

Programmes (groups of projects)

**The EEA Financial Mechanism
&
The Norwegian Financial Mechanism
2004-2009**

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1. GENERAL

Article 2.2.2 of the Rules and Procedures for the implementation of the EEA Financial Mechanism and the same article of the Rules and Procedures for the implementation of the Norwegian Financial Mechanism refer to guidelines on programmes (groups of projects). This guideline is intended to describe the general characteristics pertaining to programmes (groups of projects).

1.1 *What is a programme?*

A programme is a co-ordinated portfolio of separate projects developed and delivered by a representative partnership and aimed at achieving common spatially/sectorally/thematically defined objectives. They are intended to facilitate the implementation of more comprehensive and cost-intensive strategies.

A programme consists of component projects linked by a common theme or shared objective proposed at the regional, sub-regional or local level, or target specific national themes. Well-targeted and well-managed programmes can achieve a greater socio-economic impact than the sum of their component projects standing alone.

Programmes are typically drawn up by partnerships who will be representative of all those with a key interest in the proposed activities to be carried out. These partnerships will operate within a recognised strategy and will appoint a lead partner – the programme intermediary – who will be responsible to the National Focal Point for the implementation of the programme under delegated authority. The programme intermediary will act as an accountable body with full financial responsibility for the delivery of the programme and the transfer of payments to the promoters of component projects.

Applications on programmes must give a detailed and comprehensive account of all aspects of the proposed programme: its main objectives, an indication of the project activities that will form the programme and a delivery plan with proposed implementation arrangements including criteria and procedures for selection of component projects. This description must include details on the systems proposed to ensure proper accountability for disbursements as well.

The EEA Financial Mechanism and the Norwegian Financial Mechanism are intended to create additional benefits for the Beneficiary States. They provide an additional source of funding and shall not replace financial support from other sources. Accordingly, programmes should complement and must not replace existing activities supported by European Community funding and other financial sources.

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1.2 *Eligible applicants*

All public or private sector bodies and non-governmental organisations constituted as legal entities in the Beneficiary States, which operate in the public interest – e.g. national, regional and local authorities, NGOs, institutions within education/research, environmental bodies, voluntary and community organisations and public-private partnerships are eligible to apply to become programme intermediaries.

1.3 *Rate of grant assistance and co-financing*

The grant rate shall be determined on a case-by-case basis, as the minimum necessary to allow the programme to proceed, taking all relevant factors into account (e.g. the polluter pays principle and revenue generated by the project).

The contribution from the EEA Financial Mechanism or the Norwegian Financial Mechanism shall not exceed 60% of the total eligible programme cost except where activities are financed by central, regional or local government budget allocations, where the contribution may not exceed 85% of the total eligible cost. European Community ceilings for co-financing shall not be exceeded in any case. Intermediaries responsible for the implementation of programmes shall respect the same grant rates.

The combined support from the EEA Financial Mechanism, the Norwegian Financial Mechanism and the European Community, or other grants, shall generally not exceed 90% of total expenditure.

Support from the EEA Financial Mechanism and the Norwegian Financial Mechanism shall not replace other sources of finance including local grants, subsidised facilities, bank loans or export credits.

1.4 *Parties*

Programmes shall be implemented by a programme intermediary, which shall be an independent legal entity with strong ties either to the sector concerned or the geographical area in which the programme is to be implemented. The programme intermediary shall act as an accountable body for the programme, assuming full responsibility for the correct implementation thereof.

Component projects, making up the programme shall be administered by their promoters. They shall be accountable to the programme intermediary.

To ensure maximum impact of the programme, the programme intermediary shall establish partnerships with other representatives of interests in the sectors or geographical areas concerned. Those partnerships may be involved in the selection of component projects.

The EEA Financial Mechanism and/or the Norwegian Financial Mechanism and the Beneficiary State may establish a monitoring committee, responsible for monitoring the implementation of the programme. The monitoring committee may comprise representatives both from the Beneficiary State and the two mechanisms.

