

# **Individual Projects**

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

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

## **Individual Projects**

### **Contents**

<b><u>1. GENERAL</u></b>	<b>3</b>
<u>1.1</u> WHAT IS AN INDIVIDUAL PROJECT ?	3
<u>1.2</u> ELIGIBLE APPLICANTS	3
<u>1.3</u> RATE OF GRANT ASSISTANCE AND CO-FINANCING	3
<u>1.4</u> SIZE OF PROJECT	4
<u>1.5</u> PARTIES	4
<b><u>2. PROJECT CYCLE</u></b>	<b>5</b>
<u>2.1</u> APPRAISAL AND APPROVAL PROCESS	5
<u>2.2</u> SELECTION OF SUB-PROJECTS	6
<u>2.3</u> MONITORING AND EVALUATION	6
<u>2.4</u> DISBURSEMENTS	6
<u>2.5</u> MANAGEMENT COSTS OF THE BENEFICIARY STATE	7
<u>2.6</u> FINANCIAL CONTROL AND AUDIT	7

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

## **Individual Projects**

### **1. General**

Article 2.2.1 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 individual projects. This guideline is intended to describe the general characteristics pertaining to individual projects.

#### **1.1 *What is an individual project?***

An individual project is an economically indivisible series of works fulfilling a precise technical function and with clearly identifiable aims. An individual project may include one or more sub-projects.

An individual project generally addresses a single issue of economic, environmental or social need within any one of the priority sectors of the EEA Financial Mechanism and/or the Norwegian Financial Mechanism. It is an investment which may stand alone, or be composed of several sub-projects. All elements of the individual project, including any sub-projects, must be clearly identified for appraisal at the outset.

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, projects should complement and must not replace existing activities supported by European Community funding and other financial sources.

#### **1.2 *Eligible applicants***

All public or private sector bodies and non-governmental organisations (NGOs) constituted as legal entities in the Beneficiary States and operating in the public interest - e.g. national, regional and local authorities, education/research institutions, environmental bodies, voluntary and community organisations and public-private partnerships are eligible to become promoters of projects.

#### **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 project to proceed, taking all relevant factors into account (e.g. the polluter pays principle and revenue generation).

The contribution from the EEA Financial Mechanism or the Norwegian Financial Mechanism in the form of grants shall not exceed 60% of the total eligible project cost

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

### **Individual Projects**

except in projects otherwise 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.

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 *Size of project***

The amount of grant assistance applied for shall normally not be less than €250 000.

#### **1.5 *Parties***

Individual projects shall be implemented by a promoter, which shall be an independent legal entity with strong ties either to the sector concerned or the geographical area in which the project is to be implemented.

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

## **Individual Projects**

## **2 Project cycle**

### **2.1 Appraisal and approval process**

#### **Summary for individual projects**

<b>Project outline</b>	<b>Preliminary assessment</b>	<b>Application</b>	<b>Appraisal</b>	<b>Decision</b>
Optional	Optional			
Applicant sends project outline to FMO <sup>1</sup> via National Focal Point in BS <sup>2</sup> .	FMO conducts preliminary assessment and may provide guidance to BS.	<b>Applicant submits application to FMO via National Focal Point in BS. National Focal Point shall along with application provide reasoned opinion on project.</b>	<b>FMO organises appraisal of project and consults Commission. FMO submits reasoned recommendation for decision to FMC<sup>3</sup> and/or Norwegian Ministry of Foreign Affairs.</b>	<b>FMC and/or Norwegian Ministry of Foreign Affairs approve(s)/reject(s) project. Grant offer letter/reasoned refusal sent to BS. If project approved, grant agreement signed.</b>

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 be given only after submission of the complete application.

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

---

<sup>1</sup> FMO (Financial Mechanism Office)

<sup>2</sup> BS (Beneficiary State)

<sup>3</sup> FMC (Financial Mechanism Committee)

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

**Individual Projects**

## **2.2 Selection of sub-projects**

Sub-projects must be defined in the application.

## **2.3 Monitoring and evaluation**

The monitoring arrangements for an individual project 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 individual project.

- Promoters 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 projects and normally for this purpose draws upon the services of a monitoring agent to undertake external monitoring of the project, as well as on-the-spot checks.
- Ex-post evaluation of the project may be carried out individually or in the context of the programming framework of the Beneficiary State in question.

## **2.4 Disbursements**

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

For individual projects 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.

Promoters submit requests for disbursements to the National Focal Point. The request shall be accompanied by all necessary documentary evidence demonstrating fulfilment of the disbursement conditions relating to the milestones in question. The National Focal Point in turn presents the documentation to the FMO or, if applicable, its designated disbursement agent for disbursement.

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

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

**Individual Projects**

**2.5    *Management costs of the Beneficiary State***

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

In cases where additional dedicated management structures are created for the project, with staff hired exclusively for this project'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 project.

**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.