

**FINANCIAL AGREEMENT NO.: FSS/2014/HEI/W/...../U/.....
SCHOLARSHIP AND TRAINING FUND**

DEVELOPMENT OF POLISH HIGHER EDUCATION INSTITUTIONS

concluded by and between:

The Foundation for the Development of the Education System – Operator of the Scholarship and Training Fund Programme, seated in Warsaw, ul. Mokotowska 43, KRS 000024777, TIN 526-10-00-645, hereinafter referred to as the **Programme Operator**, represented by its legal representatives indicated in the Statutes of the Foundation

and

Project Promoter's name:

Address:

Post code and locality:

TIN:

Represented by:

hereinafter referred to as the Project Promoter.

The parties hereto have agreed the **Special and General Conditions** and **Annexes** listed below:

Annex 0	Identification data of the Agreement
Annex I	Grant application with annexes
Annex II	Approved budget
Annex III	Interim Report and Completion Report forms
Annex IV	Sample partnership agreement between the Project Promoter and a Partner Institution (if applicable)
Annex V	Chart of changes
Annex VI	Guide for Applicants
Annex VII	Financial and Administrative Guide for Project Promoters
Annex VIII	Template for the confirmation of funds obtained
Annex IX	Template for the confirmation of the reimbursement of interest on awarded funds

which form an integral part of the agreement (the Agreement).

The General Conditions and Annexes **IV, VI and VII** have been posted on www.fss.org.pl.

Annexes **II, III, V VIII and IX** will be available as online documents after logging onto www.online.frse.org.pl

The terms set out in the Special Conditions (SC) shall take precedence over those in other parts of the Agreement.

The terms set out in the General Conditions (GC) shall take precedence over those in the Annexes.

SPECIAL CONDITIONS

ARTICLE I – LEGAL FRAMEWORK OF THE AGREEMENT

The Agreement shall be executed in accordance with the following documents:

- Memorandum of Understanding on the Implementation of the Norway Financial Mechanism 2009-2014 between the Kingdom of Norway and the Republic of Poland, signed on 10 June 2011, together with annexes, as amended;
- Regulations on the Implementation of the Norwegian Financial Mechanism 2009-2014, together with annexes adopted on 11 February 2011 by the Norwegian Ministry of Foreign Affairs (NMFA) in accordance with Art. 8.8 of the Agreement between the Kingdom of Norway and the European Union (EU) on the Norway Financial Mechanism for the period 2009-2014 as amended, hereinafter referred to as “the Regulations”;
- Any guidelines referring to the Programme, adopted by the Programme Operator, Minister of Regional Development as part of the EEA Financial Mechanism 2009-14 and the Norway Financial Mechanism 2009-2014 or FMC/NMFA, including: the Guidelines for Strengthened Bilateral Relations and for contracts to which the Act of 2004 – Public Procurement Law is not applicable;
- Communication and Design Manual.

The Project Promoter declares that it has taken note of the above documents, posted on www.fss.org.pl and that he acknowledges the terms and conditions of this Agreement resulting from them.

ARTICLE II – PURPOSE OF THE GRANT

- II.1 The Programme Operator has decided to award the Project Promoter a grant for the implementation of an Development of Polish Higher Education Institutions’ project, hereinafter referred to as “the Action” as part of the Scholarship and Training Fund Programme.
- II.2 This Agreement has been concluded on the basis of the Agreement of 14 December 2012 on the Implementation of the Scholarship and Training Fund Programme as part of the EEA Financial Mechanism 2009 - 2014 and the Norway Financial Mechanism 2009 - 2014 between the Ministry of Regional Development¹, which performs the function of the National Focal Point, and the Programme Operator.
- II.3 The Project Promoter shall accept the grant under the terms and conditions set out in the Agreement, and shall undertake to do everything in its power to carry out the activities described in Annex 1 except in the case of force majeure².

ARTICLE III – DURATION AND ELIGIBILITY OF THE ACTION AND AGREEMENT COSTS

- III.1 The Agreement shall become effective on the date when the last of the two parties signs it.
- III.2 The Action shall start not earlier than on and finish not later than on Any costs incurred before or after the period referred to in the previous sentence shall be deemed excluded and not

¹ Starting from 27.11.2013 the Ministry of Infrastructure and Development took over the responsibilities of the former Ministry of Regional Development.

