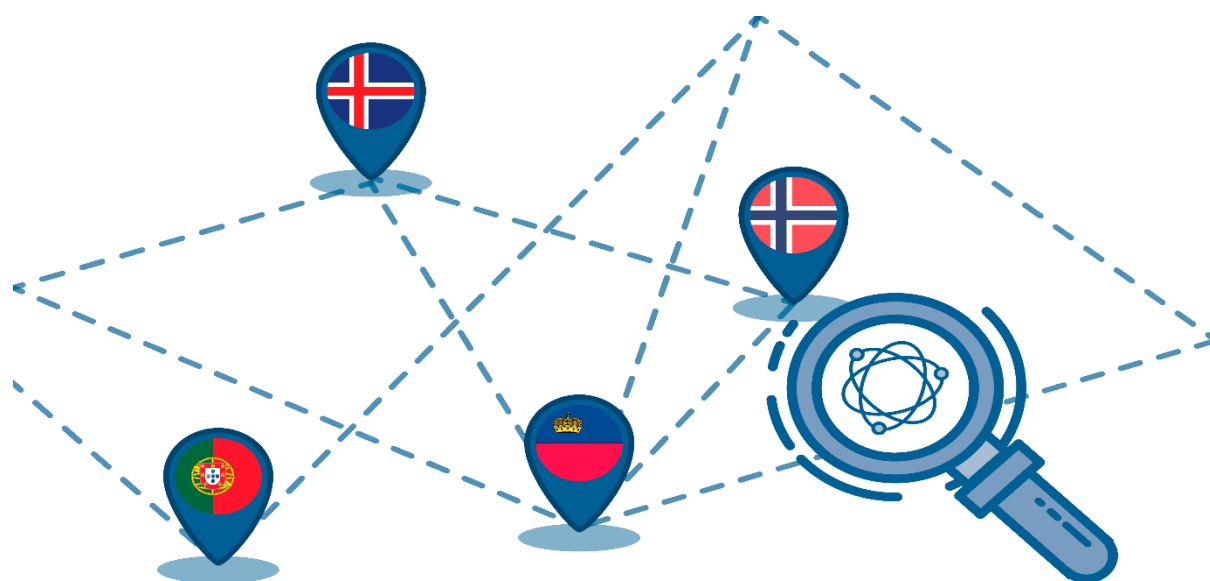


FUND FOR BILATERAL RELATIONS MANUAL



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1 – FRAMEWORK

Through the European Economic Area (EEA) Agreement, signed in the city of Oporto in May 1992, Iceland, Liechtenstein and Norway are partners with the Member States of the European Union in the internal market.

As a way of promoting a continuous and balanced strengthening of economic and trade relations, the parties to the European Economic Area Agreement have established a multiannual Financial Mechanism, known as EEA Grants, through which Iceland, Liechtenstein and Norway provide financial support to the Member States of the European Union with the greatest deviations from the European average GDP per capita, which includes Portugal.

This European Economic Area Financial Mechanism (EEAFM) aims to achieve two general objectives of equal importance:

- a) Reducing economic and social disparities;
- b) Strengthening bilateral relations between Donor States and Beneficiary States.

All the funded programmes, projects and initiatives should contribute to these two general objectives.

As Portugal is one of the Beneficiary States, a Memorandum of Understanding (MoU) was signed on May 22nd of 2017 between Portugal and the Donor States in order to ensure the effective implementation of the EEAFM for the 2014-2021 period.

Given the need for an entity to be designated in order to assume the function of National Focal Point of the EEAFM, pursuant to the Resolution of the Council of Ministers no. 39/2017, dated of March 10th, rectified by the Rectification Declaration no. 14/2017, of April 24th, the National Focal Point (NFP) of the EEAFM 2014-2021 was created.

The NFP's mission is to fulfill the duties defined in the EEAFM 2014-2021 Regulation and in the respective MoU.

Under the scope of the Fund for Bilateral Relations (FBR), the NFP has the following attributions:

- a) To manage and coordinate the implementation of the Fund for Bilateral Relations provided in Article 4.6 of the EEAFM 2014-2021 Regulation;
- b) Establish and chair the Joint Committee for Bilateral Funds (JCBF), pursuant to Article 4.2 of the EEAFM 2014-2021 Regulation.

Taking into account its assignments, the NFP has prepared this Manual to support Programme Operators and the beneficiaries of the EEAFM 2014-2021 in the implementation of the FBR, namely in clarifying concepts and specifying rules and procedures.

This Manual may be revised in order to accommodate adjustments and improvements deemed appropriate, namely to introduce new procedures and/or change the existing ones.

The consultation of this Manual does not exempt or replace the consultation of the EEAFM 2014-2021 legal framework, and in case of conflict will prevail the provisions in the following documents:

- EEAFM 2014-2021 Regulation;
- Bilateral Fund Agreement;
- Bilateral Guideline;
- Description of the Management and Control System at a national level.

These documents are available for consultation on the EEA Grants Portugal website:

www.eeagrants.gov.pt

2 – GOALS OF THE FUND FOR BILATERAL RELATIONS

Bilateral relations between countries means the cooperation between their institutions and people at an administrative, political, private and academic sector and civil society level.

Thus, the FBR wants to strengthen the relations between Portugal and the Donor States by funding bilateral initiatives that allow to increase strategic cooperation, networking, exchange of knowledge, and the implementation of other joint initiatives beyond Programmes agreed upon in the MoU.

According to Article 4.6 of the EEAFM 2014-2021 Regulation, each Beneficiary State must reserve a minimum of 2% of its total allocation to fund bilateral initiatives. Through the MoU, Portugal has allocated an amount of 2.054.000€ for the FBR.

