreement of the Contracting Parties and according to their respective procedures.
- 20.2 Any increase of the Project budget, any significant changes within the budget as well as any strategic changes or conceptual adjustments to the Project shall be discussed with and approved by Switzerland.
- 20.3 The provisions of Article 20.1 and 20.2 do not apply to the modifications specified hereafter:
- a. Transfers between categories of the eligible costs and activities, referred to in the Final Project Proposal (Annex 2) and the Disbursement Plan (Annex 3), which amounts to 15% of the category the transfer is made from.
  - b. Changes of the reporting periods for the Project Interim Reports referred to in Article 8.1.

The NCU shall inform SECO/SDC in writing about any modification of the Project according to Article 20.3 above.

## **Article 21**

### **Termination, Suspension**

21.1 This Project Agreement can be terminated at any time by one of the Contracting Parties upon a six-month prior written notice. Prior to making such a decision, the Contracting Parties shall enter into a dialogue to ensure that it is based on accurate and correct facts. The Contracting Parties shall decide by mutual agreement on any consequences of the termination.

21.2 If either Contracting Party considers that the aims of the Project Agreement can no longer be achieved or that the other Contracting Party is not meeting its obligations, it shall have the right to suspend immediately the application of this Project Agreement by giving the other Contracting Party a written notice on the grounds.

## **Article 22**

### **Entry into Force, Duration**

22.1 This Project Agreement shall enter into force on the date of its signing by the Contracting Parties and shall remain in force until [...] years have elapsed after the date of the completion of the Project.

22.2 The Project shall be implemented in [XX] months, starting on [DD.MM.YY] and ending on [DD.MM.YY].

Done in [Place] ..... on ....., in two (or three) authentic copies in the English language.

For the Swiss Embassy in  
Warsaw

For the Ministry of Regional  
Development

For [Name of the Intermediate  
Body]

[Title/function of signing  
person]

[Title/function of signing  
person]

[Title/function of signing  
person]

## Annex 3

### Disbursement Plan

*To be adapted according to Project specificity, in accordance with Art. 8. Deadlines for the Executing Agency to submit reports to the NCU or the IB are in general maximum 2 months for Interim Reports, 3 months for Annual Project Reports, 3 months for Project Completion Report. An appropriate period (1 to 3 months) is then needed to proceed to control and eventually for executing the instalment related to the payment claim to the Executing Agency. Then Switzerland shall need a maximum of two months to proceed with controls of reports, to transmit its position to the NCU and finally to proceed with the reimbursement of the corresponding Reimbursement Request. These are indicative deadlines. Realistic schedule should be foreseen in the Project Agreement for Reporting requirements and payment procedures below.*

*After half yearly periods, or possibly after quarterly periods or after a major event (e.g. award, delivery), according to the Project specificity:*

A **first** reimbursement of CHF 00'000.-- [Amount in words] made by Switzerland during the month of [Month, YY], covering the expenditures of the 1<sup>st</sup> semester of [YY], after the receipt of the Reimbursement Request submitted to Switzerland by the Paying Authority and the corresponding Interim Report;

A **second** reimbursement of CHF 00'000.-- [Amount in words] made by Switzerland during the month of [Month, YY+1], covering the expenditures of the 2<sup>nd</sup> semester of [YY], after the receipt of the Reimbursement Request submitted to Switzerland by the Paying Authority and the corresponding Interim Report;

*After 1 ½ years, Annual Project Report for previous year requested:*

A **third** reimbursement of CHF 00'000.-- [Amount in words] made by Switzerland during the month of [Month, YY], covering the expenditures of the 1<sup>st</sup> semester of [YY], after the receipt of the Reimbursement Request submitted to Switzerland by the Paying Authority as well as the corresponding Interim Report and the Annual Project Report covering the previous year [YY-1];

*After 2 years: similar to second reimbursement*

*After 2 ½ years, Intermediary Audit Report for the past two years requested:*

A **fifth** reimbursement of CHF 00'000.-- [Amount in words] made by Switzerland during the month of [Month, YY], covering the expenditures of the 1<sup>st</sup> semester of [YY], after the receipt of the Reimbursement Request submitted to Switzerland by the Paying Authority as well as the corresponding Interim Report, the Annual Project Report covering the previous year [YY-1] and the conclusion of the Intermediary Financial Audit Report of the last two years [YY-2 – YY-1];

*Etc.*