

Annual report
on the implementation of the European Economic Area Financial
Mechanism in Poland
for the period January - December 2007

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Norwegian Financial Mechanism on 14 March 2008

National Focal Point
Ministry of Regional Development

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Summary

The document *Report on implementation of the European Economic Area Financial Mechanism for the period January – December 2007* constitutes the fulfilment of obligations placed on Poland in Article 5 of the Memorandum of Understanding on the implementation of the European Economic Area Financial Mechanism 2004-2009. It concerns programming of the use of financial resources, describes the status of implementation of the European Economic Area Financial Mechanism and also presents activities of institutions involved in the implementation of the EEA Financial Mechanisms planned for the following reporting period: January – December 2008.

In the reporting period in question, the programming of the use of resources comprised, first of all, Amendments to the most important documents relating to the European Economic Area Financial Mechanism. These Amendments aimed at updating and streamlining the implementation system of the EEA Financial Mechanism and also ensuring an indispensable coherence between the programming documents. Activities aiming at streamlining the process of the use of financial resources under the EEA Financial Mechanism were also undertaken. The document *System of financial flows for individual projects and programmes implemented under EEA Financial Mechanism and the Norwegian Financial Mechanism* was drawn up. Modifications in financial allocation were also an important element of programming.

The annual report presents information concerning the implementation of the EEA Financial Mechanism under the first and second call for proposals. In relation to the first call, information on the status of proposal appraisal by the Financial Mechanism Office in Brussels and the status of contracting and disbursement of resources as well as information concerning monitoring the implementation of projects was presented. In relation to the second call, statistics concerning the number of submitted proposals as well as the state of their appraisal by the Polish side were presented. Implementation works in the reporting period in question comprised also activities connected with the launch and implementation of specific forms of assistance under Financial Mechanisms, the so-called block grants. In 2007 Fund for Non-governmental Organisations was launched. In the next reporting period, a continuation of works with the aim to inaugurate the Scholarship and Training Fund as well as the Cultural Exchange Fund is planned.

Additionally, the report describes information and promotion activities taken in 2007.

Introduction

In accordance with Article 5 of the *Memorandum of Understanding on the implementation of the European Economic Area Financial Mechanism 2004-2009*, the Ministry of Regional Development (MRD), acting as the National Focal Point (NFP) for the implementation of the EEA Financial Mechanism in Poland, prepared the document *Annual report on the implementation of the European Economic Area Financial Mechanism in Poland for the period January – December 2007*. The aim of this document is to present the state of the implementation of the EEA Financial Mechanism in Poland. Additionally, the report presents a plan of activities for the next reporting period, i.e. January - December 2008.

This document has been drawn up in accordance with the content of the *Beneficiary State Reporting and Monitoring Guidelines* of 16 January 2008. It will be presented, according to the content of the *Guidelines for the preparation of annual meeting* of 21 June 2007, during the annual meeting planned in June 2008 with Donor States of the Norwegian Financial Mechanism and the European Economic Area Financial Mechanism - the Kingdom of Norway, the Principality of Liechtenstein and the Republic of Iceland. Before submission to the representatives of the Donors, the report requires approval by the Monitoring Committee for the European Economic Area Financial Mechanism and the Norwegian Financial Mechanism.

1. Programming of the Use of Financial Resources

Programming of the use of financial resources is understood as amendments to the documents constituting legal framework and grounds for the implementation of the EEA Financial Mechanism as well as modifications concerning the allocation of financial resources under subsequent calls for proposals.

1.1 Amendments to the Memoranda of Understanding

At the meeting with the donor side on 29 November 2006, amendments to Annexes A, B and C of the *Memorandum of Understanding on the implementation of the EEA Financial Mechanism 2004-2009* were finally confirmed. Amendments introduced to the content of the

Memorandum of Understanding (MoU) aim at updating and streamlining the implementation system of the EEA Financial Mechanism and also at ensuring an indispensable coherence between provisions of the Memorandum of Understanding and provisions of the *Operational Programme for the use of financial resources under EEA Financial Mechanism and the Norwegian Financial Mechanism*. Next, the Ministry of Regional Development – the National Focal Point together with Donor States' institutions elaborated draft international agreement amending the Memorandum of Understanding in agreed scope as well as took measures to bind the Republic of Poland by its provisions.

During the next annual meeting of the representatives of MRD and Donor States on 13 June 2007, both sides discussed necessary amendments to the content of MoU. Finally it was confirmed that the mode of modifying Annexes to MoU should be simplified and a modification of the system of financial flows should be introduced, which would consist in a transfer to the Polish side of an advance payment at the national level, the so-called *working capital*. With a letter of 16 July 2007, the Prime Minister agreed on the start of negotiations concerning amendments to the content of Memorandum. On conclusion of negotiations with the donor side concerning the final version of the international agreement amending the content of the Memorandum, in the first half of October NFP conducted a second round of arrangements between ministries regarding the negotiations with the donor side on the content of the Agreement amending the Memorandum of Understanding. On 9 November 2007 the Council of Ministers agreed on signing the agreement amending the Memorandum of Understanding. The agreement was signed by the sides on 17 –18 December 2007 and entered into force on 19 December 2007.

1.2 Works on Simplification of Implementation System

The National Focal Point undertook activities aiming at streamlining the process of implementation of financial resources under the EEA Financial Mechanism. As a result of passing on 8 December 2006 an amendment to the Act on public finances, the resources from the Financial Mechanisms were recognized as public resources, which made the introduction of the pre-financing system of payments for beneficiaries by the state budget possible.

In connection with it, NFP, in agreement with the Ministry of Finance, (Paying Authority), drew up the document *System of financial flows for individual projects and programmes implemented under EEA Financial Mechanism and the Norwegian Financial Mechanism*, which was approved on 30 March 2007 by the European Committee of the

Council of Ministers. This document describes and regulates the flow of documents and financial resources for projects and programmes implemented under the Financial Mechanisms, taking into consideration new arrangements and changed legal framework. The benefit from its implementation is ensuring the financial liquidity of implemented projects because according to its provisions, resources for beneficiaries are paid directly by Intermediate Bodies/Auxiliary Institutions, so the time of waiting for reimbursement of resources has been shortened.

Additionally, at the beginning of 2007 the donor side approved a proposal for the modification of the system of financial flows, consisting in the transfer to the Polish side an advance payment at the national level, the so-called *working capital* of 30 million euro, as renewable capital in relation to individual projects. Upon coming into force of *Agreement on the Amendment to the Memorandum of Understanding* introducing the provisions concerning the above-mentioned system, the Donors transferred on 20 December 2007, the document *Working capital instruction*, which was earlier arranged with the National Focal Point and the Paying Authority. Resources for Working Capital, in accordance with the provisions of the above-mentioned instruction, should be submitted to the Polish side within four weeks from the date of coming into effect of the *Agreement on the Amendment to Memorandum of Understanding in Poland*¹.

1.3. Amendments to Programming Documents

In connection with the approval of the document *System of financial flows for individual projects and programmes implemented under EEA Financial Mechanism and the Norwegian Financial Mechanism*, it was necessary to introduce suitable amendments to programming documents of the EEA Financial Mechanism. In connection with it, NFP undertook activities aimed at amendments to the following documents:

- *Operational Programme for the use of financial resources under the EEA Financial Mechanism and the Norwegian Financial Mechanism*. On 22 June 2007 the Council of Ministers accepted, in a circular mode, the document *Amendments to the Operational Programme for the use of financial resources under the EEA Financial Mechanism and the Norwegian Financial Mechanism on amendments introduced to the system of financial flows*, which enabled the introduction of a suitable modification of the Operational Programme.

¹ On 18 January 2008 these resources were transferred to the Polish side.

