FINANCING MEMORANDUM

The European Commission, hereinafter referred to as "THE COMMISSION", acting for and on behalf of the European Community, hereinafter referred to as "THE COMMUNITY" on the one part, and

The Government of Poland, hereinafter referred to as "THE RECIPIENT" on the other part,

HAVE AGREED AS FOLLOWS

The measure referred to in Article 1 below shall be executed and financed out of the budget resources of THE COMMUNITY in accordance with the provisions set out in this Memorandum. The technical, legal, and administrative framework within which the measure referred to in Article 1 below shall be implemented is set out in the General Conditions annexed to the Framework Agreement of 31 May 1990 between THE COMMISSION and THE RECIPIENT, and supplemented by the terms of this Memorandum and the Special Provisions annexed hereto.

ARTICLE 1 - NATURE AND SUBJECT

As part of its aid programme, THE COMMUNITY shall contribute, by way of grant, towards the financing of the following MEASURE:

Programme number PL0108

Title Phare 2001 – Cross Border Co-operation Programme Poland - Germany

Duration Until 30 November 2003.

ARTICLE 2 - COMMITMENT OF THE COMMUNITY

The financial contribution of THE COMMUNITY is fixed at a maximum of 44 MEUR hereinafter referred to as "THE EC GRANT".

ARTICLE 3 - DURATION AND EXPIRY

For the present MEASURE, THE EC GRANT is hereby available for contracting 30 November 2003 subject to the provisions of this Memorandum. All contracts must be signed by this date. Any balance of funds of the EC GRANT which have not been contracted by this date shall be cancelled. The deadline for disbursement of THE EC GRANT is 30 November 2004. All disbursements must be completed by the deadline for disbursement. THE COMMISSION may however, in exceptional circumstances, agree to an appropriate extension of the contracting period or of the disbursement period, should this be requested in due time and properly justified by THE RECIPIENT. This Memorandum shall expire at the expiry of the disbursement period of the EC GRANT. All the funds which have not been disbursed shall be returned to the Commission.
ARTICLE 4 - ADDRESSES

Correspondence relating to the execution of THE MEASURE, stating THE MEASURE’S number and title, shall be addressed to the following:

for the COMMUNITY:

Delegation of the European Commission in Poland
Emilii Plater 53
00 - 113 Warsaw
Poland
Fax: (+48-22) 520 82 82

for THE RECIPIENT:

Ministry of Internal Affairs and Administration
ul. Stefana Batorego 5
02-591 Warsaw
Poland
Fax: (+48-22) 661.89. 66

ARTICLE 5 - NUMBER OF ORIGINALS

This Memorandum is drawn up in duplicate in the English language.

ARTICLE 6 - ENTRY INTO FORCE

This Memorandum shall enter into force on the date on which it has been signed by both parties. No expenditure incurred before this date is eligible for the EC GRANT.

The Annexes shall be deemed an integral part of this Memorandum

Done at Warsaw
Date: ..........................

for THE RECIPIENT

Mrs Danuta Hübner
Secretary of the Committee
for European Integration

Done at Warsaw
Date: ..........................

for THE COMMUNITY

Mr. B. Dethomas
Head of the Delegation of the
European Commission in Poland

Annex 1 Framework Agreement (Annexes A & B)
Annex 2 Special Provisions (Annex C)
1. STRATEGY
The region bordering Germany is regarded by the Polish Government as a development priority area in the view of its strategic location in transport lines and integration process with the European Union. The Strategic approach is defined by the Joint Programming Document developed by the Polish and German sides in collaboration. For the purposes of the JPD the German-Polish border area consists of three Länder on the German side: Mecklenburg-Vorpommern, Brandenburg and Saxony, and the corresponding neighbouring Polish Voivodships: Zachodniopomorskie, Lubuskie and Dolnoslaskie (Lower Silesia). The Euroregions associated are Pomerania, Pro Europa Viadrina, Spree-Neisse-Bober(Szprewa-Nysa-Bobr), and Neisse/Nysa.

This strategic approach is to emphasise the Polish and German parts of the border areas as a single entity, where a joint, sustainable programme for improving social and economic activities should be developed. This is done in the context of the National Development Programme. (Economic and Social Cohesion is a short-term priority of the Accession Partnership with Poland. In December 1999, the Polish Government approved a preliminary National Development Plan (NDP) as an annex to its National Programme for the Adoption of the Acquis). While each of the sub-programmes is focuses on its specific elements, two main fields of activity have been identified along the whole border:

The first is to remove existing barriers and improve the basic conditions for development and co-operation in the border area. One of the most important aspects for further development is a modern and effective infrastructure in areas such as traffic, water supply, waste treatment, etc.

The second is to realise the potential for better economic, rural and social development. These can be released mainly by using the potential of economic co-operation across many fields including tourism. Furthermore, to maintain the long term existence of a productive agriculture as basis for living in rural areas, together with sustainable policy towards the protection of the environment is an important aspect. Finally, the social and cultural dimensions essential to an enhanced quality of life, including education and training are important factors to establish societal institutions that further cross-border development.