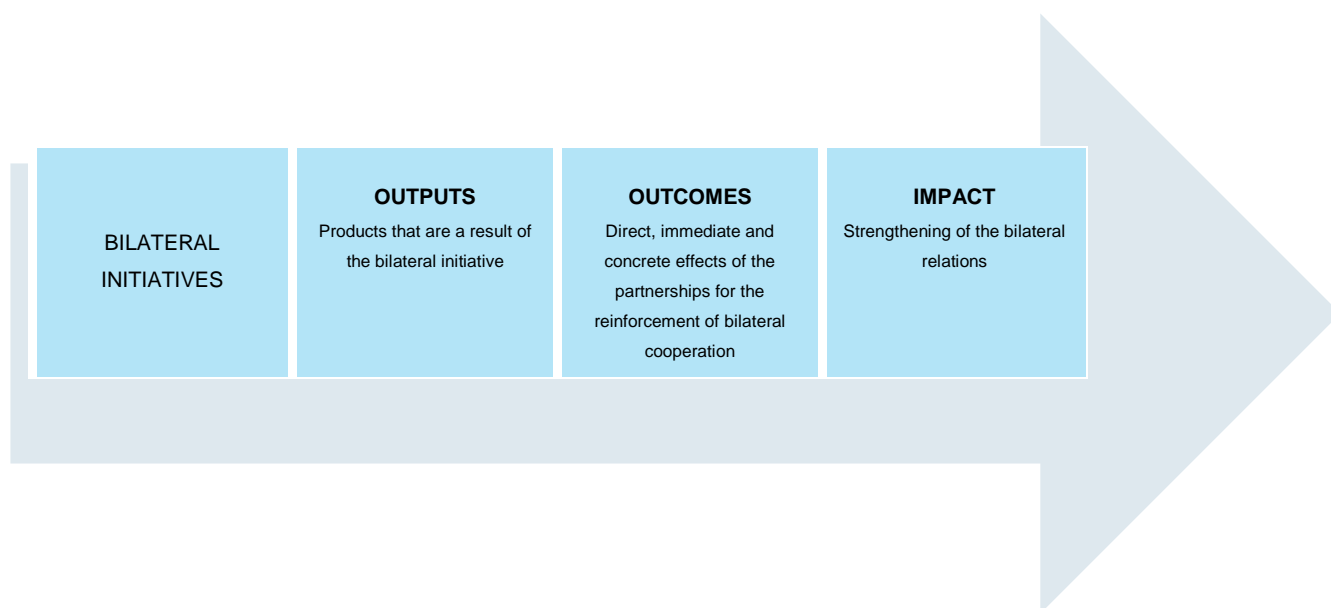
3 – MANAGEMENT OF THE FUND FOR BILATERAL RELATIONS

All the initiatives funded by the EEAFM 2014-2021 should follow a results-based management approach, through a logical articulation between objectives, activities, tools and resources, which implies:

- a) Setting goals;
- b) Identification of the target group or final beneficiaries;
- c) Definition of adequate means and resources to achieve the objectives;
- d) Monitoring progress through predefined indicators;
- e) Identification and management of the associated risks;
- f) Record of the achieved results and resources used;
- g) Continuous assessment.

The use of this methodology regarding the bilateral relations also implies the definition of measures that ensure the sustainability of the partnership.

The expected results of the supported bilateral initiatives should be translated into tangible products (outputs) that promote cooperation between national entities and entities of the Donor States (outcomes), thus contributing to the reinforcement of bilateral relations (impact).



In order for the results of the bilateral initiative to be measured, it is essential to set clear, verifiable and measurable indicators that allow the initiative assessment in terms of its implementation and the results achieved.

3.1 – Fund for Bilateral Relations Agreement

In order to implement the FBR, the Agreement between the Financial Mechanism Committee (FMC) and the NFP was signed on September 21st of 2017 under the terms of the EEA FM 2014-2021 Regulation.

This Agreement governs the rights and duties of the parties and describes:

- a) The role, functioning and composition of the JCBF;
- b) The procedures and requirements of the Work Plan;
- c) The procedures and requirements for the allocation of funds.

3.2 – Joint Committee for Bilateral Funds

The Joint Committee for the Bilateral Funds (JCBF) is chaired by the NFP and has the overall responsibility for supervising the FBR's implementation progress.

Art. 4.2 of the Regulation
JCBF Attributions

It is through the JCBF that the bilateral ambitions, the priority areas for bilateral cooperation and the concrete initiatives to be funded by the FBR are established.

The JCBF also has a direct role in deciding on additional allocations of Funds to the Programmes, as well as identifying bilateral initiatives beyond the Programmes.

The JCBF is composed of representatives of the following entities:

- a) NFP;
- b) Ministry of Foreign Affairs of Portugal;
- c) Ministry of Foreign Affairs of Norway (represented by the Norwegian Embassy in Lisbon);
- d) Ministry of Foreign Affairs of Iceland;
- e) Ministry of Foreign Affairs of Liechtenstein.

All JCBF member can invite to these meetings the representatives of:

- a) Programme Operators (PO);
- b) Donor Programme Partners (DPP) designated in the MoU;
- c) Other entities useful for the debate of specific subjects.

3.3 – Work Plan

The Work Plan is FBR's implementation proposal that includes the general framework for its implementation, the main bilateral initiatives to be organized, the respective budgets and expected results.

It is a dynamic document prepared by the NFP in collaboration with the Donor States, which is subject to JCBF approval.