² Force majeure shall mean any unforeseeable exceptional situation or event beyond the parties' control, which prevents either of them from fulfilling any of their obligations under this Agreement, was not attributable to error or negligence on their part, and proves insurmountable in spite of all due diligence. Defects in equipment or material or delays in making them available (unless due to “force majeure”), labour disputes, strikes or financial difficulties cannot be invoked as “force majeure” by the defaulting party.

reimbursable, however, only costs incurred on the basis of documents (invoices, bills) issued within the period of the Action specified in Article III.3 shall be deemed eligible.

ARTICLE IV – CO-FINANCING OF THE ACTION

- IV.1 The Programme Operator shall co-finance the action up to the maximum amount which shall not exceed **EUR** and shall equal **PLN**³, in accordance with the proposed budget of the Action provided in Annex II and modifications introduced by the Project Selection Committee.
- IV.2 The final grant amount for the Action may not under any circumstances exceed 90% of the budget approved on the basis of the Completion Report submitted by the Project Promoter and approved by the Programme Operator, in accordance with Article V.7 and V.8
- IV.3 The Project Promoter, individually or with the participation of Partner Institutions in the project, shall undertake to guarantee own financial contribution at a level not lower than 10% of the finally approved and above mentioned budget for the Action.
- IV.4 By way of derogation from the provisions of Article 11 of GC, in the course of the implementation of the Action the Project Promoter may shift cost categories within the approved budget, set out in Annex II, on the condition that the project partners have been consulted about such changes and that such shifts do not influence the implementation of the Action, and the shift itself does not exceed 15% of the amount of each cost category to which it refers, with no possibility of exceeding the total budget amount, and modifications made by the Project Selection Committee have been included in the budget. Under pain of nullity the Project Promoter is under the obligation to inform the Programme Operator in writing about all shifts made.
- IV.5 The Project Promoter shall cover any other costs related to the Action from his/her own means, including expenditure not deemed eligible by the Programme Operator.
- IV.6 In accordance with the terms of the Agreement the Project Promoter shall ensure that the grant is transferred to the Partner Institutions. The Project Promoter shall agree details of transferring the grant due to the Partners with each one of them in the Partnership Agreement, as specified in Article X.5.

ARTICLE V – PAYMENT ARRANGEMENTS

- V.1 The grant shall be transferred in accordance with the Act of 27 August 2009 on Public Finance (O.J. of 2009 No. 157, item 1240, as amended) and the Regulation of the Minister of Finance of 17 December 2009 on payments under programmes financed by European funds and on providing information concerning such payments.
- V.2 Any payment, including advance payments or balance payments under this Agreement shall be effected in 2 tranches by Bank Gospodarstwa Krajowego (BGK). Advance payments in 2 tranches result from the co-financing of the Action from different sources, and from the BGK's rules for servicing aid funds.
- V.3 The grant shall be paid providing there are funds available in the BGK account. The Project Promoter is not entitled to compensation if BGK delays or fails to effect payment of the grant as a result of failure of the minister in charge of public funds to transfer funds into the relevant account run in BGK.
- V.4 The day of submitting a payment order to BGK by the Programme Operator shall be deemed the date of effecting the payment described in Art. V.2. BGK shall effect the payment in accordance with its European funds payment schedule posted on BGK's webpage⁴.

³ The above grant amount has been converted from the EUR currency of the budget approved by the Programme Operator, contained in the grant application, using the European Commission's average monthly conversion rate of March 2014, **EUR 1.00 = PLN 4.1779**, that is from the month of opening the 2014 call for proposals under **Development of Polish HEIs** as part of the Scholarship and Training Fund

⁴BGK's payment schedule has been published on www.fss.org.pl

V.5 The Project Promoter shall make no independent reimbursement of unused funds⁵. If it is necessary to reimburse funds, it shall be done solely following the Programme Operator's written request and exclusively within the time limit and into the bank account indicated by the Programme Operator.

V.6.1 Advance payment

Within 45 days of the day the Grant Agreement becoming effective ; and if financial guarantee or note specified by the Program Operator is required, within 45 days of both, the Project Promoter shall be transferred an advance payment in the amount of **PLN**, constituting not more than **80%** of the maximum grant amount referred to in Article IV.1.