To assure the proper monitoring and assessment of the achievements of each measure (and the supporting projects) the establishment of base-line indicators is necessary for each of the following priorities, to serve as a reference point for the measurement of programme performance.

- Promotion of enterprise development and business co-operation
- Improving Infrastructure
- Environment
- Agriculture and Rural Development
- Training and Employment
- Co-operation (Security, Culture, People to people Actions, including Small Project Fund)

In respect of financing choices and in particular in comparison with the use of Interreg funds, it should be noted that the German side disposed of much higher resources for a longer period for these priorities and is therefore able to concentrate on the “second stage” economic developments since the fundamental infrastructure is catered for. The Polish side on the other
hand still has a number of infrastructure problems to resolve. It is, in fact, largely with the CBC programme as a catalyst that the Polish side has been able to address these issues.

2001 Programming process

The total amount available for Poland in 2001 for CBC will be 56 M€, of which 44 M€ is for Poland/Germany. The remaining funds are dealt with under the separate PL/Baltic (3 M€) PL/CZ (5 M€) and PL/SK (4 M€) programmes which are the subject of separate Financing Proposals.

The 2001 Programme project selection process is fully defined within the JPD and takes place according to a sequence of qualifying stages. At the first stage, the independent expert panel checks quality and eligibility. Then the joint PL/D regional sub-committees apply their ranking and finally the Joint Cooperation Committee (Polish-German), which regroups the regional sub-committees, the national levels and the European Commission, delivers its opinion.

2. DESCRIPTION OF PROJECTS

The Phare contribution to the projects described is provided for hard infrastructure constructions, the purchase of equipment and training where appropriate as designated in detail in the relevant project 'fiche'. IFIs are not involved in CBC projects but bilateral or other national donors with their specific conditionalities may contribute as indicated in the project fiches.

2.1 Krzeszyce Waste Water Treatment Plant (Lubuskie Voivodship) PL0108-01

The project provides for the construction of the Krzeszyce Waste Water or sewage treatment plant. Krzeszyce is situated on the Postomia river, a tributary of the Warta river. Postomia which flows through the entire “Slonsk” nature reserve / sanctuary and, given low water level, is of importance to the quality both in the sanctuary and the neighbouring sections of Warta and Odra rivers. The section between Kostrzyn and Szczecin is the cleanest section of the entire Odra river and its condition should be protected and improved system. In the Postomia river basin and Warta estuary the Krzeszyce Community is the only one without a sewage treatment plant, other communities built their sewage treatment plants recently: Slonsk - 1996, Witnica - 1999, Sulecin - 1999, Kostrzyn - 2000. Crude sewage dumped from Krzeszyce community disturbs operation of those sewage treatment plants and is detrimental to the effect of their operation.

2.2 Association of local communes – MG-6 (six commune) sewage system integration (Lubuskie Voivodship) PL01.08-02

The project provides for the construction of the regional system of sewage interconnecting the six neighbouring communes, since building separate sewage treatment plants in all the communes would be not cost effective. The modernized sewage treatment plant is intended to collect all the sewage from Gorzów and the neighbouring communes. This project will also eliminate around 1500 individual cesspits. New buildings will be linked directly on to the network, thus removing a barrier to economic development in the area and the districts of Gorzów Wlkp.
2.3 Gorzow Emergency Services – intervention vehicles - (Lubuskie Voivodship) PL01.08-03.

The Project provides for the continuation of the co-operation undertaken within the framework of the programme “Crossborder environmental protection and emergency response to natural disasters and calamities in Lubuskie province and Land Brandenburg”. Crisis resulting from an industrial or natural disaster often have a crossborder impact and Polish and German emergency services started their co-operation in 1994. This project provides for the purchase of six equipped vehicles and complements the national and Phare funding in co-operation with the German partners.

2.4 Zagan By-Pass (Lubuskie Voivodship) PL01.08-04

The project will result in the construction of the by-pass for the town of Zagan, 4,906 km long, along the route of national road no 12 Leknica – Szprotawa. This national road Leknica – Zary – Zagan – Szprotawa is a key part of the cross-border transport system. It takes traffic to three border crossings in Leknica, Olszyzna and Przewóz and is an access road to the border. The by-pass of the city of Zagan is part of the final stage of by-pass construction around cities located along this national road. Currently heavy traffic is slowed down and severely congests the centre of Zagan. This traffic is severely detrimental for the natural environment, the dwelling houses and the historic monuments as well as for the structure of the main bridge in the town over the Bóbr river.

2.5 Wilkanowo By-Pass (Lubuskie Voivodship) PL01.08-05

The project will result in the construction of the by-pass for the town of Wilkanowo, 4,9 km long, from the national road no 32. At present, vehicles bound for the border crossings in Olszyzna, Leknica and Przewóz, entering the national road no 27, have to go through Luzycka Street in Zielona Góra, through the residential area. The construction of the by-pass will channel all the national roads entering the town, thus eliminating the transit traffic from the centre of the town as well as facilitating access to the industrial district without the need to enter the town. The by-pass of Wilkanów is the continuation of the North-Western Route in Zielona Góra, constructed during the last few years, and being the part of the national road no 32 Gubin – Poznan. The constructed by-pass will take over the traffic going to the above mentioned border crossings from the national road no 32.