4 – FUNDING ALLOCATIONS

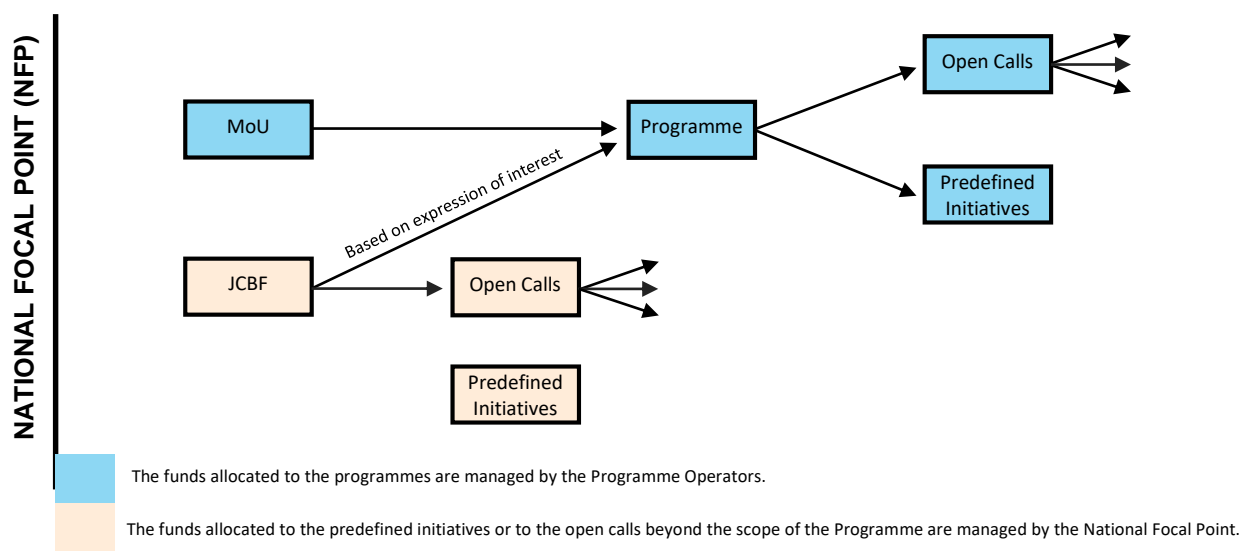
Of the 2.054.000€ allocated by Portugal to the FBR, 500.000€ were made available directly to the Programme Operators of the EEAFM through the MoU, with the remaining amount being managed by the NFP. This way, the financial distribution of the allocated amounts can be done as follows:

- a) The 500.000€ provided to the Programme Operators are intended to strengthen bilateral relations within the scope of its activities and can be used:
 - i. Directly by Programme Operators through the implementation of predefined bilateral initiatives;
 - ii. In the funding of initiatives of bilateral interest, developed by other entities within the scope of the EEAFM 2014-2021 Programmes, to be assigned by the respective Programme Operators through open calls.

Each Programme Operator received an extraordinary advance payment of 50.000€ from the Financial Mechanism Office (FMO) to cover the costs of the bilateral initiatives undertaken in the development of the respective Programmes. This advance payment is considered part of the 500.000€ allocated to the Programmes through the MoU.

Art. 4.6 of the Regulation
Advance payment

- b) The remaining 1.554.000€ allocated to the FBR are managed by the NFP, as defined by the JCBF. This amount aims to support initiatives of bilateral interest, beyond the scope of the Programmes, to be implemented through:
- i. Predefined initiatives;
 - ii. Open calls to select initiatives.



4.1 – Allocation of the FBR by the Programme Operators

As a beneficiary, the Programme Operator may use the FBR funding in bilateral initiatives throughout the programme implementation period, either through its own initiatives or through open calls.

The decisions on the management and use of the amount allocated to Programmes implemented in cooperation with the DPP are taken by consensus between the respective Programme Operator and the DPP in the Cooperation Committee, pursuant to point 3.4 of the Bilateral Guideline.

The Programme Operator may also request **additional allocations** and must submit the information, regarding the use of the requested amount, to the NFP, as well as the information about the results it intends to achieve. This request is subject to the JCBF's approval.

To request an additional allocation, an **expression of interest** must be used, according to the model defined in Annex 4 of the Bilateral Guideline.

The attribution of additional allocations depends on the verification and validation by the NFP of a **minimum of 70%** of the eligible expenses communicated by the Programme Operator, regarding the amounts already received by the Programme Operator.

4.2 – Bilateral Initiatives funded by the NFP

The amount of the FBR to be implemented by the NFP is used in the execution of bilateral initiatives selected through open calls or predefined initiatives.

4.2.1 – Application selection process

The selection process is done through open calls and the decision, of the approval or the rejection of the applications, will be made by the NFP based on the recommendations of the JCBF.

Open Calls Notices

The applications to the FBR are submitted following an open call notice published on the EEA Grants national website. Whenever possible, it will also be posted on the EEA Grants international websites, the Norwegian Embassy in Lisbon, the Portuguese Embassy in Norway and the Programme Operators and other relevant sites that are appropriate to reach the target audience, as well as through the media considered relevant for greater dissemination to the public.

Art. 7.3 of the Regulation ***Open calls notices***

The open calls notices will be available in Portuguese and English.

