



Regulations and Annexes

EEA and Norwegian Financial Mechanisms 2014-2021

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Regulation

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Main proposals for change



- Joint Committee for Bilateral Funds and Bilateral Fund Agreement
- One fund for bilateral relations at national level
- Possible for Donors in exceptional cases to make payments directly from the fund for bilateral relations to final recipient
- NFP responsible for approving the management and control system at programme level

Main proposals for change



- Concept Note to replace the Programme Proposal
- Introducing the possibility to use Financial Instruments
- Removing specific rules on selection of projects, allowing Beneficiary States to apply their own procedures
- Final date of eligibility for project costs is 30 April 2024, without the possibility for extension

Main proposals for change



- Interim financial reports only twice a year
- Beneficiary States to evaluate all programmes
- Irregularities chapter restructured for clarification, and less burdensome quarterly reporting of irregularities
- Introduction of a waiver provision, to be applied in specific cases as a response to exceptional circumstances.

Chapter 1

General provisions



- Highlight the objectives of the EEA and Norwegian Financial Mechanisms (Art. 1.2)
- Principles of implementation, incl. good governance, sustainable development, and results and risk management approach (Art. 1.3)
- Shared responsibility to ensure visibility of the EEA and Norway Grants (Art. 1.7)
- Costs of Donors include technical support activities through DPPs and IPOs (Art. 1.9)

Chapter 2

Strategic approach



- Listing of priority sectors moved to this chapter (Art. 2.1)
- References to funding for DPPs and IPOs (Art. 2.2 and 2.3)
- Global Fund for Regional Cooperation, to be operated by FMO with separate rules to apply (Art. 2.4)

Chapter 2

Strategic approach



- Description of Strategic Report contents shorter, submission deadline tied to timing of the Annual Meeting (Art 2.6)
 - Combined Strategic Report for the EEA and Norwegian Financial Mechanisms allowed.
 - Reporting obligations from NFP to the FMO removed for programmes falling under Article 6.13
- Arrangements for Annual Meetings more flexible (Art. 2.7)

Chapter 3

Information and Communication



- Highlighting the overarching importance of information and communication, and shared responsibility (Art. 3.1)
- Unified, coherent overview of responsibilities of the NFPs and POs, with clearer roles in this work (Art. 3.2 and 3.3)
- NFPs to ensure that POs fulfil all information and communication obligations (Art. 3.2.3)
 - Details on PO responsibilities elaborated in Annex 3 to the Regulation
- A summary for the general public of the Strategic Report and the Final Programme Report (Art. 2.6.5 and 6.12.4)

Chapter 4

Bilateral relations



- Joint Committee for Bilateral Funds, enhancing strategic use of the funds, and Bilateral Fund Agreement (BFA) (Art. 4.2)
 - Further information as to the composition, functioning and decision making process of the JCBF will be included in the Bilateral Guideline
- One fund for bilateral relations at national level, eligible from MoU signing and payments from BFA signing (Art. 4.6)
 - NFP is responsible for the fund for bilateral relations (Art. 4.2.1 and 4.6.2)
- Allocations to programmes may be set already in the MoU
 - These funds shall not be subject to JCBF approval, but shall be reflected in the NFP Work Plan.

Chapter 4

Bilateral relations



- The NFP required to ensure availability and disbursements of funds to programme level upon request from PO (Art. 4.7)
- Allows for bilateral activities/initiatives beyond the programmes
- Possible for Donors in exceptional cases to make payments directly from the fund for bilateral relations to a final recipient (Art. 4.6.5)
 - The NFP must approve such direct payments

Chapter 5

Management and control systems



- The NFP may not be designated as Irregularities Authority in case it takes on the role as PO and/or Certifying Authority (Art. 5.2.2 and 5.2.5)
- Clarification of NFP responsibilities, which include ensuring that the POs are aware of their responsibilities (Art 5.3)
- Possible to approve a programme before the national management and control system is in place, but payments only after that system is approved by Donors (Art. 5.7.5)
 - This also applies to Technical Assistance and the fund for bilateral relations

Chapter 5

Management and control systems



- The NFP approves the management and control system at programme level, and informs the Donors (Art. 5.7.2)
- The Monitoring Committee has been removed, but enhanced participation of stakeholders in programme development
- Dates for submission of the annual audit report changed to correspond to the calendar year (Art. 5.5)
- Clarification of the requirements for the verification of incurred expenditure to be carried out by the PO (Art. 5.6.2).
 - Further information will be provided in the Financial Guidance document.

Chapter 6

Programmes



- Content from the “Blue Book” included to create legal basis for combining programme areas (Art. 6.1.2)
- Concept note with programme’s essential elements replaces Programme Proposal stage, Donor appraisal (Art. 6.2)
- Thereafter a draft Programme Agreement to be prepared, with submission to Donors for approval (Art. 6.3)
- Possibility to use Financial Instruments (Art. 6.7)
 - The specific modalities shall be included in the Programme Agreement

Chapter 6

Programmes



- NFP warrants that Programme Implementation Agreements are valid and enforceable, no FMC review (art. 6.8)
- FMO operation of NGO programmes, cf Prot 38C (Art. 6.13)
- Reporting requirements (Art. 6.11 and 9.3):
 - Merging of the Annual Programme Report and the Interim Financial Report not possible due to fixed Donor deadlines.
 - The information and reporting system will facilitate better integration to avoid duplication of reporting requirements.
 - Reporting templates will be prepared
- Deadline for submission of Final Programme Report is prolonged to four months after final date of eligibility for programme management cost (Art. 6.12.2)