2.6 Modernisation of Frankfurt / Slubice linking infrastructure (Lubuskie Voivodship) PL01.08-06

The project will result in the construction of the 2,100 m long and 6m wide roads in the surrounding areas of the bridge including 9,200m long and 3m wide paths along the Oder River connecting the border bridge with the leisure areas. Included are also: the reconstruction of the Przyjazn Park located in the centre of the town including exchanging of the overpass heating pipe system into an insulated underground network and modernisation of the OŚiR Stadium and park facilities nearby. The project is the common initiative of Slubice and Frankfurt’s local authorities, which decided together to solve the problems of economic development serving the inhabitant’s needs and providing the modernisation of both towns’ physical infrastructure. The Slubice town is not able to develop in isolation by itself since the urban structures are closely linked to those of Frankfurt as they formly were a single administrative unit. The common development strategy of the both towns indicates that the future investments will be able to fulfil the towns’ inhabitants needs.

2.7 Eurolas II – ‘Integration of the forests protection systems – monitoring and prevention of forests fires’ (Lubuskie Voivodship) PL01.08-07
Voivodeship Lubuskie is in an area where the risk of forest fires is very high, and as a result of a number of years of joint Polish and German co-operation in planned activities by both Forestry Commissions in forests resource protection, a common strategy/approach has been developed. This project aims at extending the monitoring system of outbreaks of fire and strengthening the rapid reaction capacity so as to prevent fires spreading out of control. This involves the purchasing and installing of automatic meteorological stations; the purchasing and equipping of patrol vehicles and constructing of fire watch towers. In addition, firefighting kits and equipment for making fire gaps will be bought and 10 km defence lines (fire gaps in large complexes of pine’s forests) will be build. The German partner has planned the development of a video camera automatic control system of fires breaking out as well as the development of early recognition systems.

2.8 Emergency Services – intervention logistic infrastructure and vehicles - (Zachodniopomorskie Voivodship) PL01.08-08

Following the agreement signed on 22 December 1993 between Poland and Germany on cross border co-operation for fire brigade actions, the German party commenced implementation of a project called “Cross border environmental protection and disaster prevention in Ostvorpommern and Uecker-Randow districts and the town of Greifswald (D) and Swinoujscie Police districts and the town of Szczecin (PL)”. The Polish side developed a compatible project receiving financial support under the PHARE CBC. The objective of both projects is to create a coherent hazard analysing system and a computer/alarm system equipped with data processing functions. However full implementation of the aforementioned objective requires replacement of the completely used up rescue/extinguishing equipment in the period of 2001 to 2004, as well as improved working conditions of the Polish National Fire Brigade units. This project forms a follow-up to the actions taken previously. This present project provides for the purchase of rescue/extinguishing equipment and vehicles and the construction of a new Headquarters building for National Fire Brigade along with the necessary logistical infrastructure and equipment.

2.9 Sewage disposal in the municipality Gryfino (Zachodniopomorskie Voivodship) PL01.08-09

In 1991 town authorities of Gryfino and Gartz signed an official agreement on co-operation in the fields of culture, sport and municipal management. The first result of co-operation in municipal management field was action undertaken in order to construct sewage treatment plants in Gryfino and Gartz. In 17th July, 1995, in both towns, sewage treatment plants were first opened. Economic growth has continued and following the joint German / Polish planning the core system can now be extended. It is intended to construct sewers from catering, commercial, agro-tourist, public buildings and houses to the modernised treatment plant. This will allow the treatment of 7 500 m³ of sewage per day, liquidate 600 septic tanks and allow for the construction of residential accommodation.

2.10 Construction of a Kamien Pomorskie road improvements (Zachodniopomorskie Voivodship) PL01.08-10

This project is part of the Kamien Pomorski town development plan which aims to provide a ring-road around the town. The project provides for the construction of a bridge over the Swiniec channel in the town and the reconstruction of the intersection (compact roundabout) of provincial roads No 103 and No 107.

2.11 Refurbishment of crossroads: Mieszka I, Dabrowskiego, Piast?w, Boh. Warszawy, Powst. Wielkopolskich in the path of the national road no 13 (Zachodniopomorskie Voivodship) PL01.08-11
This project is designed to improve the traffic flow in between Szczecin and the border crossing points in Kolbaskowo, Rosówek and Lubieszyn, by bringing the road quality up to the needs of current and future expected traffic. The project consists of a series of refurbishments including re-construction of part of the Mieszka I roadway and the re-construction of the crossroads of Boh. Warszawy St., Dabrowskiego St., Piastów Av., Powst. Wielkopolskich St., Mieszka I St.. Tram lines and utility conduits and networks are also planned.