- Agreements between the Ministry of Regional Development, the Ministry of Finance and a competent Intermediate Body on the scope and method of cooperation within the use of financial resources of the EEA Financial Mechanism. After consultations with individual ministries as well as with the Ministry of Finance, on 12 June 2007 the final versions of Annexes to agreements were signed by Mr. Janusz Mikula, Under-Secretary of State in the Ministry of Regional Development. The Ministry of Finance submitted to MRD the signed Annexes via a letter of 29 June 2007. Until the end of August 2007 MRD concluded Annexes to the trilateral agreements with all institutions involved in the implementation of the Financial Mechanisms.

At the same time works on the change of Agreements for the Technical Assistance Fund as well as the Fund for Non-governmental Organisations were conducted. The Annex to the Agreement for the Technical Assistance Fund was concluded between MRD and the Ministry of Finance on 13 August 2007. On 1 October 2007 MRD and the Ministry of Finance concluded Agreement concerning the Fund for Non-governmental Organisations.

- Audit paths for institutions involved in the implementation of Financial Mechanisms. Taking into account amendments to the modes of transferring resources, institutions involved in the implementation of the Financial Mechanisms were obliged to make suitable amendments in audit paths. NFP obliged Intermediate Bodies and Auxiliary Institutions to adjust audit paths.

1.4 Grant Agreement with a Beneficiary

In connection with the change of legal framework, the planned changes to programming documents of Financial Mechanisms and as a result of incoming comments from the side of implementing authorities as well as beneficiaries, the Ministry of Regional Development took a decision on amendment of the grant agreement template in force. Upon consultations with institutions involved, the agreed template agreement was approved on the meeting of European Committee of the Council of Ministers on 27 February 2007.

Additionally NFP, in cooperation with Intermediate Bodies, continuously draws up template agreements with beneficiaries, which are submitted to the Financial Mechanism Office in Brussels. Four template agreements for the implementation between Intermediate Bodies and beneficiaries, drawn up according to the specificity of individual Priority Sectors, are presently in force. Different templates are used in environmental priorities (2.1, 2.2, 2.8),

in priority 2.10 *Technical Assistance relating to the implementation of acquis communautaire*, and 2.7 *Implementation of Schengen acquis*. However one template agreement has a general character. All templates were submitted to the Donors in 2007.

In May 2007 NFP received from the Financial Mechanism Office also proposals of amendments to the content of the grant agreement, which would consist in i.a. inclusion of a *Grant Offer Letter* as Annex to the agreement. The proposal is still in the process of consultations.

1.5 Monitoring and Reporting System

On 16 May 2007 the European Committee of the Council of Ministers approved the document *Monitoring System of the Operational Programme of the EEA Financial Mechanism and the Norwegian Financial Mechanism* prepared by NFP, which regulates the monitoring process under Operational Programme of the EEA Financial Mechanism and the EEA Financial Mechanism. The above document was drawn up on the basis of Donor Monitoring Guidelines.

In connection with changes introduced by the Donors in reporting system which have influence on reporting and monitoring system by the Polish side, in December 2007 NFP began a process of updating and adjusting to these amendments the document regulating monitoring system in Poland².

1.6 Amendments to Allocations of Financial Resources

At the Annual Meeting in June 2007, the Polish side presented to the Donor States a proposal of reallocation of funds available in the second call within priority 2.10 *Technical Assistance relating to the implementation of acquis communautaire*, for which no proposal has been submitted to the third call for proposals. Officially, the donor side agreed on the above-mentioned reallocation in the letter of 12 July 2007.

On 29 October 2007 a meeting of the Monitoring Committee for the EEA Financial Mechanism and the EEA Financial Mechanism was held. During this meeting decisions were

² The amended document was approved by the European Committee of the Council of Ministers on 25 January 2008. Additionally, as a result of the change in the Monitoring System, it is necessary to introduce suitable modifications in other documents on the Polish side, i.a. in the grant agreement template for financing projects from the Financial Mechanisms resources.

taken on reallocation of financial resources from the savings from 1st call for proposals and a general reserve of the Mechanisms. Reallocation of resources concerned shifts under all priority sectors except for 2.9 *Regional policy and cross-border activities* and 2.10 *Technical Assistance relating to the implementation of acquis communautaire*. Free resources were shifted to reserve projects recommended for financing by Intermediate Bodies and NFP, part of which also received a positive decision by the Donor States. Additionally, resources not used under the first call for proposals in priority 2.1 *Protection of the environment, including the human environment*, in the amount of 3 475 032 euro were shifted to the second call under this priority. Savings generated in the first call as well as part of resources from the general reserve of the Financial Mechanisms were allocated for the implementation of three reserve projects within priority 2.6 *Academic research* and contribution to the first call in priority 2.5 *Health and childcare*.

The Monitoring Committee has also made amendments in allocation for the second call for proposals. From the general reserve of the Mechanisms shifts of resources were made to projects within priority 2.6 *Academic research grants* and 2.7 *Implementation of Schengen acquis*. Two proposals, for which shifts in resources were made, were granted recommendation of Steering Committees, but the amount of financing applied for from the Mechanisms exceeded the resources available in allocations of the second call.

During the meeting with the Donor States in Brussels on 29 November 2007, where i.a. the date of the third call for proposals was finally established, matters of potential reallocation of amounts connected with „soft” environmental priorities as well as priority 2.5 *Health and childcare* were also discussed. Due to a significant number of proposals which were submitted to the Ministry of Health (MH) under the second call for proposals as well as limited possibility of their financing, the Polish side presented to the Donor States a proposal of reallocation of the amount allocated for the third call for proposals within priority 2.5 to projects submitted in the second call. At the same time the second call within priority *Health and childcare* would be the last call for proposals. The proposal presented by the Polish side was approved by the Donors, and then, on 3 December 2007 submitted to MH for consultations. Via a letter of 19 December 2007, MH agreed on the solution presented by MRD. As a result the risk of not contracting all resources until the end of April 2009 was reduced.

Additionally, the Donor States presented a proposal for reallocation of amount of 5 million euro, allocated for the third call within priority 2.8. *Protection of the environment, inter alia, wit emphasis on administrative capacity* to priority 2.2. *Promotion of sustainable*

development. This change resulted from large interest from the side of applicants in the second call for proposals. The proposal for reallocation was submitted by the Ministry of Environment on 3 December 2007³.

Priority	Allocated amount in euro			
	1st call	2nd call – after reallocations 29.10.07	3rd call	Total
2.1 Protection of the environment	64 535 663	37 645 032		102 180 695
2.2 Promotion of sustainable development	2 639 843	2 400 000	7 400 000	12 439 843
2.3 Conservation of European cultural heritage	36 548 590	42 010 000		78 558 590
2.4 Human resources development	10 797 270	8 885 000	8 885 000	28 567 270
2.5 Health and childcare	18 529 841	25 360 000		43 889 841
2.6 Academic research	9 786 542	12 656 393		22 442 935
2.7 Implementation of Schengen acquis	45 170 257	45 636 469	22 700 000	113 506 726
2.8 Environment (Acquis)	2 015 826	4 820 000	4 660 000	11 495 826
2.9 Regional policy and cross-border activities	1 816 531	7 650 000	15 280 000	24 746 531
2.10 Technical Assistance relating to the implementation of <i>acquis communautaire</i>	1 059 500		1 690 000	2 749 500
Total	192 899 863	187 062 894	60 615 000	440 577 757
Reserve		4 722 243		4 722 243
Total allocated amount	192 899 863	191 785 137	60 615 000	445 300 000

2. Implementation of the EEA Financial Mechanism

2.1 First call for proposals

Within the first call for proposals, until 9 February 2007, NFP transferred to the Financial Mechanism Office 197 applications, including 18 reserve projects as well as 29 additional projects on thermo-insulation within priority 2.1 *Protection of the environment, including the human environment*. Out of the basic list of 179 applications, not taking into account reserve projects, until the end of 2007, 162 projects received positive decisions of the Donors on co-financing in the form of *Grant Offer Letters*, 4 proposals were rejected by FMO and 4 beneficiaries withdrew their projects. In the case of 9 projects submitted within priority

³ On 10 January 2008 ME agreed on the above-mentioned reallocation. Due to this fact the proposal of financial resources shift was voted by the members of the Monitoring Committee for the Financial Mechanisms (voting in a circular mode) and finally on 15 January 2008, Resolution No. 6/2007 on approval of the proposal on resources reallocation between priorities of the European Economic Area Financial Mechanism and Norwegian Financial Mechanism was passed.