The open call notices specify the terms under which it will take place, namely:

- a) The object and purpose of the support to be granted;
- b) The priority area of the bilateral relations for the submission of applications, if applicable;
- c) The total amount available under the open call;
- d) The minimum and maximum amount of financial support to be granted to each approved initiative;

- e) The maximum funding rate to be allocated;
- f) The eligible applicants and partners for the granted support;
- g) Restrictions, limitations and/or exclusions to which the applicants and partners are subject to;
- h) The nature of the eligible expenditure;
- i) The date of eligibility of the expenditure;
- j) The selection criteria;
- k) The process of selection and decision-making;
- l) Financial support payment conditions;
- m) Communication and advertising requirements;
- n) Formalization of applications, namely the identification and way of accessing the required application form and annexes, number of copies and versions (PT/EN) to be sent;
- o) The deadline for the submission of applications;
- p) Indication of the address/email to send the applications;
- q) Additional information such as links and/or relevant documents supporting the applications;
- r) Contact for clarification of doubts.

Applications Submission

The formalization of the application is made by sending the **application form**, available on the website www.eeagrants.gov.pt, accompanied by the required documentation, until the deadline set forth in the open call notice.

The application must be submitted in English; however, applicants may choose to submit it in Portuguese and English. If the originals of the administrative documents attached to the form are in Portuguese, their translation will not be required.

Only applications submitted to the following email will be accepted:

bilateralrelations@eeagrants.gov.pt

Each entity can submit an application for more than one bilateral initiative and the support can be granted for more than one initiative of the same Promoter, with no other limitation than the merit of the application.

Decision-Making Process

Following the reception of applications, the NFP will carry out a formal evaluation of the applications, which will focus on the following elements:

- a) Compliance with deadlines and the submission method required for the application;
- b) Compliance with filling the form;
- c) Eligibility of the Promoter and partners;
- d) Eligibility of the period of implementation of the initiative;
- e) Eligibility of the activities expected in the initiative;

- f) Financial plan/budget and eligibility of the proposed categories;
- g) Compliance of the media to be used for the dissemination of the initiative taking into account the dissemination obligations set out in the EEA FM 2014-2021 Regulation and in the "Communication and Design Manual - EEA Grants Portugal 2014-2021".
- h) Presentation of the documentation required in the open call notice and in its form.

If, following the formal evaluation of the applications, the absence of any element or the existence of any non-compliance is verified, the NFP notifies the respective entities to eliminate the detected deficiency within 10 working days, under penalty of immediate exclusion, without prejudice of holding a hearing of the interested parties under the terms of the Portuguese Code of Administrative Procedure (CPA).

The applicant entities are responsible for the truthfulness and authenticity of the submitted documents. At any time during the process of analysis of the application, if there are any doubts, complementary documentation may be required.

Upon completion of the formal evaluation of the application, the evaluation of the merit will be promoted, according to the procedures agreed by the JCBF, taking into account the selection criteria previously announced in the text of the open call notice.

The JCBF will recommend the entities application for approval or rejection, based on the evaluation carried out in accordance with the published criteria.

When the applications are approved, the JCBF may determine implementation conditions, which are subject to acceptance by the Promoter of the respective bilateral initiative.

The notification of the final decision shall be communicated by the NFP to the applicants within the deadline set out in their open call notice. In the case of excluded applications, the applicants will be given the possibility to comment, within 10 working days, under the CPA terms, in the interested parties hearing.

The list of the selected bilateral initiatives and their Promoters is published on the EEA Grants Portugal website following the signature of their respective Acceptance Agreement.

The rules applicable to the open calls under the Programmes on scope of the FBR, are set by the Programme Operators.

4.2.2 – Predefined Bilateral Initiatives

The predefined initiatives, outside the scope of the Programmes, are agreed in the JCBF. These are initiatives whose implementation is justified by their unequivocal contribution to the strengthening of bilateral relations.

Once the bilateral initiative and its Promoter under the JCBF scope are identified, the JCBF sends to the NFP a detailed plan describing the following aspects:

- a) Summary of the bilateral initiative with reference to the objectives and expected results and impact;
- b) Description of the planned activities and respective timeline;
- c) Identification of the national and the Donor States partner entities and their participation in the initiative;
- d) Identification of the outputs, indicators and goals that contribute to the objectives of the initiative;
- e) Explanation of the contribution of the initiative to strengthen relations between entities in Portugal and Donor States;
- f) Measures to ensure the sustainability of bilateral collaboration and the possibility of future collaboration;
- g) Detailed budget by activity, month, and heading containing the explanation for the detailed values and the calculation base used;

Description of the information and communication activities.

This documentation is evaluated by the JCBF and, in case of agreement, the NFP contracts the funding under the approved terms and conditions.

5 – FUNDING CONDITIONS

The EEAFM 2014-2021 Regulation defines the eligible entities under the FBR, as well as the type of initiatives and expenses to be funded.

5.1 – Eligible Entities

Any public or private, commercial or non-commercial entities, including any civil society organizations such as non-governmental organizations, legally established in Portugal, may be eligible as **Promoter**. In duly justified cases and when it proves to be an advantage, an entity legally established in any of the Donor States may also be eligible as a Promoter, under the terms that are defined and approved by the JCBF.

***Art. 7.2 of the Regulation**
Eligible entities*

Any public or private, commercial or non-commercial entities, including civil society organizations legally established in Portugal, in any of the Beneficiary States or Donor States, as well as any international organization or body or agency (e.g., the Council of Europe or the EU Fundamental Rights Agency – FRA) can be **partner entities**. The partner entities are organizations whose participation is necessary to achieve the objectives of the bilateral initiative and that are actively involved in its preparation and implementation.

All partner entities must sign a **Partnership Agreement** regardless of whether or not their participation in the initiative is funded.