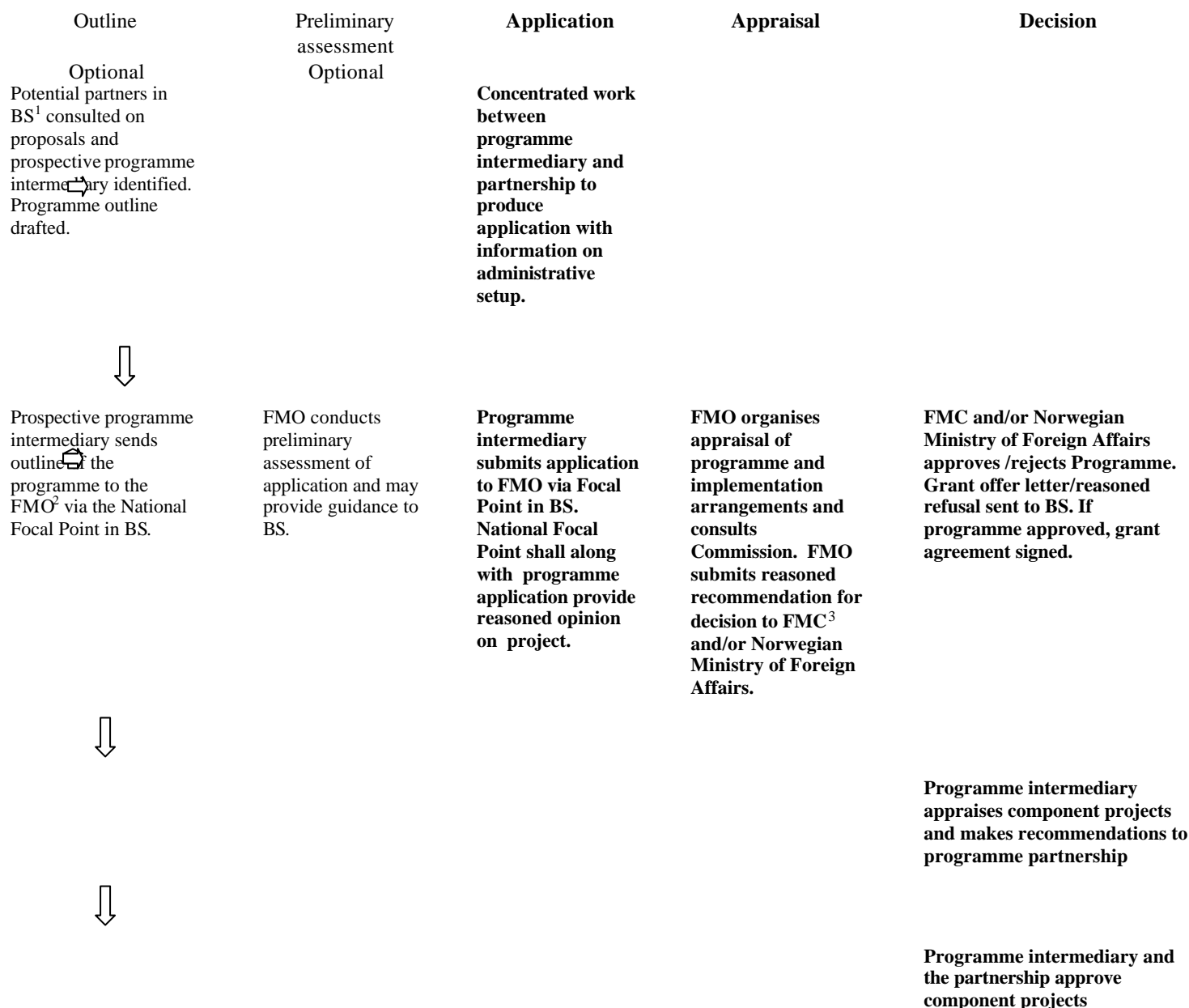
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2. Project cycle

2.1 *Appraisal and approval process*

Summary for Programmes



¹ BS (Beneficiary State)

² FMO (Financial Mechanism Office)

³ FMC (Financial Mechanism Committee)

³ FMO (Financial Mechanism Office)

⁴ BS (Beneficiary State)

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The applicant may submit a project outline before submitting a complete application. For the project outline and for the complete application, an application form shall be used. Applications and project outlines shall be submitted to the Financial Mechanism through the National Focal Point.

The approval of the FMC and/or the Norwegian Ministry of Foreign Affairs may only be given after submission of the complete application, including the proposed implementation arrangements for the programme.