2.1 *Protection of the environment, including the human environment* FMO raised doubts concerning the granting of public aid⁴. NFP sent to FMO for appraisal, in the place of withdrawn projects, 4 further proposals (one within priority 2.1 *Protection of the environment, including the human environment*, two within priority 2.5. *Health and childcare* and one within priority 2.7 *Implementation of Schengen acquis*)⁵.

Additionally 6 projects, 4 within priority 2.6. *Academic research*, one within priority 2.2. *Promotion of sustainable development* and one within priority 2.7 *Implementation of Schengen acquis* received *Grant Offer Letters* from the Donor States. On the basis of the decision of the Monitoring Committee, taken on the meeting on 29 October 2007, 4 reserve projects (3 within 2.6 and 1 within 2.7) received co-financing from savings generated in 1st call for proposals and from the general reserve available under the Financial Mechanisms. The list of 166 projects which received a decision on co-financing by the Donors is presented in Annex No. 1.

The appraisal status of proposals submitted to FMO under the first call is presented in the table below (as of 31 December 2007).

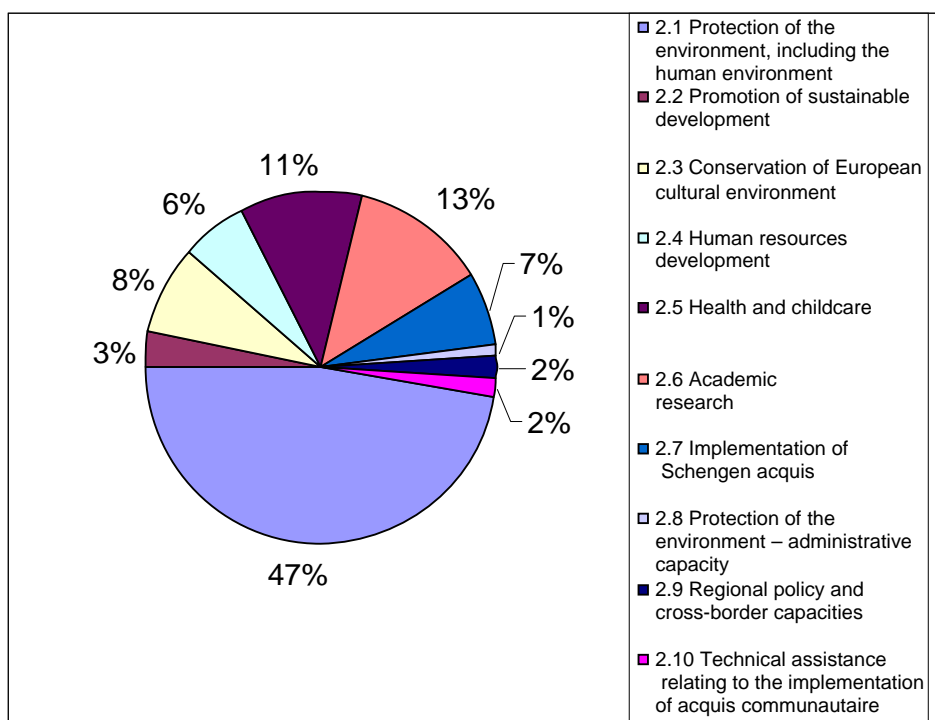
Number of proposals submitted to FMO (without reserve proposals)	Number of received <i>Grant Offer Letters</i> (without GOL for reserve projects)	Projects rejected by the Donor States	Projects withdrawn by beneficiaries	Projects, where doubts were raised in relation to state aid	Number of signed agreements
179	162 ⁶	4	4	9	144

The percentage breakdown of awarded 166 *Grant Offer Letters* by individual priority sectors is presented in the chart below:

⁴ Until the end of 2007, NFP did not receive any answer in this matter.

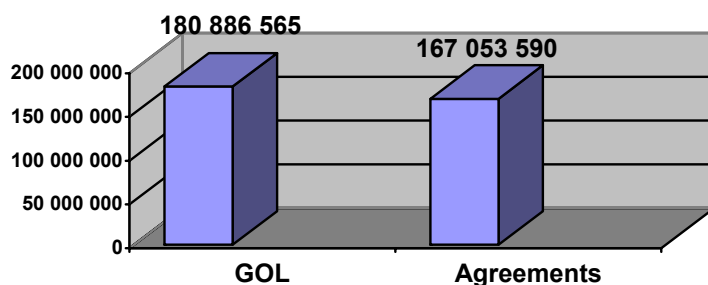
⁵ Until the end of 2007, FMO took a decision on one project - a project within priority 2.7 *Implementation of Schengen acquis* was positively assessed. NFP did not receive any answer on the other three projects.

⁶ This number does not involve GOL awarded to six reserve projects (four within 2.6, one within 2.2 and one within 2.7 which was submitted in the place of projects withdrawn by the beneficiaries).



Until 31 December 2007, the Financial Mechanism Office transferred to NFP 144 grant agreements for individual projects or programmes. NFP signed with the Donor States all agreements for a total amount of co-financing of over 167 million euro.

The amount of received Grant Offer Letters in € and the amount of signed agreements in €



The amount of awarded grants in a breakdown by voivodship is as follows. The biggest beneficiary is the Mazowieckie voivodship, where the total amount of awarded co-financing for individual projects amounted to over 68 million euro. It results from the fact that there were many central administration institutions among applicants with seats in Warsaw. The Małopolskie voivodship is on the second place with regard to the amount of co-financing of projects, with the amount of over 17,5 million euro. Worth mentioning is also the fact that

in the Lubelskie voivodship, which is one of the less economically developed regions in the European Union, the amount of co-financing of recommended projects amounted to over 8 million euro.

2.2 Second Call for Proposals

In the period from 2 January to 16 April 2007 the second call for proposals was launched for the total amount of 176 895 000 euro. The call comprised all 10 priorities, except for Activity 3, i.e. *Thermo-isolation of public buildings* within priority 2.1 *Protection of the environment, including the human environment*. In the case of areas: 2.1 *Protection of the environment, including the human environment*, 2.3 *Conservation of European cultural heritage*, 2.5 *Health and childcare* and 2.6 *Academic research* it was the final call for proposals.

Until the end of 2007 all Intermediate Bodies, except for the Ministry of Health (for priority 2.5) and the Ministry of Environment (for priority 2.2) finished the appraisal of proposals submitted in the second call. The meetings of the Steering Committees for above-mentioned priorities are planned for February 2008. The list of projects from the second call for proposals approved by Steering Committees is presented in Annex No. 2⁷.