The bilateral initiatives have no limit to the number of partner entities involved, however, the **participation of at least one partner entity from the Donor States** is mandatory, regardless of the allocation of costs related to that partnership.

In order for the expenses of the national partner entities and/or the Donor States to be eligible, they must be duly budgeted and detailed in the respective Partnership Agreement. This Agreement shall include, at least, the following elements:

- a) Identification of the parties involved;
- b) Provisions on the roles and responsibilities of the parties;
- c) Description of the objectives and activities to be developed under the scope of the partnership;
- d) Definition of the funding rules and conditions, in particular the ones regarding the rules for reporting expenses and payment terms, if applicable;
- e) Identification of the monetary currency of the partnership and the rules regarding the danger of exchange rate fluctuations, when applicable;
- f) Detailed budget, including the expenses to be assumed by each partner, and their payment plan;
- g) Conflict resolution system.

The Partnership Agreement must be written in English, and the model attached to the Bilateral Guideline with the necessary adaptations may be used as reference.

The Promoter shall submit this Agreement to the NFP together with the Acceptance Agreement duly signed, as established in section 6.1 of this Manual.

The entities that provide services or goods to the Promoter of the bilateral initiative in exchange of a remuneration are not eligible as partner entities. These entities are considered as suppliers and the eligibility of their expenditure depends on the essentiality of the supply for the objectives of the bilateral initiative in question, as well as its regularity and compliance with the applicable legislation, in particular with regard to public procurement.

5.2 – Eligible Initiatives

All initiatives which clearly contribute to the strengthening of bilateral relations are eligible:

- a) Search for project partners before or during the preparation of an application and the development of these partnerships;
- b) Networking, exchange, sharing and transfer of knowledge, technology, share of best practices, etc., between Portuguese and Donor States entities and/or international organizations;
- c) Initiatives destined to strengthen cooperation and the exchange of experiences and best practices between the Programme Operators and similar entities in Portugal and Donor States, as well as international organizations.

Eligible initiatives

- Matchmaking events;
- Technical cooperation and exchange of experts;
- Training initiatives;
- Workshops and seminars on topics of common interest;
- Field visits;
- Collection of data, reports, studies and publications;
- Campaigns, exhibitions and promotional material.

5.3 – Eligible Expenditure

An expenditure is considered to be incurred after the delivered goods or rendered services are billed and paid.

The fact that an expenditure is provided for in the approved budget of the bilateral initiative does not, by itself, guarantee its eligibility. In order to be eligible, it is necessary that such expenditure meets all the eligibility criteria and that its implementation is demonstrated through payment receipts.

General Principles for the Eligibility of Expenditure

- a) Expenditure actually incurred and paid, by the Promoter or its eligible partners, within the eligibility period;

- b) Expenditure directly related to the initiative and duly detailed in its budget;
- c) Expenditure proportionate to the nature, size and complexity of the initiative and strictly necessary for its implementation;
- d) Expenses that are strictly necessary for the execution of the components/actions that are part of the approved initiative and whose sole purpose is to contribute to achieve the objectives of the initiative, respecting the principles of economy, efficiency and effectiveness;
- e) Identifiable and verifiable expenditure through its accounting record and in accordance with the applicable accounting standards and principles;
- f) Expenses that comply with the applicable Social Security and Taxes legislation.

Eligibility Period

*For the expenses incurred in bilateral initiatives developed under the Programmes, the eligibility period must be defined by the Programme Operator in its funding conditions, provided that it falls within the period from **May 23^d of 2017 to April 30th of 2025**.*

*In the case of the initiatives approved by the JOBF, beyond the programmes, the eligibility period is **defined in the Acceptance Agreement**, and cannot be eligible after April 30th of 2025.*

As to the **type of expenditure**, the expenses that comply with the public procurement rules established in point 5.5 of this Manual and that fall within the following direct costs are considered to be eligible:

a) Costs with travels directly related to the implementation of the initiatives

- i. Travel, accommodation and daily costs of participants in the initiative, if their participation is indispensable and in compliance with the rules and limitations established in section 5.4 of this Manual;
- ii. Transportation costs of the human resources assigned to the initiative, regarding their participation in partnership meetings or the implementation of the planned activities, excluding travels associated with internal meetings of the entities;
- iii. Travel costs of the human resources assigned to the initiative, using their own vehicle. These costs are calculated according to the public administration value/km reference and cannot be exceed. Regarding these travels, fuel costs are not reimbursed, but toll charges are accepted;
- iv. The daily allowances of the human resources assigned to the initiative, related to their participation in partnership meetings or to carry out the activities foreseen in the initiative, in accordance with point 5.4 of this Manual.

- b) Costs with consumables and other supplies as long as they are identifiable and effectively used in the implementation of the initiative (for example: pens, paper, USB pens, among others);
- c) Costs with the purchase of services for the implementation of the initiative;
 - i. Purchase of services that are essential to the implementation of the initiative (for example: printing services, catering services);
 - ii. Costs with the fees paid to the trainers that execute the initiative;
 - iii. Rental of spaces or goods strictly necessary for the implementation of the initiatives (for example: rental of venue for the event, rental of sound and audiovisual equipment);
- d) Costs arising directly from the requirements established in the contracting of the funding (for example: dissemination, translations, costs with certification of the foreign partners' expenditures).

As to **indirect costs** (consumption of electricity, water, communications, etc.) and the **human resources costs** resulting from the implementation of the initiatives funded by the FBR, these are, as a rule, not eligible. They may only be accepted in exceptional and duly substantiated cases.