2.12 Regional Waste Management Program for the Municipality “Old Police” and linked communities (Zachodniopomorskie Voivodship) PL01.08-12

Work which began in 1998 by the Municipal authorities led to the part modernisation of Police sewage treatment plant. The goal of the overall project was to receive and treat all local municipal sewage. The work has had to be done in stages in order to protect the groundwater from pollution. First an intercepting sewer was built, connecting the municipal sewers to the sewage treatment plant. This project, with strong local funding support, continues and completes the scheme with the construction of a sanitary gravitational/pressure sewerage system 28 km long along with necessary infrastructure (pumping stations with power supply), connection of 5 locations, including a part of the Police town (“Old Police”) to the sewerage system.

2.13 Regional Crime Detection Forensic Science Laboratory, Provincial Police Headquarters, Szczecin - (Zachodniopomorskie Voivodship) PL01.08-13

The project implementation will result in creation of two crime detection laboratories, i.e. stolen car examination laboratory and osmological examination laboratory along with technical back-up facilities. A modern archive with quick data access will also be established. The project will contribute directly to an increase in the stolen car detection ratio, improve other crime detection ratios, increase safety in the region, and in general facilitate implementation of obligations delegated to the Provincial Police Headquarters, Szczecin under international governmental agreements.

2.14 Modernisation of the National Road No 6 on section Goleniów – Nowogard (Zachodniopomorskie Voivodeship) PL01.08-14

The project consists of the reconstruction of the National Road No 6 Goleniów – Nowogard on the section from km 30+425 to km 45+400 including pavement widening and reinforcement, modernisation and construction of bridges on Gowienica and Stepnica Rivers. The road section modernisation shall be the second stage of the National Road No 6 modernisation, with parameters up to EU accession requirements. The improvement in road quality within Zachodniopomorskie Voivodeship, will increase traffic safety and driving comfort improving of the traffic fluency and security on the route from the Polish – German border to Koszalin and Gdansk. These purposes are in compliance with and follow also the spatial planning of Goleniów, Osina and Nowogard Communes.

2.15 Sewage system in the Municipality of Proszkowa (Lower Silesia Voivodship) PL01.08-15

The project consists of the construction of the sewerage system basing on gravitational and forced (pumping stations) flow of household wastewater from the localities of Proszówka, Wieza, and Krzewie Wielkie to the modernised wastewater treatment plant in Gryfów Śląski and construction of water pipes in the localities of: Wieza, Wolbromów, Krzewie Wielkie. Currently the area of the Gmina of Gryfów Śląski has a primitive water pipe sewerage and
systems. Sewage effluent flows into individual unconnected septic tanks without outflow and is deposited on ploughed lands, forests or ditches. Existing cesspools leak and wastewater is reaching the ground water with the consequent health risks. The project therefore aims at treating the wastewater in accordance with EU standards and therefore considerably improving the quality of drinking water so as to remove the health risks.

2.16 Sewage system in the Municipality of Piensk (Lower Silesia Voivodship) PL01.08-16

The project consists of the construction of the construction of a sewerage pipeline length of 30 km; water pipeline length of 23 km and the installation the equipment for the tertiary treatment of the waste water. As early as 90/91 the cooperation between Piensk and the relevant administrative authorities started. Bilateral efforts has resulted in successful completion of a joint German – Polish Dechka/Piensk waste water project in 1995. In 1996 EC LIFE project “Cross border solution to potable and sewage water problems” Nr 93/D/A was launched. The purpose of LIFE project was to elaborate the guidelines for transboundary water protection projects that meet requirement environmental Directives. Deschka-Piensk waste water treatment plant was used as example of an effective procedure. Bundesstiftung Umwelt. The currently proposed project is based on the technical solutions that are proposed in the above mention “Study”.

2.17 Radoniów by-pass construction (Lower Silesia Voivodship) PL01.08-17

The project consists of the construction of the Radoniów by-pass which lies along the route of the national road No 30 Zgorzelec–Luban–Jelenia Góra, including. The project includes the construction of the road hard shoulder; construction of a bridge over the railway; provsion of slow-traffic lane; repair of the pavement of the existing road in the town of Radoniów; construction of culverts; reconstruction of underground infrastructure including construction of rain water drainage. The national road No 30 is an important element of the road network connecting Germany with Poland. Already financed from the Phare funds, the modernisation of the road section Luban – Olszyna is at the last stage of implementation and preparations are underway to construct the Olszyna by-pass, also financed by Phare. The Radoniów by-pass is an important element of the plan to improve road traffic along the route Zgorzelec-Luban-Jelenia Góra-Wroclaw. It will eliminate the destructive effects on the town which of the heavy good traffic passing through.

2.18 Modernisation of road number 352 within the stretch from Radomierzyce - Zgorzelec and including Zgorzelec by-pass road (Lower Silesia Voivodship) PL01.08-18

The project consists of the modernisation of road number 352 within the stretch from km 0 + 000 to km 12 + 162 Radomierzyce - Zgorzelec including Zgorzelec by-pass road” including: strengthening of surface course (up to 115 KN load per axis) and widening the carriageway to 7 m; construction of hardened shoulders of 2 x 2 m; correction of horizontal bends (up to standards); construction of slow-traffic lanes on upward slopes (as per standards); modernisation of road infrastructure (sidewalks, bus recesses, crossroads, road drainage, traffic safety facilities, etc). Road 352 is of increasing importance given the rise in cross-border traffic from the border crossings in Zittau / Sieniawka and Bogatynia / Kunratice as well as the Radomierzyce/Hagenwerder border crossing currently under construction. At present the road is not technically capable of carrying the rising and future cross-border traffic since no major refurbishments have taken place for the last 15 years.