First proposals recommended by the Polish side were sent to FMO at the end of August 2007. Until the end of 2007 the National Focal Point transferred to the Financial Mechanism Office 62 individual projects, including:

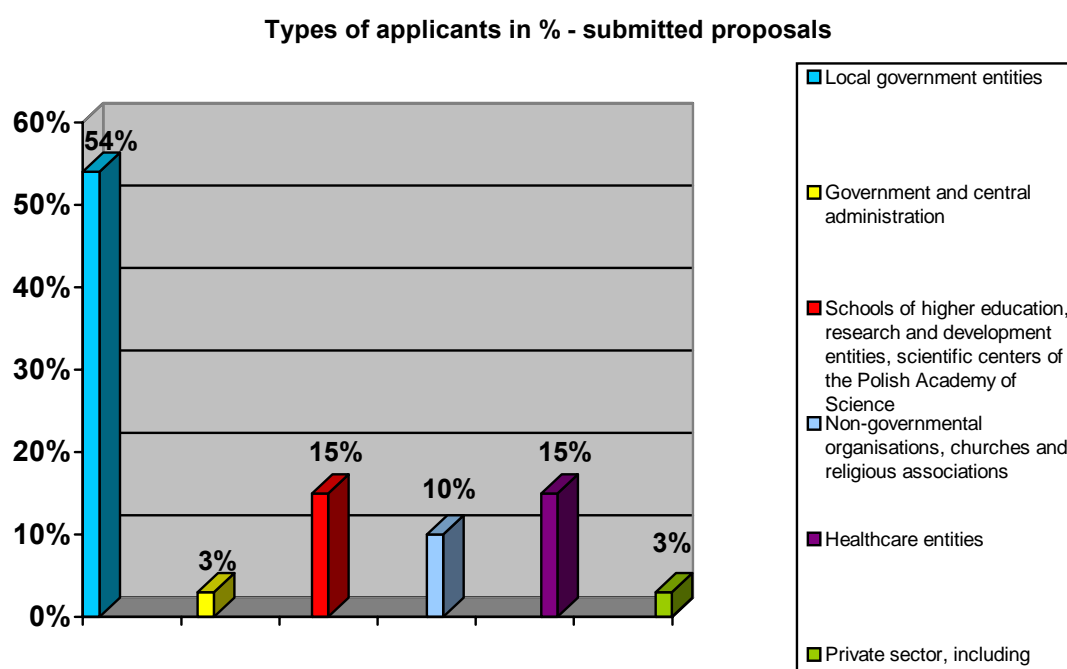
- 19 out of 21 proposals recommended by the Steering Committee for priority 2.6 *Academic research*,
- 15 proposals within priority 2.3 *Conservation of European cultural heritage* (all recommended proposals),
- 14 proposals within priority 2.9 *Regional policy and cross-border activities* (all recommended proposals),
- 6 out of 20 proposals recommended by the Steering Committee within priority 2.4 *Human resources development*,
- 8 proposals within priority 2.7 *Implementation of Schengen acquis* (all recommended proposals).

⁷ The list does not comprise proposals within priorities 2.2 *Promotion of sustainable development* and 2.5 *Health and childcare*.

2.2.1 Statistics of the Second Call

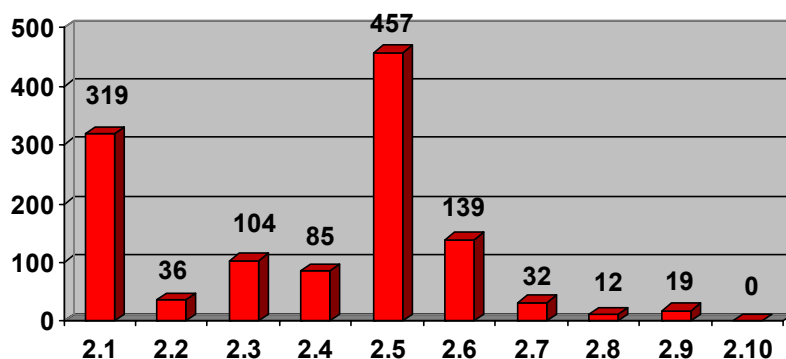
In total 1203 proposals were submitted with the estimated co-financing amount of over 1,3 billion euro. This amount was almost eight times bigger than the available allocated amount envisaged for the distribution in the second call for proposals.

According to the analysis of submitted applications, the greatest share among applicants had, like in the first call, local government entities – over half of applications. Percentage breakdown by applicants is presented in the chart below.



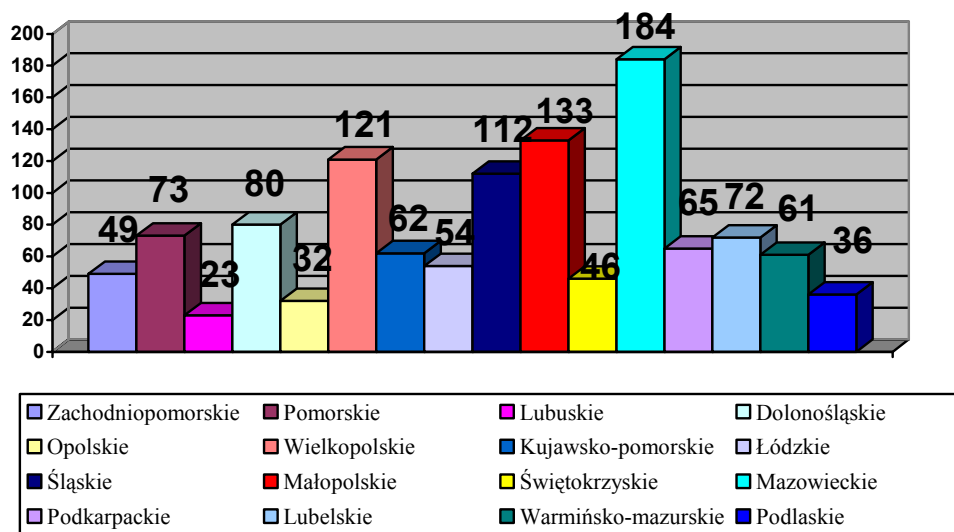
Priorities 2.5 *Health and childcare*, 2.1 *Protection of the environment, including the human environment*, 2.6 *Academic research* and 2.3 *Conservation of European cultural heritage* were of the greatest interest among applicants. No proposal was submitted within priority 2.10 *Technical Assistance relating to the implementation of *acquis communautaire**. The amount of resources available under this priority was reallocated to the third call for proposals within the above-mentioned priority. Detailed data concerning the number of proposals submitted under individual priorities are presented on the chart below.

The number of submitted by priorities



When it comes to the number of submitted proposals by voivodships, the data is presented in the chart below. Most proposals came from voivodships: Mazowieckie, Małopolskie, Wielkopolskie and Śląskie. Nevertheless it should be pointed out that the presented data comprise also projects with central meaning, with scope greater than the voivodship where the applicant has its seat.

The number of submitted proposals by voivodships



Among submitted applications, 250 were submitted in partnership with entities from the Donor States, including the biggest number - 248 proposals – with entities from Norway.

The list of proposals submitted in partnership with entities from Norway, which were approved by the Steering Committees, is presented in Annex No. 3⁸.

2.3 Block Grants

In the reporting period in question, the Fund for Non-governmental Organisations. Additionally, the resources under the Seed Money Facility were allocated. In the following reporting period a continuation of works aiming at inauguration of the Cultural Exchange Fund as well as the Scholarship and Training Fund was planned. The Technical Assistance Fund is implemented on a continuous basis.

Block grant	Operator	Grant amount in €	Status
Seed Money Fund	Ecorys Sp. z o.o.	2 000 000	Concluded
Technical Assistance Fund	Ministry of Regional Development, DPT	9 858 382	Implemented
Fund for Non-governmental Organisations – <i>Democracy and civil society</i>	Cooperation Fund Foundation	12 450 000	Implemented
Fund for Non-governmental Organisations – <i>Protection of the environment and sustainable development</i>	Ecorys Sp. z o.o.	12 450 000	Implemented
Fund for Non-governmental Organisations - <i>Equal opportunities and social integration</i>	Ecorys Sp. z o.o.	12 450 000	Implemented
Cultural Exchange Fund	Ministry of Culture and National Heritage	4 000 000	Approved by the Donors in the form of Grant Offer Letter (GOL)
Scholarship and Training Fund	Foundation for the Development of the Education System	12 000 000	On-going works on the launch of the Fund

2.3.1 Technical Assistance Fund

In the reporting period in question works connected with the implementation of the Technical Assistance Fund were continued. Until the end of 2007 four payment claims were

⁸ The list does not include reserve projects and proposals submitted under priorities, for which until the end of 2007 no meetings of Steering Committees were held, i.e. 2.2 *Promotion of sustainable development* and 2.5 *Health and childcare*

sent to FMO – one for the period from 29 March to 31 December 2006 and three for the year 2007 for the total amount of 702 481 euro. 85 % of the above amount, i.e. 597 109 euro, were submitted to the accounts of the Ministry of Finance (the Paying Authority).