The eligibility rules apply to all costs of the initiative and not limited to the costs covered by the amount of the grant.

5.4 – Travel Costs

As to travel costs of the participants in the bilateral initiatives, travel, accommodation and daily costs are paid on the following terms:

- a) Travels
The round-trip travels made by participants in bilateral activities are eligible under the FBR scope, and the principles of proportionality and economic reasonableness must be respected. For this effect, the Promoter must choose economy class tickets or their equivalent.
- b) Daily Subsistence Allowances (Per Diem)
The allowances for the staff of **foreign entities participating** in bilateral activities corresponds to the sum of the daily costs (meals, personal expenses, telephone, internet, etc.) and the cost of accommodation necessary and indispensable for their travel. This amount is defined in accordance with the table adopted by the European Commission on 03/17/2017 and its respective updates, which establishes the following daily amounts to travel to Portugal:

Daily Cost	Accommodation	“Per Diem” Total
84,00€	120,00€	204,00€

In order to calculate the amount corresponding to the daily costs, the duration of the stay in Portugal is accounted for by the number of actual days in which the participant was evidently present in the bilateral initiative.

For example:

A participant from a foreign entity travels to Portugal to take part in an initiative and this trip lasts for 3 days and 2 nights.

1 – The total amount payable by Per Diem is 492,00€:

Daily Cost	Accommodation	Total
84,00€ x 3 = 252,00€	120,00€ x 2 = 240,00€	252,00€ + 240,00€ = 492,00€

2 – If the participating entity chooses to assume the real accommodation costs, only the amount related to the daily costs is paid, that is, 252,00€.

3 – If the participating entity chooses to assume the daily costs, only the amount regarding the accommodation is paid, that is, 240,00€.

In the case of **travels abroad of Portuguese entities**, the legal regime for the payment of allowances and expenses for public administration personnel is applied, established in [Decree Law 106/98, of April 24th](#), with its respective updates.

Travel Funding through Lump Sum

Under the terms and for the purposes set forth in Article 8.8.2 of the EEA FM 2014-2021 Regulation, travel and allowance costs may correspond to a lump sum.

Travel costs and allowances can be calculated as a lump sum corresponding to 600€ per participant of the entities from the Donor States at events in Portugal and participants from Portugal at events in the Donor States. For entities based in the Autonomous Regions of the Azores and Madeira, when participating in events held in mainland Portugal, a lump sum of 250€ per participant can be calculated, adding to the lump sum that takes place if it involves participation in events held in the Donor States.

On a recommendation from the JCBF, the lump sum amounts for travel costs and allowances may be set in other fixed amounts provided that the principle of proportionality is respected and taking into account the type of Bilateral Initiative and the entities involved.

The use of the calculation of travel costs and allowances through lump sum shall be eligible as long as it is provided in the Acceptance Agreement and under the conditions therein.

In the verification of lump sum-based expenses, the proof of expenditure is limited to the evidence of the relevant units¹, and there is no need to justify the actual costs with proof of expenditure (for example, travel agency invoices). However, so that these calculated costs can be eligible, there must be evidence of travel and participation in the initiative (for example, list of participants in a conference).

Travel Funding through Unit Costs

As an alternative to the payment of travel expenses described above, and if this proves to be an advantage for the successful implementation of the bilateral initiative, it is possible to use funding through unit costs. This option may occur by initiative of the Promoter or the NFP and must be included in its budget.

***Art. 8.4 of the Regulation**
Unit Costs*

For the adoption of this method of funding, the eligible costs shall be calculated on the basis of a pre-established fixed amount, in accordance with predefined conditions for the initiative to be carried out, having regard to the principle of proportionality.

Once the fixed amount has been established for a particular initiative, **it cannot be changed** during or after the initiative to compensate a raise in the actual costs or under-utilization of the available budget.

Under the FBR scope, **this option is only valid for funding travels, accommodation and allowances**, and provided that it is established in the Acceptance Agreement of its bilateral initiative, referring to the calculation method used.

The calculation of the fixed amount to be funded is subject to the following conditions:

a) Maximum amount for travels

The amount of funding for the round trip is calculated based on a simple distance. In order to determine the distance between the points of origin and destination, the European Commission's "distance calculator" for Erasmus Plus will be used, which is available at https://ec.europa.eu/programmes/erasmus-plus/resources/distance-calculator_pt.

¹ The "relevant units" are provided for in article 8.12.7 of the EEAFM 2014-2021 Regulation. As relevant unit we mean, for example, the proof of the number of effective participations in the initiative.

The amount to be established for each travel (round trip) has as maximum limit the following values:

Eligible Costs		Amount	Allocation Rule
Travel	Contribution to the travel expenses of participants from their place of origin to the place of activity and return.	For distances between 100 and 499 kms: 180€ per participant.	Based on the distance covered by the participant.
		For distances between 500 and 1999 kms: 275€ per participant.	The travel distances will have to be calculated using the " distance calculator " provided by the European Commission for Erasmus + The applicant must indicate the distance of a one-way trip for the calculation of the amount of funding that will support the round trip.
		For distances between 2000 and 2999 kms: 360€ per participant.	
		For distances between 3000 and 3999 kms: 530€ per participant.	
		For distances between 4000 and 7999 kms: 820€ per participant.	

For example:

According to the "distance calculator", the distance between Oslo airport and Lisbon airport is 2768.75 kms.

For a participant who travels from Oslo to Lisbon, the maximum funding allowed is € 360,00. This value includes the round trip.

b) Maximum amount for allowances (Per Diem)

The amount of funding for accommodation and allowances shall be limited to the values set out in the table of allowances adopted by the European Commission on 17/03/2017 and their updates as described above.