2.19 Strengthening Security at the Border - PL01.08-19
The Polish and the German law enforcement agencies of Police and Border Guard have been working together closely over the past years and supported by the Phare programme and bilateral assistance have developed their joint management of the current external border to high levels. The resulting decreased numbers of illegal migrants reflects the efficiency of these operational links. Previous programmes have extended specialist language skills, provided document checking equipment and installed basic telecommunications links. This project, closely discussed by both partners, will further extend the technical capability of the Polish side in these areas, and provide for an additional domain of joint activity with the purchase of surveillance and associated equipment. The current project consists of the purchase of 4 portable infrared cameras and the purchase of 2 cars equipped with technological surveillance devices. In addition the project will supply transmission equipment for the Police forces along the western border. This involves the purchase and installation of transmission equipment in the local Police stations: base stations, retransmission stations, mobile radio phones and portable radio phones.

2.20 Scheme for business related infrastructure - PL01.08-20

The Phare 2001 CBC programme is introducing the possibility of having infrastructure projects of a medium size to be managed according to the rules of a “Scheme” in accordance with the Phare Guidelines. This project, for a Scheme, will provide funding for business related infrastructure. Projects will be supported for: the creation of infrastructure for regional institutions dealing with the promotions of business, transfer of technology and know – how and supporting the development of small and medium businesses (e.g. modernization and equipment for such institutions’ buildings); the creation of infrastructure intended to facilities of the economic activity conducted by small and medium businesses and the infrastructure which would make the regions more attractive for potential investors (e.g. construction and modernization of the transportation network, removal of bottlenecks in the development of small and medium businesses related with the environment protection). And the creation of infrastructure for the development of the cross-border tourism, including modernization / construction of bike roads, construction, modernization and putting up signs on tourist routes.

2.21 Small Project Fund - PL01.08-21

To encourage local initiatives for small scale projects in the field of cross border co-operation between neighbours, this Fund has proved successful since its introduction in the 1995 programme. It is managed and co-ordinated by Euro-regions located on the Polish-German border. Decisions can be proposed at that level for all small projects up to an agreed ceiling, and are confirmed by the Director of the Implementing Authority and the Commission Delegation, under responsibility of the PAO. The continuation is encouraged by the positive opinion received in the CBC report of November 1998 produced and distributed to MS and by ongoing permanent assessment of the projects themselves by independent experts appointed by the Commission and working in Poland. The SPF includes small infrastructure projects according to the standardised guidelines developed in co-operation with European Commission. As concerns the administrative support for operating JSPF, up to 7% of the Phare contribution may be used for expenditure relating to the preparation, selection, appraisal and monitoring of the assistance. This is conditional upon the provision of at least the same amount from the regions for covering the management costs of the operation. This financial support is provided to the administrative structures running the JSPF, normally situated in the Euroregions.

Under the Phare 2000 programme a specific allocation is made here for small infrastructure projects. The eligible area for the Fund is the Euroregion in the extent defined on 31st December 1999.

On the same basis a separate allocation is made for "people to people" actions in which the eligible area is also the Euroregion in the extent defined on 31st December 1999.
2.22 Technical Documentation Support PL01.08-22

In keeping with the requirements of the Financial and Phare Regulations notably as directed under the rules for tendering and contracting, part of the programme allocation is devoted to the professional checking of tender documentation related in particular for infrastructure. This includes the updating of the base document for the future evaluation of the programme; the building and developing of the specialist resources of local and regional institutions involved in regional development and stimulation and support for the creation of permanent structures among the local and regional organisations in the border region. In addition, it is also necessary to provide some financial assistance to the Regional Steering Committees as well as The Joint Co-operation Committee in the scope of interpreting services during official meetings, of preparation of meeting papers for their members and to cover other activities performed by these bodies directly related to the CBC programme (costs of experts to evaluate project proposals, travels and organisation costs etc.). This part of allocation shall also cover costs of monitoring of results achieved within the programme since 1994.

Note:

All investment projects will apply the procedures of directive 85/337 as amended by 97/11 on environmental impact assessments and that all projects will comply with the related EU directive. In this context, all projects related to sewage collection and treatment should ensure emission standards complying with those applicable for sensitive waters in line with directive 97/271 on urban wastewater treatment.

