

# **Programmes (groups of projects)**

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

(as amended on 26 January 2006)

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

**Programmes (groups of projects)**

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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, 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 an intermediary-level (implemented by a programme intermediary), and a sub-projects level (implemented by end-recipients). The sub-projects shall be 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 sub-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 be led by 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 end-recipients.

Applications on programmes must give a detailed and comprehensive account of all aspects of the proposed programme: its main objectives, an indication of the sub-project activities that will form the programme and a delivery plan with proposed implementation arrangements including criteria and procedures for selection of sub-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.

Eligibility of applicants for sub-projects funded by programmes will be determined in the grant agreement.

**1.3 Rate of grant assistance and co-financing**

The rate of the financial assistance to the programme is described in Article 3.2 of the Rules and Procedures as follows:

- (a) *Grant rate up to 60%*; With the exceptions referred to in subparagraphs (b) and (c) below, the grant rate shall not exceed 60% of the project cost.
- (b) *Grant rate up to 85%*; Where 15% or more of the project costs is co-financed by central, regional or local government budget allocations, the EEA Financial Mechanism and/or the Norwegian Financial Mechanism may provide a grant for the remainder of the project cost.
- (c) *Grant rate up to and above 85%*; For grant assistance set up to support NGO activities (including social partners), or to provide seed money or scholarships, the EEA Financial Mechanism and the Norwegian Financial Mechanism may be applied in combination in order to allow grant rates above those described in subparagraph (a) and (b) of this Article, but generally not above 90%. Domestic co-financing will normally be required.

The required co-financing shall normally be applied at the intermediary-level.

In addition to co-financing at the intermediary-level, intermediaries responsible for the implementation of programmes shall generally require that sub-projects funded by the programme are co-financed by the end-recipients. With the exception in the paragraph below, such co-financing by end-recipients does not affect the co-financing rate at the intermediary-level.

In exceptional cases, where the requirement of co-financing at the intermediary level might prevent the establishment of the programme, and the programme is of high relevance to the aims of the financial mechanisms, the Financial Mechanism Committee and/or the Norwegian Ministry of Foreign Affairs may decide to apply the grant rate requirements according to paragraph 1 on the sub-project level instead of the intermediary-level. In such cases, the Beneficiary States shall consult with the Financial Mechanism Committee and/or the Norwegian Ministry of Foreign Affairs and obtain their/its interim approval for such arrangement, prior to submitting the application to the FMO.

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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.

Sub-projects, making up the programme shall be administered by the end-recipients. 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 sub-projects.