V.6.2 Interim payments

Requests for the second interim payment (if applicable) may be submitted together with the Interim Financial Report in accordance with the reporting schedule stipulated in Article V.7 of the Agreement only when the Project Promoter has spent at least 70% of the first advance payment.

Should the Programme Operator fail to accept a part of the expenditure entered into the Interim Report as eligible, which means that less than 70% of the last released advance/interim payment has been used, the next advance payment shall be withheld until the date of filing and approval the next Interim Report along with the request for payment in which the Operator shall accept the use of at least 70% of the first advance payment.

V.6.3 The Programme Operator shall verify the Interim Report within 45 days of the date of its receipt (its financial part together with or without a payment application and the substantive part).

The above mentioned time limit shall be suspended if the Programme Operator requires that the Project Promoter provides additional documents and/or information. In such cases the Project Promoter shall be obliged to submit the documents or information required by the Programme Operator within 10 working days of the date of receiving the request.

Within 10 working days of the date of approval or rejection of the Interim Report, the Programme Operator shall notify the Project Promoter in writing about his decision and its consequences. In the case of approval for the Report, the Programme Operator shall make a payment order to release a given advance payment within 10 working days of the date of the notification.

The second advance payment amounting to and representing up to **40%** of the total grant amount stipulated in Article IV.2 of the Agreement, shall be transferred to the Project Promoter within 10 working days of sending information about approval for the Interim Financial Report together with a payment request in accordance with the reporting schedule set out in Article V.7 of this Agreement.

V.6.4 The Programme Operator reserves the right to include additional instalments in the payment schedule, if necessary.

V.7 Reporting

The Project Promoter is obliged to submit to the Programme Operator on behalf of the project group the following Interim Report/Reports⁶ (substantive and financial parts) and the Completion Report (substantial and financial parts) within the following time limits:

- Interim Report covering the period between and not later than on

⁵ In the understanding of the main co-financing amount – the question of interest on the main co-financing amount is stipulated in Article VI of the Agreement

⁶ The number of interim reports is subject to the character of the project, including its duration, as stipulated in the provisions of the Agreement concluded as part of Development of Polish Higher Education Institutions action of the Scholarship and Training Fund

- Interim Report covering the period between and not later than on
- Interim Report covering the period between and not later than on
- Interim Report covering the period between and not later than on
- Completion Report covering the period between and not later than on

The Administrative and Financial Guide for Project Promoters, constituting Annex VII, sets out detailed reporting rules.

V.8 Balance payment

Within 1 month⁷ of completing the Action specified in Article III.3 and in accordance with the schedule specified in Article V.7, the Project Promoter shall send the Completion Report (its financial and substantive part) to the Programme Operator with the use of the forms specified in Annex III. The financial completion report shall be treated as the Project Promoter's request for effecting the balance payment.

All amounts in the Completion Report shall be quoted in PLN. Should any expenditure under the project be made in a currency other than PLN, it has to be converted into PLN using the European Commission's average monthly conversion rate posted on its website⁸ and valid on the day of releasing the balance payment to the Project Promoter by the Programme Operator.

If the Project Promoter fails to submit a complete Report (substantive or financial parts) within the deadline, the Programme Operator shall send a formal request for its submission within 10 working days of the required submission date setting another time limit for this submission. Should the report fail to be submitted within that second time limit, within 10 working days of the second deadline the Programme Operator shall send by registered mail a formal notification containing information about the termination of the Agreement and a request to reimburse the full amount of all advance payments made.

The Programme Operator shall approve or reject the Completion Report within 45 days of the date of its receipt. This time limit shall be suspended if the Programme Operator demands that the Project Promoter provides additional documents and/or information. In such cases the Project Promoter shall be obliged to submit the documents required by the Programme Operator and/or information within 10 working days of the date of receipt of the notification

Within 10 working days of approving the Completion Report the Programme Operator shall notify the Project Promoter in writing of the final grant amount approved by the Programme Operator on the basis of the Completion Report.

Within 10 working days of posting the above mentioned notification the Programme Operator shall make out a balance payment order or issue a request to reimburse the amount due to the Programme Operator.