All investment projects shall be carried out in compliance with the relevant Community environmental legislation. The Project Fiches will contain specific clauses on compliance with the relevant EU-legislation in the field of the environment according to the type of activity carried out under each investment project.
3. BUDGET (M€)

<table>
<thead>
<tr>
<th>Sub-program number</th>
<th>Sub-programme number</th>
<th>Phare 0.59</th>
<th>Investment 43.41</th>
<th>Total Phare 44</th>
</tr>
</thead>
<tbody>
<tr>
<td>PL/D</td>
<td>PL/D</td>
<td>0.59</td>
<td>43.41</td>
<td>44</td>
</tr>
</tbody>
</table>

List of projects:

- **PL01.08-01** Krzeszyce Waste Water Treatment Plant (Lubuskie)
- **PL01.08-02** Association of local communes – MG-6 (six commune) sewage system integration (Lubuskie)
- **PL01.08-03** Gorzow Emergency Services – intervention vehicles - (Lubuskie)
- **PL01.08-04** Zagan By-Pass (Lubuskie)
- **PL01.08-05** Wilkanowo By Pass (Lubuskie)
- **PL01.08-06** Modernisation of Frankfurt / Slubice linking infrastructure (Lubuskie)
- **PL01.08-07** Eurolas II – ‘Integration of the forests protection systems – monitoring and prevention of forests fires’ (Lubuskie)
- **PL01.08-08** Emergency Services – intervention logistic infrastructure and vehicles (Zachodniopomorskie)
- **PL01.08-09** Sewage disposal in the municipality Gryfino (Zachodniopomorskie)
- **PL01.08-10** Construction of a Kamien Pomorskie road improvements (Zachodniopomorskie)
- **PL01.08-11** Refurbishment of crossroads: Mieszka I and others (Zachodniopomorskie)
- **PL01.08-12** Regional Waste Management Program for the Municipality “Old Police” and linked communities (Zachodniopomorskie)
- **PL01.08-13** Regional Crime Detection Forensic Science Laboratory, Provincial Police Headquarters, Szczecin (Zachodniopomorskie)
- **PL01.08-14** Modernisation of the National Road No 6 on section Goleniów – Nowogard (Zachodniopomorskie)
- **PL01.08-15** Sewage system in the Municipality of Proszkowa (Lower Silesia)
- **PL01.08-16** Sewage system in the Municipality of Pienisk (Lower Silesia)
- **PL01.08-17** Radoniów by-pass construction (Lower Silesia)
- **PL01.08-18** Modernisation of road number 352 within the stretch from Radomierzyce - Zgorzelec and including Zgorzelec by-pass road (Lower Silesia)
- **PL01.08-19** Strengthening Security at the Border
- **PL01.08-20** Scheme for business related infrastructure
- **PL01.08-21** Small Project Fund
- **PL01.08-22** Technical Documentation Support

4. Implementation Arrangements

4.1 Joint Co-operation Committee

The Joint Cooperation Committee required by the Regulation (EC) No 2760/98 of 18 December 1998 subsumes the membership and role of the Joint Programming and Monitoring Committee was established on the basis of the Framework Agreement signed between Polish and German authorities on the 20 December 1994.

3.1.1 Composition

The co-chairmen of the Committee are:
The co-chairmen define the composition of their respective delegations to the Committee and may set up special working groups consisting of representatives of local and regional authorities and representatives of ministries and other Polish and German institutions concerned.

The European Commission representatives will participate in the meetings of the Committee. They will look to the conformity of proposed measures and projects with EU-requirements. They will also take a view on the complementarity of project proposals with respect to INTERREG.

4.1.2 Frequency and Place of Meetings

The ordinary meetings of the Committee are held every six months alternately in each of the countries concerned. Extraordinary meetings may be required during the period of preparation of programmes and annual financing proposals, or if there are any special implementation issues. Such meetings may be called at any time by agreement of the co-chairmen or the Commission. Extraordinary meetings called at the request of the Commission may be held in Brussels.

4.1.3 Secretariats and Working Groups

The preparation of reports, agendas and minutes of the meetings of the Committee will be organised by the co-chairmen and their services.

Technical Assistance, including interpretation and translation support to the Committee, the Secretariats and the joint working groups may be provided from funds of PHARE Cross Border Co-operation and INTERREG III.

4.1.4 Activities of the Committee

The Committee in the scope of its activities will monitor needs, select project and evaluate the realisation of measures under PHARE Cross Border Co-operation and of the relevant measures of INTERREG III. The Committee - deciding by consensus - should in particular:

- give its opinion on the objectives, priorities and CBC measures proposed for inclusion in the Indicative Multi-annual PHARE CBC programme and the Operational Programmes of INTERREG III;
- approve the selection of specific projects;
- receive reports on progress, reviews and evaluations of the approved programmes and their component parts;
- initiate and support activities which can promote Cross Border Co-operation and make more effective current and future CBC programmes.

The implementation arrangement envisages involvement of the local and regional authorities from border regions as well as a structure that ensures co-ordination with the authorities of the Member State including the selection of joint projects eligible for financing in the framework of the Cross Border Co-operation Programme, as well as projects eligible for financing by INTERREG in future years. The European Commission representatives participate in its
meetings and will be present therefore whenever programming matters are discussed and decided.

Special working groups consisting of representatives of local / regional authorities and/or ministries and other Polish and German institutions concerned will co-ordinate the implementation of the projects on both sides of the border.