Additionally, on 30 January 2007 NFP transferred to the Financial Mechanism Office *Request for Resources under Technical Assistance Fund for 2007*. In mid-May 2007 MRD transferred to FMO a modification of the request for resources for 2007 for the National Focal Point as well as the Ministry of Environment. Amendments resulted from the need of implementation of tasks which were not envisaged at the stage of preparing the first draft of the document. In the second half of 2007 NFP transferred to FMO the next collective request for resources, which comprises a detailed plan of expenditures of the Fund beneficiaries for 2008. The document in question was accepted by FMO on 5 November 2007.

Summarising the undertakings implemented in 2007 under technical assistance, the National Focal Point, Intermediate Bodies and Auxiliary Institutions were conducting activities concerning i.a. improvement of the management system, instructing on the implementation and appraisal of applications, as well as monitoring process of the projects. In the case of information and promotion activities, National Focal Point, Intermediate Bodies and Auxiliary Institutions organized a series of conferences and trainings for potential beneficiaries. There were also many meetings held with the Donor States. NFP ordered printing of information and promotional materials (i.a. *Operational Programme* and *Set of Guidelines*) and placed a publication about the Financial Mechanisms in a Polish national daily. Additionally, the Ministry of Culture and National Heritage ordered a film on the projects co-financed within priority 2.3 *Conservation of European cultural heritage*.

Salaries of the employees in charge of the Financial Mechanisms are also refunded from the resources of technical assistance. At the end of 2007 the number is was 37 permanent employees. Additionally, Intermediate Bodies and Auxiliary Institutions employed external consultants for applications appraisal. In 2007 two Monitoring Committees were organized and 47 monitoring visits were conducted, including visits to Intermediate Bodies and Auxiliary Institutions as well as block grants Operators.

2.3.2 Seed Money Fund

Call for proposals under the Seed Money Fund (SMF) lasted from 15 December 2006 to 15 February 2007. In the call period, 271 proposals were submitted to the Fund. Proposals Appraisal Commission conducted the appraisal of 128 projects, out of which 12 projects were

assessed negatively due to formal or content-related aspects. Finally, decisions about the award of co-financing were taken in the case of 114 applications. This meant the allocation of the total amount of approx. 2 million EUR envisaged for the Fund.

Out of 114 projects which were awarded funding under SMF, most numerous were recommended in the 2.5 *Health and childcare* and 2.6 *Academic research*. Within the second call for proposals for individual projects and programmes 50 applications in total were submitted and received grant under SMF, which constitutes 44% of all projects co-financed under SMF. It is worth pointing out that out of 50 proposals submitted in the second call only three were rejected in the stage of formal appraisal.

Out of 26 research projects awarded funding in the Seed Money Fund, only 8 were submitted in the second call. The Steering Committee finally recommended two out of them. Out of 41 projects co-financed within SMF under priority 2.5, only 15 applications were submitted in the second call. Nevertheless it is not clear how many of them will be awarded funding because the meeting of the Steering Committee for this priority has not been held yet.

Out of 12 projects of non-governmental organisations which were awarded funding under SMF, as many as 7 applied under the calls within the Fund for Non-governmental Organisations which were launched in 2007. However only one of them was awarded funding. One project did not pass the formal appraisal.

2.3.3 Fund for Non-governmental Organisations

On 6 February 2007 the Donor States took the decision on the launch of the Fund for Non-governmental Organisations in the form of final versions of *Grant Offer Letters*. In consequence, on 23 February 2007 grant agreements were signed, which enabled Operators to start programming and implementing activities. Operators also launched a common website - www.funduszngo.pl concerning the implementation of the above-mentioned Fund. On 24 April 2007 a conference was held inaugurating the launch of the Fund.

In the reporting period in question there were four calls for proposals – two under Component 1. *Democracy and civil society*, one under Component 2. *Protection of the environment and sustainable development* and one under Component 3. *Equal opportunities and social integration*.

In accordance with accepted plan of activities for 2007, under Component 1. *Democracy and civil society* two calls for proposals were announced. The first call for the amount of 1,8 million euro lasted from 24 April to 8 June 2007. To the Fund Operator -

Cooperation Fund Foundation - 843 proposals were submitted (500 „small” projects, 339 „micro” projects, 4 „medium” projects (not eligible)). The Appraisal Commission chose 84 projects out of them (22 „small” projects - average amount of co-financing – approx. 161 550 PLN; 62 „micro” projects – 47 395 PLN). Until the end of 2007, 80 agreements with beneficiaries were signed. One on-the-spot check was conducted.

The second call for proposals for the amount of 3,4 million euro was announced on 7 September and ended on 22 October 2007. In total, 895 proposals were submitted to the Fund Operator, including 329 „micro” projects, 316 „small” projects, 172 „medium” projects, 78 „big” projects. Formal appraisal of submitted proposals ended in mid-November 2007. Financing was granted to 78 projects, including: 4 „big” projects, 8 „medium” projects, 28 „small” projects, 38 „micro” projects.

Within Component 2. *Protection of the environment and sustainable development* – ECORYS Polska - in 2007 one call for proposals was held for the amount of 5 million euro, which lasted from 24 July to 28 September 2007. 370 proposals were submitted and the financing was granted to 40 projects. Until the end of year 2007 no agreement with a beneficiary was signed.

Within Component 3. *Equal opportunities and social integration*, managed by the company ECORYS Polska, the call for the amount of 5 million euro was launched on 24 April and ended on 29 June 2007. In the end 1232 proposals were registered. Due to the fact that beneficiaries applied for large amounts of financing (average value of the project was 445 thousand PLN), financing was granted to only 43 applicants. Until the end of 2007 42 agreements with beneficiaries were signed.

2.3.4 Scholarship and Training Fund

In February 2007 works on the preparation of the scope of assistance under Scholarship and Training Fund (FSS) started. MRD, in cooperation with the Ministry of National Education (MNE), the Ministry of Science and Higher Education (MSHE) prepared a document entitled *Scholarship and Training Fund – scope and basis of implementation*, which was approved by European Committee of the Council of Ministers on 17 April 2007. MNE and MSHE appointed the Foundation for the Educational System Development (FESD) as the Operator of the Scholarship and Training Fund. The choice of the Operator and the scope of assistance were accepted by the Donors.

During the annual meeting with the Donor States in June 2007, the Polish side raised a formal request for the prolongation possibility of the contracting period under FSS. In accordance with the legal framework in force, this period ends in April 2011 and the Polish side in the working proposal applied for the prolongation of this period until December 2012. Finally on 16 July 2007 the Donors communicated their decision. According to it the final eligibility date for projects was prolonged until 31 December 2011, and the final eligibility date for settlement of the whole Fund until 30 April 2012.

FESD in cooperation with MSHE and MNE prepared a proposal, which was officially submitted by MRD for the acceptance of the Donors on 16 October 2007⁹. Until the end of the year consultations between MRD, Operator and the donor side were held on the scope of assistance as well as the implementation system of FSS. FMO once again confirmed that FSS will be implemented according to the rules in force in ERASMUS net. It also suggested the preparation of the implementation system through direct cooperation of NFP with the Operator .

2.3.5 Cultural Exchange Fund

From January to March 2007 talks were held between the Polish side and the Donors concerning conditions of the Fund implementation. Working meeting with the participation of representatives of Donors, the Ministry of Culture and National Heritage (Operator) as well as National Focal Point was held on 22 March 2007.