Within 10 working days of receipt of the notification of the final grant amount approved for clearing, the Project Promoter may request written information about the way of calculating the final grant amount and should it deem it necessary, it may appeal against the Programme Operator's decision regarding the calculation. No appeal lodged outside this time limit shall be considered.

Within 15 working days of receipt of the above mentioned appeal the Programme Operator shall reply to the Project Promoter giving reasons for its decision.

ARTICLE VI – BANK ACCOUNT

VI.1 The Project Promoter is obliged to keep a separate bank account for the needs of the project, subject to national regulations on accounting.

⁷ 30 calendar days

⁸<http://ec.europa.eu/budget/infocoreuro>

- VI.2 Payments under this Agreement shall be transferred by the Programme Operator in PLN into the Project Promoter's bank account shown below and run in PLN, in accordance with the rules set out in Article V:

Bank account holder:		
Bank name:		
IBAN - Full account number:	Account currency: PLN	SWIFT code of the Bank:

- VI.3 The Project Promoter acknowledges that all payments under the Action must be made from the above bank account. Should the funds in the above mentioned account, received from the Programme Operator be exhausted, then in order to ensure financial liquidity in this account the Project Promoter shall pay its own funds into the account. Having received another advance payment from the Programme Operator, the Project Promoter shall reclaim the relevant amount.

- VI.4 The Project Promoter undertakes to reimburse interest generated in the above mentioned bank account starting from the date of obtaining the first advance payment to the date of the final reimbursement of the interest.

Annually, after the end of each calendar year during the implementation of the project, the non-extendible date for the reimbursement of the interest shall be the seventh of January of the following year, and in the year, in which the settlement of the Agreement based on the Completion Report takes place, the non-extendible date for the reimbursement of the interest shall be the date of reimbursing the unused amount of the grant. The Project Promoter shall observe the approach concerning the reimbursement of funds by transferring the unused amount in accordance with the provisions of Article V5 and it shall reimburse the interest in accordance with the instruction included in the template for the confirmation, which forms Annex no. IX to the Agreement.

However, if the Project Promoter uses 100% of the grant, it shall immediately reimburse all the interest generated starting from the date of reimbursing the interest for the previous period until the date of obtaining information about the final settlement of the Completion Report by the Programme Operator, however not later than seven calendar days from the last date as indicated above.

The non-extendible dates for the reimbursement of the interest as stipulated above shall be understood as the dates of crediting the bank account of the Programme Operator. Therefore, in order to meet the obligation, the Project Promoter shall make a bank order concerning a bank transfer from its bank account prior to the date stipulated above.

The interest shall be reimbursed to the bank account of the Programme Operator indicated in the form for the confirmation as stipulated in Annex no. IX. The Programme Operator shall each time immediately send the confirmation of the reimbursement of interest, however not later than seven calendar days after the date of obtaining such funds.

Any breach of the above obligations, either concerning the timely reimbursement of the interest or sending the relevant confirmation shall be treated by the Programme Operator as a material breach of the Agreement with all the consequences as described in Article 9.2 – 9.4 of GC.

ARTICLE VII – GENERAL ADMINISTRATIVE PROVISIONS

- VII.1 Any communication in relation to this Agreement shall be made in writing, quoting the Agreement number, and shall be sent to the addresses specified on the front page of the Agreement by registered mail or in other equivalent form.
- VII.2 Should the Project Promoter decide to withdraw from the awarded grant and from the Agreement, it is under the obligation to inform about it without delay the Partner Institution(-s) implementing the Action. This information is to be provided in writing.

VII.3 The grant does not cover the costs of withdrawal. If the Project Promoter withdraws from the Action after signing the Agreement for reasons other than “force majeure”, it shall use his own funds to cover any costs related to the withdrawal.

ARTICLE VIII – GOVERNING LAW AND COURT JURISDICTION

The grant is governed by the terms of the Agreement and by the law of Poland and of the European Union, in accordance with the principle of subsidiarity. Both the Programme Operator and the Project Promoter may take legal action regarding decisions made by the other party concerning the terms and conditions of the Agreement and arrangements for its execution, before a court having with local jurisdiction for the seat of the Programme Operator.