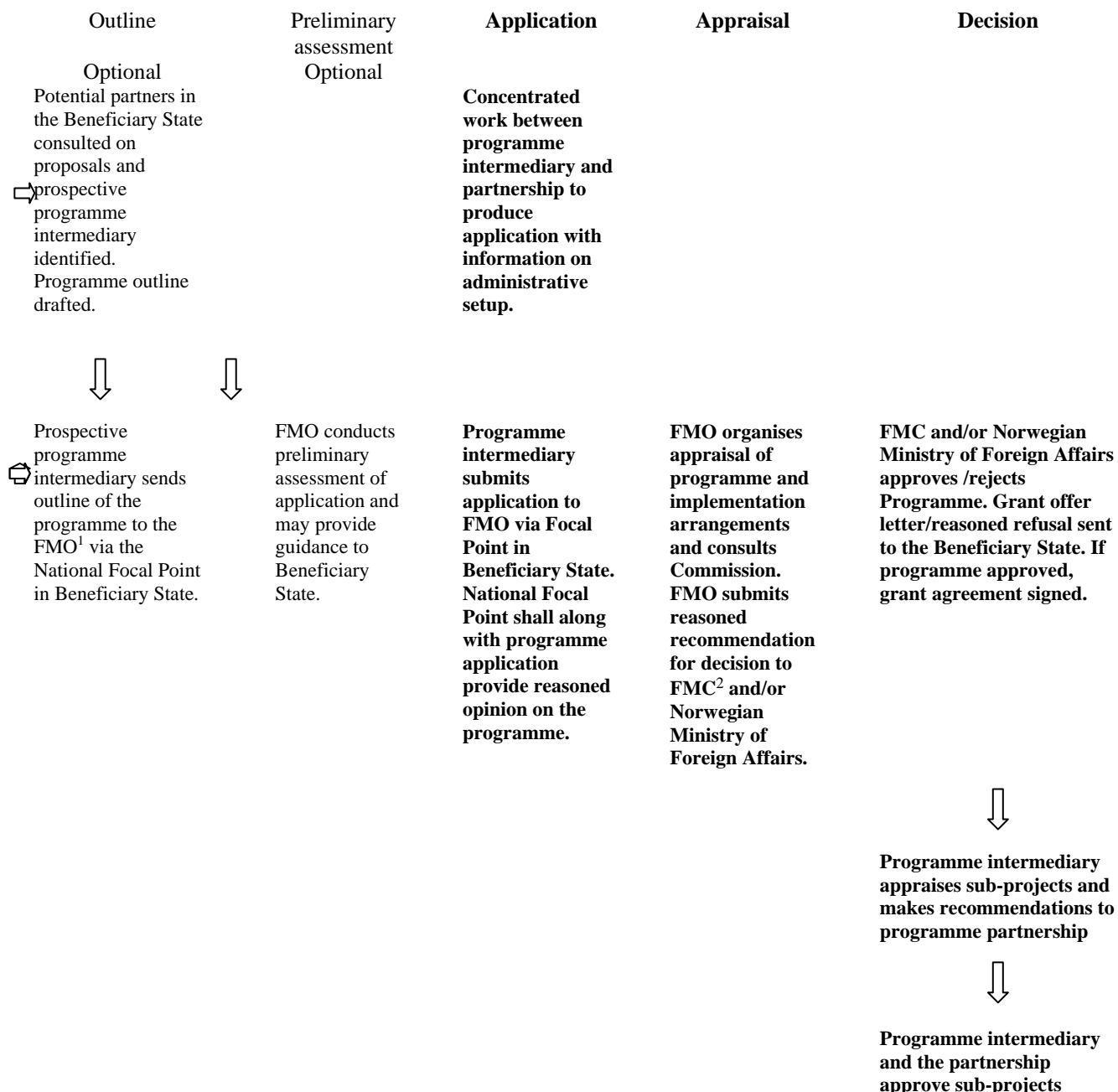
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## Programmes (groups of projects)

### 2. Project cycle

#### 2.1 Appraisal and approval process

Summary for Programmes



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

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

<sup>2</sup> FMC (Financial Mechanism Committee)

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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 set-up 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 sub-projects making up the programme.

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

The procedures for selection of sub-projects are to be agreed on in the grant agreement. 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 end-recipients 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 Focal Point shall ensure that these arrangements are sufficiently implemented and, if needed, take steps to strengthen them.

- Programme intermediaries shall make the appropriate arrangements on the reporting with end-recipients.
- Programme intermediaries provide progress reports (including monitoring of sustainable development factors) to the National Focal Point in the Beneficiary State.
- 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, including its sub-projects, as well as on-the-spot checks.

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- 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 Beneficiary State Reporting and Monitoring Guidelines contain a more detailed description of the reporting and monitoring requirements and procedures.

### **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 advance payment will be disbursed in accordance with the grant agreement.

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

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. The aggregated payment claim is an integral part of the project interim report. The National Focal Point in turn presents the documentation to the FMO or, if applicable, its designated disbursement agent for disbursements.

The Disbursement Guidelines contain a more detailed description of the disbursement procedures.

### **2.5 Management costs of the programme intermediary**

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 its implementation, the necessary related costs can be included in the eligible project budget. These costs shall be decided by the FMC and/or the Norwegian Ministry of Foreign Affairs on case-by-case bases, taking into account the size of the programme, the responsibilities of the intermediary and other relevant factors. These costs shall generally be in the range of 4-10 % of the total eligible cost of the programme. The amount of the total eligible management costs under this article shall be set in the grant agreement.

### **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.