On 17 April 2007 European Committee of the Council of Ministers approved the document *Cultural Exchange Fund – scope and basis of implementation*. On 5 June 2007 MRD submitted to the Financial Mechanism Office in Brussels the document *Basis for the Cultural Exchange Fund*.

Additionally, it was established at the Annual Meeting with Donors in June 2007 that NFP would prepare an additional justification for the prolongation of the final eligibility date of expenditures within Cultural Exchange Fund as well as additional reasons for the possible covering of management costs of Cultural Exchange Fund within the free resources available from Technical Assistance Fund. On 28 June 2007 the Polish side received an official confirmation by the Donors that the domestic co-financing from the state budget will be

⁹ Until the end of January 2008 the Donor side did not communicate a decision on this matter.

required at the level of 10% of total eligible costs of the Fund. At the same time in mid-July 2007 the Donors presented their decision concerning the prolongation of the final eligibility date for projects until 31 December 2011 and final eligibility date for the settlement of the whole Fund until 30 April 2012.

On 10 September 2007 a proposal for the launch of Cultural Exchange Fund was submitted by the Polish side to FMO to be approved by the Donors. At the end of October 2007 FMO transferred to the Polish side for consultations a draft Annex III to the grant agreement concerning the Cultural Exchange Fund. Comments raised by the Polish side were discussed with the Donors during the meeting in Brussels on 29 October 2007. As a result of these talks as well as later arrangements, a final content of the above-mentioned Annex has been established. The document, in the version accepted by Ministry of Culture and National Heritage, was officially submitted to the Donors in mid-November 2007.

On 28 November 2007 FMO in Brussels transferred to the Polish side information on the positive assessment of the proposal under the Fund and on the award of the Grant Offer Letter for the Fund. At the same time Ministry of Culture and National Heritage undertook consultations with Ministry of Regional Development on the preparation of application documents for beneficiaries of Cultural Exchange Fund. On 3-4 December 2007 in Oslo meetings with the participation of Ministry of Culture and National Heritage, National Focal Point and the Donor side (i.a. Norwegian Ministry of Culture and Church Affairs) were held with the aim to i.a. prepare the inauguration of Cultural Exchange Fund planned initially for the beginning of February 2008.

2.4 State of Commitments made and Disbursements of Resources

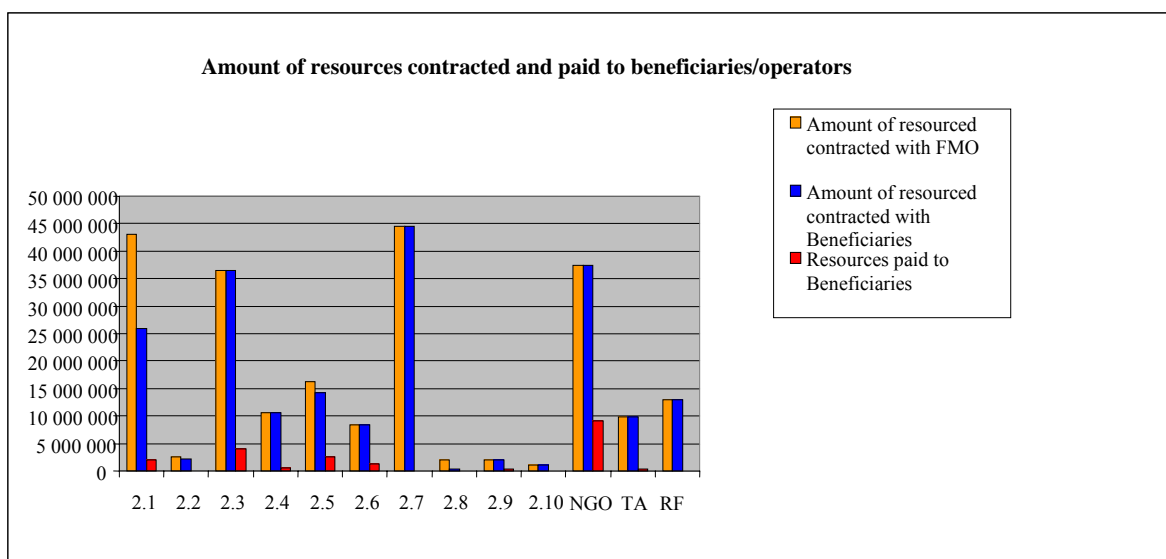
Until the end of 2007 MRD concluded a total of 149 agreements for the amount of 227 261 535 euro with Financial Mechanisms Committee and/or the Norwegian Ministry of Foreign Affairs, including 144 agreements for implementation of individual projects and programmes for the amount of 167 053 153 euro. The value of agreements for individual projects and programmes signed with the Financial Mechanisms Committee amounted to 87 344 854 euro. On the other hand the value of agreements signed with Norwegian Ministry of Foreign Affairs amounted to 79 708 299 euro.

Until the end of the year, Intermediate Bodies and Auxiliary Institutions signed within the above-mentioned agreements 118 agreements with beneficiaries for the amount of 145 923 390 euro.

The amount of payments made from the resources of the Financial Mechanisms by Intermediate Bodies for individual beneficiaries as well as under block grants according to the state as of 31 December 2007 amounts to 20 148 945 euro, which constitutes over 9,8% of amount contracted by Intermediate Bodies and with operators of block grants. The state of contracted resources and payments made for beneficiaries is presented in the table and chart below.

Priority	Amount of resources contracted with FMO	Amount of resources contracted with Beneficiaries	Resources paid for beneficiaries
2.1	42 979 810	25 917 172	1 871 439
2.2	2 639 843	2 261 876	145 437
2.3	36 548 175	36 548 175	3 994 228
2.4	10 664 289	10 664 289	492 958
2.5	16 282 891	14 303 559	2 582 469
2.6	8 403 716	8 403 716	1 217 239*
2.7	44 509 591	44 509 591	0
2.8	2 015 826	306 000	40 739
2.9	1 949 512	1 949 512	331 678
2.10	1 059 500	1 059 500	33 969
NGO	37 350 000	37 350 000	9 048 227
TA	9 858 382	9 858 382	390 562
FBN	13 000 000	13 000 000	0
TOTAL	227 261 535	206 131 772	20 148 945

* MSHE passed information about the state as of 4.12.07



2.5 Monitoring the use of resources

In accordance with the provisions of the *Monitoring System* as well as checks plan for the second half of 2007, NFP conducted check visits in all Intermediate Bodies and Auxiliary Institutions as well as operators of block grants. These checks aimed at checking the fulfilment of procedures and audit paths in the process of verification and acceptance of payment claims as well as reports on the implementation of projects. During the checks no irregularities were detected. However in relation to negligence NFP formulated recommendations.

Additionally, NFP conducted on-the-spot checks on the implementation of 8 projects.

2.6 Information and promotion

Within information and promotion activities, the website of the Ministry of Regional Development on the Financial Mechanisms www.eog.gov.pl as well as the websites of individual Intermediate Bodies/Auxiliary Institutions are updated on a regular basis. On the website of MRD there were published i.a. updated *Operational Programme for the use of financial resources EEA Financial Mechanism as well as The Norwegian Financial Mechanism*, document *System of financial flows for individual projects and programmes implemented under EEA Financial Mechanism and The Norwegian Financial Mechanism* and also the document *Scholarship and Training Fund and Cultural Exchange Fund – scope and*

basis of assistance. Updated lists of projects submitted in the call in 2005 and accepted for financing by the Donor States, are published on the website on a regular basis. In relation to the second call for proposals, statistics summarizing the call for proposals were placed there. Additionally, in order to better systematize information, MRD created a new layout and structure of information on the website www.eog.gov.pl.

An important element of the information works is also the operation of the Information Point, which gives answers on the telephone and by e-mail questions of potential beneficiaries.