Chapter 7

Selection of projects



- NFP shall warrant that call for proposals complies with the legal framework (Art. 7.3)
- The time period for the FMC to review calls for proposals has been reduced to two weeks (Art. 7.3.5)
- Beneficiary States may choose a selection process (Art. 7.4), but FMC, NFP and DPPs/IPOs (as appropriate) shall always be invited to participate in the selection process
 - Clarified that the FMC and NFP are observers in the selection process
 - Programme Agreements may include specific provisions on the selection process (Art. 7.4.7)

Chapter 7

Selection of projects



- The PO shall provide the FMC with a list of approved projects (Art. 7.4.6)
- No special rules for decisions to award additional funding to already approved projects (Art. 7.4.8)
- Project partners shall be informed of any modification of the project (Art. 7.6.4)

Chapter 8

Eligibility of expenditures



- Clarified that Article 8.2.2 on eligibility of expenditure covers all costs within the project
- Travel costs may be calculated as lumps sums in projects (Art. 8.3.1(b))
- Possibility to use standard scales of unit costs in projects, with use determined in the project contract (Art. 8.4)
- Provisions regarding indirect costs in projects streamlined (Art. 8.5)
- Activities eligible for the fund for bilateral relations (Art 8.8)

Chapter 8

Eligibility of expenditures



- Requirements for the use by public authority participants of certification reports on proof of expenditure issued by internal departments have been relaxed (Art. 8.12)
- Preparation Costs and Complementary Action are removed as distinct programme level budget categories
- A report by an independent auditor/independent public officer shall be sufficient proof of expenditure for all project partners outside the Beneficiary State (paragraphs 3 and 4 of Art. 8.12)

Chapter 8

Eligibility of expenditures



- Expenditure directly related to the preparation of a programme can be carried out under programme management cost (Art. 8.10.4 (a))
- Activities previously covered by Complementary Action can be carried out under either programme management cost or the fund for bilateral relations
- Programme management costs may cover activities aimed at strengthening bilateral relations (Art. 8.10.4 (m))
- Final date of eligibility for project costs set to 30 April 2024, aligning with the n+3 approach taken by the EU, without the possibility for extension (Art. 8.13)

Chapter 9

Financial Management



- Reporting requirements for interim financial reports are simplified by reducing the reporting periods from three to two per year (Art. 9.3)
- The possibility to suggest a reserve for exchange rate losses has been removed
- Interest earned will only be claimed in the final balance and no longer on a yearly basis (Art. 9.7)

Chapter 10

Evaluations



- Evaluations to be carried out for all programmes (Art 10.1)
- An evaluation plan to be presented in first Strategic Report (Art. 10.1.1)
- The results of the evaluation reports shall be published (Art. 10.1.4 and 10.2.3)
- Further details will be provided in the Results Guideline

Chapter 11

External monitoring and audits



- No substantial changes

Chapter 12

Irregularities



- Irregularity Authority shall keep a register of all irregularities, and upon request provide information to Donors (Art 12.4)
- All reporting obligations merged into one provision (Art. 12.5), with immediate reporting and quarterly reporting, respectively
- Cases of irregularities involving allegations of an act or omission which constitutes a criminal offence under national legislation, or serious mismanagement affecting the use of the financial contribution shall be reported on immediately
- Quarterly reporting obligation has a list of exceptions from reporting requirement, including a threshold set at EUR 2,000

Chapter 13

Suspension of payments, financial corrections and reimbursement



- No substantial changes

Chapter 14

Final provisions



- Waiver clause has been introduced (Art. 14.5)
 - The Donors may, in specific cases and in response to exceptional circumstances, waive the application of particular provisions of the Regulation, its Annexes or any guidelines adopted by the Donors
 - This possibility will only be used after the Donors first have reviewed the option to amend the provision in question

Annexes



- Annex 1 Eligible Priority Sectors and Programme Areas
 - Listing the priority sectors, eligible programme areas and their objectives
 - Programme areas specifics taken from the «Blue Book»
- Annex 2 MoU Template
 - New article introduced on the fund for bilateral relations
- Annex 3 Information and Communication Requirements
 - Responsibilities for information and communication work broadened and made clearer
 - Detailed information on web requirements
 - Requirements of DPPs and IPOs more detailed
- Annex 4 Bilateral Fund Agreement Template – New

Annexes



- Annex 5 Concept Note Template - New
 - The Concept Note template replaces the Programme Proposal template
- Annex 6 Programme Agreement Template
 - Financial Plan and Operational Rules integral parts
- Annex 7 Technical Assistance Agreement Template
 - The Technical Assistance Agreement now as a separate template
- Annex 8 Forecast of Likely Payment Applications Template
- Annex 9 Irregularities Report Template

Guidelines



- Some Annexes to be replaced by binding Guidelines
- A Guideline for Research Programmes replaces the current Annex 12.
- New Results Guideline replaces current Annex 9, and will include information on the Strategic Report, Annual Programme Report and Final Programme Report
- Other guidelines under development:
 - the Bilateral Guideline
 - the Guideline for Educational Programmes
 - the NGO Guideline