The FMO will assess whether the programme is suitable for grant assistance and whether the implementation setup suggested is adequate and gives a recommendation for decision to the FMC and/or the Norwegian Ministry of Foreign Affairs.

If the programme is approved, the programme intermediary will proceed to select the component projects making up the programme.

2.2 Selection of component projects

The procedures for selection of component projects are to be agreed on by the FMC and/or Norwegian Ministry of Foreign Affairs and the programme intermediary. The latter will submit an initial suggestion for the selection process along with the grant application. The intermediary must widely advertise the call for applications for grants, using different media so that organisations and individuals in the agreed target areas and groups know they are available. The grant assessment arrangements of the programme intermediaries must allow effective competition to take place. The FMC and/or the Norwegian Ministry of Foreign Affairs may make suggestions for improvements of the procedure.

The system set up by the programme intermediary must:

1. Ensure that different interests in the geographical area or sector are taken into account,
2. Include the partnership set up by the programme intermediary in decision making,
3. Assure that decisions are taken in a transparent manner,
4. Provide that reasoned accounts of the programme intermediaries decisions are sent to the prospective final beneficiaries and to the FMC and/or the Norwegian Ministry of Foreign Affairs.

2.3 Monitoring and evaluation

The monitoring arrangements for a programme shall be stipulated in the grant agreement. The FMC and/or the Norwegian Ministry of Foreign Affairs may revise them at any time both during and after the implementation of the programme.

- Programme intermediaries shall make the appropriate arrangements on the reporting with promoters.

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- Programme intermediaries provide progress reports (including monitoring of sustainable development factors) to the National Focal Point in the Beneficiary State according to a schedule of milestones set out in the grant agreement.
- The National Focal Point reports at least once a year to the FMO.
- The FMO monitors programmes and normally for this purpose draws upon the services of a monitoring agent to undertake external monitoring of the programme, as well as on-the-spot checks.
- Ex-post evaluation of the programme may be carried out individually or in the context of the programming framework of the Beneficiary State in question.

The FMC and/or the Norwegian Ministry of Foreign Affairs may also set up a monitoring committee in the Beneficiary State to monitor the activities of the programme intermediary, including the selection of component projects and the use of funds. The monitoring committee shall include representatives from the programme intermediary as well as from the EEA Financial Mechanism and/or the Norwegian Ministry of Foreign Affairs. The monitoring committee shall report to the FMC and/or the Norwegian Ministry of Foreign Affairs on a regular basis.

On the basis of the reports from the monitoring committee, the FMC and/or the Norwegian Ministry of Foreign Affairs may take corrective action, including the retention or withdrawal of funds.

2.4 Disbursements

Grant assistance is given as reimbursement of already incurred documented costs according to an agreed disbursement schedule.

For programmes an advance payment of up to 10% may be made if justified by the Beneficiary State and deemed necessary by the FMC and/or the Norwegian Ministry of Foreign Affairs.

The programme intermediary must put in place the arrangements necessary (including advance payments) to ensure satisfactory cash flow to the promoters under the programme.

Assuming the role of an accountable body, the programme intermediary will be responsible for the correct use of funds and guarantee the authenticity of proof of expenditure, forwarded to the FMO.

The programme intermediary shall aggregate payment claims for the programme and transmit to the National Focal Point, together with all necessary documentary evidence demonstrating fulfilment of the disbursement conditions relating to the milestone(s) in question. The National Focal Point in turn presents the documentation to the FMO or, if applicable, its designated disbursement agent for disbursements.

Further guidelines on disbursements will be submitted once the FMO has concluded the necessary disbursement agent arrangements.

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2.5 *Management costs of the Beneficiary State*

In principle the management costs of the programme are borne by the programme intermediary and the Beneficiary State's administration.

In cases where additional dedicated management structures are created for the programme, with staff hired exclusively for the programme's management tasks during the period of project implementation, the related costs can be included in the eligible project budget. These costs may not exceed 4.0 % of the total eligible cost of the programme.

2.6 *Financial Control and Audit*

Audit and financial control is carried out in accordance with Article 6 of the Rules and Procedures of the EEA Financial Mechanism and the same Article of the Rules and Procedures of the Norwegian Financial Mechanism.