4.2 Steering Committee of the Programme

A Polish Steering Committee is established, the tasks of which are the confirmation and possible identification of projects, selection procedure confirmation / evaluation and monitoring of the programme as a whole. This steering committee, thus mandated, ensures the overall inter-ministerial co-ordination

It consists of the following institutions:
- Ministry of Internal Affairs and Administration
- Ministry of Finance
- Ministry of Transport and Maritime Economy
- Ministry of Environment
- Ministry of Foreign Affairs
- European Integration Committee
- Ministry if Economy
- Self-Governmental Regional Parliament (Zachodnio-Pomorskie, Lubuskie, Dolnoslaskie)
- Voivodships (Zachodnio-Pomorskie, Lubuskie, Dolnoslaskie)
- Eligible Euroregions
- Implementing Authority for the Phare Cross Border Co-operation Programme
- EC Delegation

The Steering Committee will meet regularly, at least once in 6 months.

4.3 Institutional Arrangements

The overall co-ordination and financial responsibility for the Programme will lie with the Ministry of Internal Affairs and Administration which has established under the PAO the Implementing Agency (herein after named the 'Authority') for the Phare Cross Border Co-operation Programme. The responsibility of the Director of the Implementing Authority, is exercised under the PAO.

The Implementing Authority will delegate responsibilities to the relevant authorities, (in accordance with the usual Memorandum of Understanding referred to below), inter alia the Voivodships, mayors and presidents of cities where special working teams designated to the implementation of the Cross-border Co-operation Programme will be established. The delegated responsibilities will include implementation obligations under the Decentralised Implementation System. A Programme Authorising Officer will be nominated by the signatory of the Financing Memorandum.

Local Project Managers at project level will be directly responsible for project implementation.
4.4 Implementation Arrangements

The programme will be managed in accordance with the Phare Decentralised Implementation System (DIS) Procedures. The National Aid Coordinator (NAC) will have overall responsibility for programming, monitoring and implementation of Phare programmes. The National Aid Co-ordinator and the National Authorising Officer shall be jointly responsible for co-ordination between PHARE (including PHARE CBC), ISPA and SAPARD.

The National Fund (NF) in the Ministry of Finance, headed by the National Authorising Officer (NAO), will supervise the financial management of the Programme, and will be responsible for reporting to the European Commission. The National Authorising Officer shall have overall responsibility for financial management of the PHARE funds. He shall ensure that the PHARE rules, regulations and procedures pertaining to procurement, reporting and financial management are respected, and that a proper reporting and project information system is functioning. The National Authorising Officer shall have the full overall accountability for the PHARE funds of a programme until the closure of the programme.

Appropriate financial control shall be carried out by the competent national financial control authority with respect to the implementation of the programme.

The Commission will transfer funds to the NF in accordance with the Memorandum of Understanding signed between the Commission and Poland on 24 December 1998. Funds will be transferred following requests from the NAO.

A payment of up to 20% of the funds to be managed locally will be transferred to the NF following signature of the Financing Memorandum and the Financing Agreements (FAs) between the NF and the Implementing Agency (IA): the Implementing Authority for the Phare Cross Border Co-operation Programme under the responsibility of the PAO within the Ministry of Internal Affairs and Administration. The responsibility of the Director of the Implementing Authority is exercised under the PAO.

The provisions foreseen in articles 2 and 13 of the MoU on the NF must also be met. Furthermore, the NAO must submit to the Commission the designation of the PAO and a description of the system put in place, highlighting the flow of information between the NF and the IA and the manner in which the payment function will be carried out.

Four replenishments will be made of up to 20% of the funds to be managed locally or the full balance of the budget whichever is the lesser amount. The first replenishment will be triggered when 10% of the budget has been disbursed by the IA. The second replenishment may be requested when 30% of the total budget in force has been disbursed. The trigger point for the third replenishment is 50%, and for the final fourth instalment when 70% is disbursed. Save for express prior authorisation from the Commission HQ, no replenishment request may be made if the aggregate of the funds deposited in the NF and the IAs exceeds 10% of the total budget in force of the commitment. Exceptionally the NAO may request an advance payment of more than 20% in accordance with the procedures laid down in the aforesaid Memorandum of Understanding.

The National Fund will transfer funds to Implementing Agencies (IA) in accordance with Financing Agreements (FAs) signed between the NFs and the IA where applicable. Each individual FA will be endorsed in advance by the European Commission. The IA is to be headed by a Programme Authorising Officer (PAO) appointed by the NAO after consultation with the NAC. The PAO will be responsible for all the operations carried out by the IA.

A separate bank account, denominated in € will be opened and managed by the NF in a separate accounting system in the Central Bank. In principle, all bank accounts will be interest
bearing. Interest will be reported to the European Commission. If the Commission so decides, on the basis of a proposal from the NAO, interest may be reinvested in the Programme. The same procedures will apply to any funds transferred to an IA.

The NAO and the PAOs will ensure that all contracts are being prepared in accordance with the procedures set out in the DIS Manual, except for twinning arrangements for which separate measures have been defined by the Commission.