ARTICLE IX – DATA PROTECTION

IX.1 Any and all personal data contained in the Agreement shall be processed in accordance with the Act of 29 August 1997 on Personal Data Protection (O.J. of 2002 No. 101, item 926, as amended).

IX.2 Personal data obtained as a result of the execution of this Agreement shall be processed solely in connection with the implementation and dissemination of results obtained following the completion of the Agreement by the Programme Operator, National Focal Point and the Financial Mechanism Office. Data may be shared with state bodies responsible for inspections and auditing.

IX.3 The Project Promoter may, following a written request, gain access to its personal data and amend any information that is inaccurate or incomplete. The Project Promoter should address any questions regarding the processing of its personal data to the Programme Operator. The Project Promoter may file a complaint against the processing of its personal data with the Inspector General for the Protection of Personal Data in relation to the way of using this data by the Programme Operator.

ARTICLE X – MISCELLANEOUS SPECIAL CONDITIONS

X.1 The Project Promoter is obliged to keep separate accounts or a relevant accounting code for all transactions related to the project, subject to national regulations on accounting.

X.2 The Project Promoter is obliged to fulfil the requirement contained in the Guide for Applicants which provides that the same action may not obtain double funding coming from Norway funds and the national one. In the case of failure to fulfil this requirement, the Programme Operator reserves the right to terminate the Agreement under Article 9.2 (g) of GC and to recover all advance payments already effected.

X.3 The Project Promoter is obliged to publish information about any funds received from the Scholarship and Training Fund in all released documents, materials produced and in each declaration or interview held. This information should be worded as follows: **“Project (publication, training, conference, etc.) supported by Norway and by national funding”**.

For materials in foreign languages, the following information is to be used: **“Project (publication, training, conference, etc.) supported by a grant from Norway through the Norway Grants and co-financed by the Polish funds”**.

This information must be accompanied by an official disclaimer that the publisher/author (the Project Promoter) is solely responsible for the content of the publication.

X.4 The Project Promoter shall run promotional activities in accordance with the requirements relating to information and promotion set out in the documents listed in Article I and in the Annexes to this Agreement.

X.5 In accordance with Article 6.8 of the Regulations on the Implementation of the EEA Financial Mechanism and Norway Financial Mechanism 2009-2014, before signing the Agreement with the Programme Operator, the

Project Promoter is obliged to sign and send one copy of a partnership agreement with each Partner Institution to the Programme Operator for his approval.

- X.6 The Programme Operator may decide to terminate the Agreement and the Project Promoter shall have no right to compensation, if one or more Partners withdraw from the Action.⁹ Should the Programme Operator make such a decision, the Agreement termination procedure with notice as specified in Article 9.3 of GC shall apply. The Project Promoter shall immediately, although not later than 15 days of being informed on the matter, notify the Programme Operator of the Partner's/Partners' withdrawal from the project. Failure to notify shall be deemed a gross violation of the Agreement provisions set out in Article 9.2 (b) of GC, resulting in all related consequences.
- X.7 In relation to concluding contracts referred to in Article 7 of GC, **the relevant Guidelines of the Minister of Regional Development, referred to in Article I, shall apply**¹⁰.
- X.8 This Agreement has been drawn up in duplicate, one copy for the Project Promoter and one for the Programme Operator. The Project Promoter undertakes to return two copies of this Agreement, signed by its legal representative, not later than 30 calendar days of receipt of the notification of them being prepared in the project servicing system **www.online.frse.org**. If the Programme Operator receives no signed copies of the Agreement within the time limit, the Programme Operator reserves the right to withdraw from concluding the Agreement.

Signatures

For the Project Promoter

**For the Programme Operator
legal representation of FRSE in
accordance with FRSE statutes**

Signature

Signature

.....
Place and date/ Project Promoter's stamp

Warsaw
Place and date/ FRSE's stamp

⁹ This applies in particular to withdrawal by a Partner from a Donor State in a situation when it is the only partner in an Inter-Institutional Cooperation Project.

¹⁰ See The Guidelines of the Minister of Regional Development concerning public procurement under the EEA Financial Mechanism 2009-2014 and the Norway Financial Mechanism 2009-2014 posted on **www.fss.org.pl**, to which the Act of 29 January 2004 – Public Procurement Law is **not applicable**.