The JCBF may exceptionally define a funding value above these limits, but that value must be validated by the FMO.

In the case of initiatives funded through the Programmes, it is the responsibility of the Programme Operators to define the rules for the use of simplified costs to fund travels, accommodation and allowances for foreign participants.

5.5 – Public Procurement

The execution of expenses under the FBR is subject to the compliance with the national and European law regarding public procurement, at the level of the Promoter and the partners, and therefore the rules of the Public Contracts Code (PCC), [Decree-Law no. 111-B/2017, of August 31st](#) and subsequent amendments, to the acquisition of goods and services provided under this scope.

The PCC defines the type of procedure to be adopted according to the amounts foreseen for each acquisition made. Although it stipulates that **prior consultation** only applies to acquisitions above 5.000€, for transparency purposes, it should apply to all purchases of goods and services carried out under bilateral initiatives. In other words, whenever possible, in direct contracting acquisitions, the Promoter must consult with at least three entities of its choice in order to comply with the best economic practices and allow a full and fair competition between potential suppliers. If there is more than one acquisition for the same supplier and with the same object, the calculation of the legal limit mentioned above must be respected for the sum of the acquisitions.

Art. 8.15 of the Regulation
Public Procurement

Failure to comply with the PCC rules renders the expenses subject to the PPC as not eligible for FBR funding.

5.6 – Excluded Costs

The following expenses are not eligible under the FBR scope:

- a) Interest and charges on debts and late payment charges;
- b) Costs related to bank commissions or other purely financial costs, except those related to financial services resulting from impositions of the FMC and/or the NFP;
- c) Provisions for losses or possible future liabilities;
- d) Exchange losses;
- e) Recoverable VAT;
- f) Costs covered by other sources of funding;
- g) Fines, penalties and legal expenses, as well as other costs associated with litigation, except where litigation is an integral and necessary component to achieve the initiative results;
- h) Excessive or unreasonable expenses.

Art. 8.7 of the Regulation
Non-Eligible Costs

5.7 – State Aids

The NFP should ensure that the support granted under the FBR scope complies with the applicable rules on State Aid of the European Union.

In particular, under the implementation of the FBR, it is relevant the Regulation of the European Commission (EC) No. 1407/2013 on the application of Articles 107 and 108 of the Treaty on the

Functioning of the European Union to De Minimis aids². This Regulation allows a company to receive up to 200.000€ of *de minimis* aids over a period of three consecutive fiscal years.

In order to confirm the possibility of granting financial support under the FBR scope, the NFP is an accredited entity before the Public Procurement and State Aid Department of the Cohesion and Development Agency P.I. (Agency), the authority responsible in Portugal for the definition and management of the *de minimis* central registry under Decree-Law no. 140/2013, of October 18th, and the control of accumulation of financial benefits.

Any *de minimis* aid that may be granted under the FBR scope will be registered by the NFP in the aforementioned central registry managed by the Agency where the NFP will be able to:

- a) Check if a Tax Identification Number has registered state aid in the central registry (amounts, dates, among other data);
- b) Check whether this Tax Identification Number has an available ceiling to register new *de minimis* support or not;
- c) Register *de minimis* aids which do not exceed the limits, i.e. 200.000€ for 3 fiscal years for each company/by Member State.

Bearing in mind that some beneficiaries of the FBR may be entities from Donor States or other Beneficiary States of the European Union, the NFP will only register the support granted to the Portuguese beneficiaries, and each non-national entity must ensure compliance with the rules applicable in the respective country.

The Regulation (EU) No. 1407/2013 introduced the concept of single company and it is mandatory for the company that benefits from the aid to declare whether it is a single company or an independent company using the declaration model that corresponds to its situation (Annexes VI or VII). For that purpose, only the associated companies which are based in Portugal are relevant, since the *de minimis* aids limits that a single company can receive is established by each Member-State.

For any doubts about the *de minimis* aids you can contact the Public Procurement and State Aid Department of the Agency using the following email address:

minimis@adcoesao.pt or by phone to [\(+351\) 21 881 40 00](tel:+351218814000).

6 – EXECUTION AND PAYMENT

The implementation of the bilateral initiatives is subject to follow-up and monitoring by the NFP, which verifies the fulfillment of the pre-established conditions in the contract and the validity of the reported expenses. The payment of the approved funding depends on the compliance with the above conditions.

² Published in the Official Journal of the European Union L 352 de 24/12/2013

6.1 – Acceptance Agreement

The funding of the bilateral initiatives is contracted by signing an **Acceptance Agreement** drafted according to the minutes attached to this Manual (Annexes I, II and III), which must be signed, dated and stamped by the legal representatives of the Programme Operator or Promoter, within the deadline defined by the NFP.

The Acceptance Agreement establishes the conditions for granting the funding, namely:

- a) The scope of the support;
- b) Funding conditions;
- c) Eligible expenditure;
- d) Activities timeline;
- e) Granted amount;
- f) Co-financing rate;
- g) Payment method;
- h) Beneficiary's obligations;
- i) Situations of suspension and/or reimbursement of payment in case of non-compliance.

The transfer of funds is only made after the signature of the Acceptance Agreement, provided that the conditions defined therein are met. It is also necessary to submit the previous declaration of non-debt to the Social Security, the certified and regularized situation with the Tax Authority and the proof of ownership of the Promoter's IBAN.

After the signature of the Acceptance Agreement, the Promoter must initiate the execution of the initiative within 90 days, under penalty of revocation of the support and return of any amount received, except in cases in which the Promoter has timely requested the extension of this term or that another timeline has been stipulated in the Acceptance Agreement.