Additionally, within information and promotion activities the representatives of the Ministry of Regional Development as well as Intermediate Bodies took part in a series of meetings and conferences on the implementation of the Financial Mechanisms in Poland.

Date	Undertaking
11 January 2007	A meeting of the Polish-Norwegian Parliamentary Group with the participation of a representative of NFP was held in the building of the Sejm of the Republic of Poland. The participants of the meeting were acquainted with the current state of the implementation of Financial Mechanisms. Members of the Group also received a suitable note with a list of projects approved by FMO for financing.
12 January 2007	The Ministry of Health acting as Intermediate Body for priority 2.5 <i>Health and childcare</i> organized a conference on the possibilities of the use of resources and the rules of submitting proposals under above-mentioned priority. A representative of the NFP took part in the meeting as a speaker.
23 February 2007	The Ministry of Health organized a training conference directed to potential applicants of priority <i>Health and childcare</i> concerning the opportunities of the use of resources and the rules of submitting proposals within priority 2.5.
16 February 2007	The Ministry of Culture and National Heritage organized a Polish-Norwegian seminar on creating partnerships under priority 2.3 <i>Conservation of European cultural heritage</i> entitled „Investments within the protection of the cultural heritage: creating new partnerships”.
5 March 2007	On the initiative of the Silesian MPs, in the Office of the Śląskie Voivodship a conference entitled „EEA Financial Mechanism and Norwegian Financial Mechanism” was held. The conference was directed to local government officials of the Śląskie Voivodship.
6-7 March 2007	Training for the potential beneficiaries of priority 2.7 <i>Implementation of Schengen acquis</i> .
7 March 2007 in Warsaw and 15 March 2007 in Cracow	Intermediate Body (MRD) and Auxiliary Institution (Implementing Authority for the European Programmes) organized a training in the context of call 2007 for potential beneficiaries under priority <i>Regional policy and cross-border activities</i> .

9 March 2007	Marshal's Office of the Pomorskie Voivodship organized with the participation as speakers of the representatives of the National Focal Point, the Ministry of Culture and National Heritage, the Office for Foreign Aid Programs in Health Care – Auxiliary Institution for priority <i>Health and childcare</i> as well as the National Fund for Environmental Protection and Water Management - Auxiliary Institution for environmental priorities a conference on „Financing of projects within EEA Financial Mechanism and the Norwegian Financial Mechanism – the 2nd call for proposals”.
30-31 March 2007	The Ministry of Environment organized a Polish-Norwegian seminar for the beneficiaries of environmental priorities under the Financial Mechanisms entitled „EEA Financial Mechanism and Norwegian Financial Mechanism – thinking about environment”.
24 April 2007	A conference inaugurating the Fund for Non-governmental Organisations organized by Operators: Cooperation Fund Foundation and Ecorys Sp. z o.o.
14 June 2007	In Cracow, on the second day of the annual meeting with Donor States visits of the Donors were held at the site of three implemented projects, two within priority 2.3. <i>Conservation of European cultural heritage</i> („Renovation and Modernisation of the Gallery of 19 th Century Polish Art in Sukiennice, Cracow” as well as „An Upgrade of the Annexe Building of the International Cultural Centre Seat in Cracow”) as well as one project implemented within priority 2.6. <i>Academic research</i> , i.e. „Collegium Medicum of the Jagiellonian University – New methods of diagnosing and monitoring respiratory diseases using mass spectrometry”.
25-26 June 2007	The Ministry of Environment organized a training and information seminar entitled Correct and compliant with Programming Documents of the European Economic Area Financial Mechanism and the Norwegian Financial Mechanism implementation of recommended projects” for beneficiaries under 1st call, with the participation of speakers from Ministry of Regional Development, the National Fund for Environmental Protection and Water Management, Ministry of Finance and the Financial Mechanism Office in Brussels.
8 August 2007	Intermediate Body (MRD) and Auxiliary Institution (Implementing Authority for the European Programmes) organized trainings for beneficiaries of priority 2.9 <i>Regional policy and cross-border activities</i> in the context of filling in Project Interim Repors.
22 August 2007	A Press conference of Mr. Janusz Mikuła, Under-Secretary of State in MRD, the subject of which was the progress in implementation of Financial Mechanisms in Poland in connection with half of the period, for which activities connected with those instruments were planned.
4 September 2007	NFP organized a training for Intermediate Bodies and Auxiliary Institutions. The aim of the meeting was in general the description of the matters connected with reporting, in particular fulfilment and rules of quarterly reports as well as Project Interim Repors after the end of the second period of projects implementation under the EEA Financial Mechanisms.
10 September 2007	Training in Warsaw for beneficiaries of priority 2.5 <i>Health and childcare</i> .
20-21	Conference „Euroregions – the path to sustainable development of the border regions”

September 2007	organized by the Polish-Ukrainian Centre of Public Education under project PL0010, supported by the Norwegian Financial Mechanism.
21 September 2007	Inauguration of the project PL0044 – Creation of open access recreation zones for children in Poznan and organisation of after school activities.
26 September 2007	A conference inaugurating the launch of the Polish-Norwegian Research Fund. Among the participants of the conferences were: Prof. Michał Seweryński, the Minister of Science and Higher Education of the Republic of Poland, Mr. Oystein Djupedal, Minister of Education and Research of the Kingdom of Norway as well as many guests from Poland and Norway. During the meeting a call for proposals for financing projects under Fund was launched.
2 October 2007	Inauguration of the project PL0049 Open Sports and Recreation Facilities Complex in Grodzisk Wielkopolski.
17-19 October 2007	<p>A Conference in Malbork and in Gdańsk with the participation of the Ambassador of the Kingdom of Norway, Mr. Knut Hauge and Mr. Janusz Mikuła, Under-Secretary of State in MRD as well as other guests from the Norwegian Ministry of Foreign Affairs, Norwegian Ministry of Foreign Affairs, FMO in Brussels, as well as Polish institutions, entitled „Regional policy in the context of the implementation of EEA Financial Mechanism and the Norwegian Financial Mechanism as well as Structural Funds”, organized by the Ministry of Regional Development in cooperation with the Norwegian representatives of the Donor States.</p> <p>The aim of the conferences was strengthening of bilateral cooperation between Poland and Donor States, as well as:</p> <ul style="list-style-type: none"> - presenting the role of the Financial Mechanisms as well as Structural Funds in the context of regional development in Poland, - presenting the meaning of the towns and regions in the territorial development of Poland and the Donor States,
27 October 2007	Inauguration of the project PL0043 Creation of integrated, open access recreation zones for children in Bydgoszcz
5 November 2007	Inauguration of the project PL 0031 Working out and implementing innovative methods of integration of cadastre data, base map and Topography Data Base (TBD) and modernisation of services provided by geodetic and cartographic service.
27 November 2007	NFP organized a training for Intermediate Bodies and Auxiliary Institutions on the financial aspects of the implementation and monitoring of projects implemented under the Financial Mechanisms as well as issues connected with compliance with the public procurement law.
27-28 November 2007	Training for beneficiaries of priorities 2.7 <i>Implementation of Schengen acquis</i> and 2.9 <i>Regional policy and Cross-border activities</i> under the Financial Mechanisms in the context of amended Act on Public Procurement.
12 December 2007	Training for beneficiaries of priorities 2.7 <i>Implementation of Schengen acquis</i> and 2.9 <i>Regional policy and cross-border activities</i> under the Financial Mechanisms concerning the Project Interim Repors, organized by Intermediate Body (MRD) and Auxiliary

	Institution (Implementing Authority for the European Programmes).
13 December 2007	Intermediate Body (MRD) and Auxiliary Institution (Implementing Authority for the European Programmes) organized a training for applicants of priority 2.9 <i>Regional policy and cross-border activities</i> under the Norwegian Financial Mechanism in the context of 3rd call for proposals for individual projects and programmes.