All contracts must be concluded by 30th November 2003. All disbursements must be made by 30th November 2004. All contracts must be greater than 2M€ unless otherwise agreed by the Commission.

Any funds not used by the expiry date of the programme will be recovered by the Commission.

For those contracts with funds retained for a warranty period extending beyond the end of the disbursement period of the programme, the overall total of funds related to those contracts, as calculated by the PAO and established by the Commission, will be paid to the Implementing Agency before the official closure of the programme. The Implementing Agency assumes full responsibility of depositing the funds until final payment is due and for ensuring that said funds will only be used to make payments related to the retention clauses. The Implementing Agency further assumes full responsibility towards the contractors for fulfilling the obligations related to the retention clauses. Interests accrued on the funds deposited will be paid to the Commission after final payment to the contractors. Funds not paid out to the contractors after final payments have been settled shall be reimbursed to the Commission. An overview of the use of funds deposited on warranty accounts - and notably of the payments made out of them - and of interests accrued will annually be provided by the NAO to the Commission.

All contracts made by the Implementing Authority will be done in accordance with the procedures set out in the above mentioned DIS manual unless otherwise specified in the Memorandum of Understanding referred to in Special Conditions and in respect of the following:

- Small infrastructure implementation modalities will follow those established for the small infrastructure components of existing PHARE programmes active in Poland, in particular STRUDER.

- Similarly the modalities for the "Euro-Regions - Small Fund" will draw on existing established practice of PHARE in Poland. The precise details will be covered in the Memorandum of Understanding referred to below under Special Conditions.

4.5 Special Conditions

The Government of Poland carries the legal liability to carry out the projects specified under the programme to good end and shall carry out by its own means any work on which contractors default.

In the measures specified under this programme in which the Community grant contributes to the financing of revenue generating activities, the Commission shall determine, in consultation with the Implementing Authority specific arrangements for financing which could include co-financing by the project revenues or reimbursement of the initial grant.

The European Union's financial contribution is limited to the maximum amount defined above in “1. IDENTIFICATION”. This contribution will not cover the any additional costs,
cost increases or extensions which must therefore be catered for by the implementing and contracting authorities.

Taking into account the characteristics of the projects and their co-financing nature, special arrangements including the way of organisation of the implementation will be jointly agreed separately in a separate Memorandum of Understanding.

5. MONITORING AND ASSESSMENT

A Joint Monitoring Committee (JMC) will be established. It will include the NAO, the NAC and the Commission. The JMC will meet at least once a year to review all Phare funded programmes in order to assess their progress towards meeting the objectives set out in Financing Memoranda and the Accession Partnership. The JMC may recommend a change of priorities and/or the re-allocation of Phare funds.

The JMC will be assisted by Monitoring Sub-Committees (MSC) which will include the NAC, the PAO of the CBC Programmes and the Commission Services. The MSC will review in detail the progress of each programme, including its components and contracts, on the basis of regular Monitoring and Assessment reports produced with the assistance of external consultants (in accordance with the provisions of the DIS Manual), and will put forward recommendations on aspects of management and design, ensuring these are effected. The MSC will report to the JMC, to which it will submit overall detailed reports on all Phare financed programmes.

6. ANTI-FRAUD MEASURES, AUDIT AND EVALUATION

All financing memoranda as well as the resulting contracts are subject to supervision and financial control by the Commission (including the European Anti-fraud Office) and the Court of Auditors. This includes measures such as ex-ante verification of tendering and contracting carried out by the Delegation in the Candidate Country concerned and on-the-spot checks.

In order to ensure efficient protection of the financial interests of the Community, the Commission can conduct check-ups and inspections on site in accordance with the procedures foreseen in Council Regulation (Euratom, EC) No. 2185/96 dated from November 11, 1996, concerning on-the-spot checks and inspections carried out by the Commission in order to protect the European Communities' financial interests against fraud and other irregularities.

The procedures foreseen in Art. 15 para 3 of Commission Regulation No. 2222/2000 dated from June 7, 2000, on the communication in case of irregularities and the putting in place of a system to administrate the information in this field shall apply.

The accounts and operations of the NF, and, where applicable, the CFCU and all relevant IAs may be checked at the Commission’s discretion by an outside auditor contracted by the EC without prejudice to the responsibilities of the Commission and the European Union's Court of Auditors as referred to in the General Conditions relating to the Financing Memorandum attached to the Framework Agreement.

The Commission Services shall ensure that an ex-post evaluation is carried out after completion of the Programme.

7. VISIBILITY/PUBLICITY

The appropriate PAO will be responsible for ensuring that the necessary measures are taken to ensure appropriate publicity for all activities financed from the Programme. This will be done
in close liaison with the Commission Delegation. Further details are at the Annex "Visibility / Publicity”.

8. SPECIAL CONDITIONS
In the event that agreed commitments are not met for reasons which are within the control of the Government of Poland, the Commission may review the programme with a view, at the Commission’s discretion, to cancelling all or part of it and/or to reallocate unused funds for other purposes consistent with the objectives of the global Phare programme.