

Individual 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**

Individual Projects

Contents

1	GENERAL.....	3
1.1	WHAT IS AN INDIVIDUAL PROJECT?.....	3
1.2	ELIGIBLE APPLICANTS.....	3
1.3	RATE OF GRANT ASSISTANCE AND CO-FINANCING.....	3
1.4	SIZE OF PROJECT.....	4
1.5	PARTIES.....	4
2	PROJECT CYCLE.....	5
2.1	APPRAISAL AND APPROVAL PROCESS.....	5
2.2	SELECTION OF SUB-PROJECTS.....	5
2.3	MONITORING AND EVALUATION.....	6
2.4	DISBURSEMENTS.....	6
2.5	MANAGEMENT COSTS OF THE PROJECT PROMOTER.....	6
2.6	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 generated by the project).

The rate of the financial assistance to an individual project 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.

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

Individual Projects

- (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 sub-paragraph (a) and (b) of this Article, but generally not above 90%. Domestic co-financing will normally be required.

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

Project outline	Preliminary assessment	Application	Appraisal	Decision
Optional	Optional			
Applicant sends project outline to FMO ¹ via National Focal Point in BS ² .	FMO conducts preliminary assessment and may provide guidance to BS.	Applicant submits application to FMO via National Focal Point in BS. National Focal Point shall along with application provide reasoned opinion on project.	FMO organises appraisal of project and consults Commission. FMO submits reasoned recommendation for decision to FMC³ and/or Norwegian Ministry of Foreign Affairs.	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.

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 Office 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.

2.2 Selection of sub-projects

Sub-projects must be defined in the application.

¹ FMO (Financial Mechanism Office)

² BS (Beneficiary State)

³ FMC (Financial Mechanism Committee)

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

Individual Projects

2.3 Monitoring and evaluation

The monitoring arrangements for an individual project 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.

- Promoters 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 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.

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 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. The advance payment is disbursed in accordance with the grant agreement.

Promoters submit requests for disbursements to the National Focal Point. The 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 disbursement.

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

2.5 Management costs of the project promoter

In cases where additional dedicated management structures and systems are created for the project, with staff hired exclusively for this purpose, 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,

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

Individual Projects

taking into account the size of the project, the responsibilities of the project promoter and other relevant factors. These costs shall generally be in the range of 4-10 % of the total eligible cost of the project. 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.