Within activities connected with promotion of projects implemented under the Financial Mechanisms, a series of study visits was held in FMO in Brussels by representatives of Intermediate Bodies and Auxiliary Institutions for priorities *Implementation of Schengen acquis*, *Regional policy and cross-border activities* and *Conservation of European cultural heritage*. The aim of the meetings was presentation of projects and reasons for their recommendation for financing by the Polish side.

Additionally, on 3 December 2007 subsequent information and promotional workshops, organized by FMO in Brussels, was held, in which representatives of the National Focal Point participated.

3. Plan of the Implementation of the EEA Financial Mechanism in the Period January – December 2008

In the next reporting period, the Polish side will expect from the Financial Mechanism Office the remaining Grant Offer Letters from the first call for proposals as well as decisions in relation to proposals under the second call. The Polish side plans to finish the appraisal of proposals under the second call and their transfer to FMO before the end of April 2008. Additionally there are plans to continue concluding grant agreements between the Donors and the Polish side in relation to projects submitted in the first and second call as well as agreements with beneficiaries. In 2008 further works connected with monitoring the implementation of projects and their checks will be carried out. There are also plans to announce the third and final call for individual projects and programmes. The last two block grants, i.e. Scholarship and Training Fund and the Cultural Exchange Fund will be also launched.

3.1. Monitoring of the Implementation of the Projects

The Polish side expects that in the first quarter 2008 the Financial Mechanism Office will submit the missing Grant Offer Letters under the first call. Additionally there are plans to successively sign further grant agreements between representatives of the Donor States and the National Focal Point as well as implementing agreements between Intermediate Bodies and end-beneficiaries. In relation to decisions of the European Commission on fulfilment of regulations on public aid, the Donor side will take a decision in relation to several projects, for which these regulations will be applied. The Donors' decision shall be taken on the basis of the recommendation of the Polish side.

In relation to the second call for proposals, the Polish side plans to submit to the Financial Mechanism Office the other projects recommended for financing before the end of April 2008. At the same time, the Polish side expects from FMO the first Grant Offer Letters in relation to the second call in February 2008. In 2008 the stage of signing agreements and the implementation of projects under the second call for proposals within the Financial Mechanisms will be started.

Activities connected with monitoring of the implementation of projects under the first and the second call will be carried out, comprising periodic reporting on the implementation of projects as well as on-the-spot checks of the implementation of the projects. These checks, except for the external monitoring checks carried out by the Donor States, will be to a large extent conducted by the Polish side, taking into account in particular the role of Intermediate Bodies and Auxiliary Institutions. The National Focal Point will supervise the whole process of the implementation of above-mentioned projects as well as monitoring at each stage of their implementation. It will be actively involved in the checks system of individual projects. Two Meetings of the Monitoring Committee will be also held.

3.2 Third Call for Proposals

In accordance with arrangements on the meeting between representatives of NFP and Donor States in Brussels on 29 November 2007, the third call for individual projects and programmes under EEA Financial Mechanism and the Norwegian Financial Mechanism was planned in for the period from 1 February to 31 March 2008. The amount of 60 615 000 euro was envisaged for the projects. The third call covers six priorities envisaged in the Operational Programme: 2.2 *Promotion of sustainable development*, 2.4 *Human resources development*, 2.7 *Implementation of Schengen acquis*, 2.8 *The environment, inter alia, with*

emphasis on strengthening the administrative capacity, 2.9 Regional policy and cross-border activities and 2.10 Technical Assistance relating to the implementation of aquis communautaire.

3.3 Implementation of Block Grants

Within the Technical Assistance Fund works in the whole year 2008 will be continued, in accordance with the Justification for the Technical Assistance Fund grants needs for 2008 which was submitted to FMO on 20 September 2007.

On 28 November 2007, the Donor States took a final decision on the launch of the Cultural Exchange Fund. In the 1st quarter 2008 there are plans to sign a grant agreement. It is estimated that the official launch of the Fund will take place at the beginning of February 2008 and the first call for proposals will be announced in the 1st quarter 2008.

In 2008 the Scholarship and Training Fund will be also launched. In the first half of 2008 there are plans to sign agreements between the Polish side and the Donor States and between representatives of the Donor States and the Operator of the Fund which will be enabled by the launch of the Fund.

The Schedule for the Fund for non-governmental organisations for 2008 foresees the announcement of two calls for proposals under Component 1 *Democracy and civil society* (the closes call will be launched on 29 April 2008 and the next one is planned for the 4th quarter of 2008), one under Component 2. *Protection of the environment and sustainable development* (2nd quarter 2008) and one under Component 3. *Equal opportunities and social integration* (11 January - 14 March 2008).

3.4. Information and Promotion

In connection with announcement of the final call for proposals within Financial Mechanisms in 2008, the information and promotional policy will concentrate on, first of all, informing the general public about the effects of the implementation of the Financial Mechanisms in Poland, constant updating of the lists of projects awarded funding under the fist and second call, informing the Financial Mechanism Office in Brussels as well as mass media in Poland about the important promotional events connected with implementation of the Financial Mechanisms. At the beginning of 2008 information activities connected with the

announcement of the third call for proposals will be also held (first of all within the operation of the Information Point).

The table below presents an approximate schedule of planned information and promotional works in 2008.

Period	Undertaking	Comments
1st quarter	<ul style="list-style-type: none"> - Information activities connected with announcement of the third call for proposals - Organisation of a conference summarizing the 2nd Call for proposals within priority 2.3 Conservation of European cultural heritage as well as inauguration of the Cultural Exchange Fund 	In cooperation with Intermediate Body and Auxiliary Institutions
2nd quarter	<ul style="list-style-type: none"> - Information activities connected with inauguration of FSS - Publication of information materials presenting the effects of implementation of Financial Mechanisms in Poland - Publication of the information and promotional supplement to a Polish national daily 	In cooperation with Operators of block grants
3rd – 4th quarter	<ul style="list-style-type: none"> - Organizing a conference summarizing the three calls for proposals 	
Constantly	<ul style="list-style-type: none"> - Constant updating of the content of the website www.eog.gov.pl. - Operations of the Information Point (answers to phone calls and e-mails with questions of applicants and beneficiaries) - Participation of the representatives of NFP in conferences / trainings / meetings organized by potential beneficiaries on the territory of the whole country. 	

Conclusions

The main element of the fulfilment of obligations resulting from the concluded Memorandum of Understanding on the implementation of the EEA Financial Mechanism in Poland in the reporting period: January – December 2007 was the appraisal of proposals sent under the second call for proposals, signing grant agreements between the Financial Mechanisms Committee and the National Focal Point as well as implementing agreements between a competent Intermediate Body and a beneficiary. Additionally works were conducted in relation to monitoring of the implementation of projects selected under the first call. The Fund for Non-governmental Organisations was launched. The total allocation of resources was used under the Seed Money Fund. At the same time works were conducted for the launch of the remaining block grants – the Scholarship and Training Fund and the Cultural Exchange Fund. In relation to the latter, in November 2007 the Polish side received from the Donor States a decision on the launch of the Fund in the form of a *Grant Offer Letter*.

Amendments introduced to programming documents aimed at updating and streamlining the implementation system of the Financial Mechanisms as well as streamlining the system of financial flows within the EEA Financial Mechanism.

When it comes to the next annual reporting period, the activities of the implementing authorities of the EEA Financial Mechanism will be focused on tasks connected with call for proposals under the third and final call for proposals as well as their appraisal and selection. Works in relation to signing grant agreements under the first and second call will be continued. Activities in relation to the monitoring of the projects' progress and promoting effects of the implementation of the Financial Mechanisms in Poland will be also conducted. In the following reporting period activities will be carried out in relation to the implementation of horizontal funds. The next calls for proposals under Fund for Non-governmental Organisations will be held. The last two block grants, Scholarship and Training Fund as well as Cultural Exchange Fund, will be launched.