If any bilateral initiative exceptionally generates revenue, this revenue must be previously identified and taken into account in the calculation of the allocated funding, and this amount should be reused within the initiative. If the revenue is not initially foreseen in the approved budget, the necessary adjustments should be made to the amount of the funding when the final payment is transferred.

6.2 – Initiative's File

The Promoters of the initiatives funded by the FBR must have a physical and updated dossier with all the information and documentation related to their initiative. That file shall consist of the originals of the following documents:

- a) Applications form and its annexes;
- b) Communication of the decision of the funding approval;
- c) Acceptance Agreement;
- d) Partnership Agreement;
- e) Changes to the Acceptance Agreement and/or to the Partnership Agreement, if applicable;
- f) Certificates of the VAT rates applicable to the entities involved in the initiative;
- g) Declaration of non-debt to Social Security;
- h) Certificate of regularized situation with the Tax Authority;
- i) Documents proving the application of the legal framework of public procurement in the acquisition of goods and services carried out in the implementation of the initiative;
- j) Proof of expenditure documents (invoices, receipts and/or other equivalent documents);
- k) Proof of bank transfers made under the partnerships;
- l) Interim and final reports of the initiative forwarded to the NFP;
- m) Proof of the occurrence of the activities (minutes, attendance sheets, photos, newspaper articles, among others);
- n) Proof of advertisement for the initiative (photos of materials produced with the EEA Grants logo, posters, flyers, among others);
- o) Documentation on the verifications and audits carried out on the initiative.

When it is not possible to include in the file of the initiative the original documents mentioned above, they should be replaced by copies containing the exact indication of the location of the original documents.

All elements must be available for consultation and may be requested at any time by the entities responsible for verification, certification and/or audit under the FBR scope. If the file is not up to date, the NFP may suspend payments until the Promoter properly updates it.

The lack of cooperation or refusal of access to these elements by the Promoter or the partner entities may lead to the cancellation of the funding and to the refund of all amounts already transferred.

This file must be kept, at least, **until December 31st of 2028**.

6.3 – Management Verification

The verification of the payment requests concerns the formal, strict, temporal and normative eligibility of all expenditure declared in the reports submitted by the Promoters.

This verification may be carried out through administrative verifications and on-the-spot verifications, and proof of expenditure may be requested through sample.

It is the responsibility of the NFP to carry out the management verifications:

- a) To the Promoters of bilateral initiatives directly supported by the NFP (predefined initiatives and initiatives selected through open calls);
- b) To the Programme Operators as beneficiaries of the FBR.

The management checks on the bilateral initiatives approved under the Programmes scope is responsibility of the respective Programme Operators, and it is the NFP's responsibility to verify the regularity of the payments made by the Programme Operators to its Promoters. All the verifications have to be documented using checklists.

The expenses incurred are subject to **certification**, so proof of the payments reported may also be requested by the Certifying Authority.

6.3.1 – Report of physical and financial execution

The Promoters must provide the NFP with information on the implementation of their initiatives:

a) Interim report

When the bilateral initiatives have a budget of more than 30.000€ and/or a duration of more than 12 months, the Promoters send to the NFP an interim report summarizing the activities already carried out and the expenses incurred. For the purpose of reporting expenditures, the "FBR_Promoter Expenditure Presentation Form" (Annex IV) should be used;

b) Final balance

Regardless of the delivery of interim reports, all the Promoters must provide the NFP with information on the completion of the initiatives carried out by sending a report which should include:

- i. Detailed description of the initiative, namely:
 - Summary of carried out activities;
 - Information on the involvement of partners, in particular with regard to Donor States partners;
 - Information regarding participants in the initiative;
 - ii. Achieved results, namely:
 - Evaluation of the results of the initiative;
 - Evaluation of the sustainability of the partnership;
 - Perspective of future collaboration/partnerships with other entities;
 - iii. Description of costs and assessment of financial impact;
 - iv. Description of the contribution of the initiative to achieve the general objectives of the EEA Grants;
- Information and communication activities.

These reports serve as a basis for the management verifications to be carried out by the NFP and must follow the Promoter's payment requests.

6.3.2 – Administrative Verifications

The administrative verifications checks the "FBR_Promoter Expenditure Presentation Form" sent by the Promoters, or the "FBR_ PO Semiannual Report Form" (Annex V) in the case of Programme Operators, and performs the following validation:

- a) The eligibility compliance of the expenditure with the rules of the EEAFM 2014-2021 Regulation and other applicable legislation;
- b) That the expenditure matches the approved initiative;
- c) The compliance of the expenditure with the FBR rules, namely the costs with the Donor States partners and with the approved grant rate;
- d) The legal compliance of the proof of expenditure documents and the existence of an adequate audit trail;
- e) The compliance with the EEAFM 2014-2021 Regulation and the "Communication and Design Manual - EEA Grants Portugal 2014-2021" regarding information and advertisement;
- f) The compliance of the reimbursement request and the justification of the advance payment.

As for the validation of the compliance of the proof of expenditure documents mentioned in point (d), a sample of at least 30 documents shall be checked. If the total number of expenditure documents is lower, the totality of the documents will be checked.

The result of the verification carried out on each request for payment will identify the amount of expenditure submitted by the beneficiary, the amount of expenditure considered eligible after verification, the amount and typology of non-eligible expenditure and the amount of the payment to be made.

6.3.3 – On-the-spot Verifications

The on-the-spot verification shall cover at least 20% of the total expenditure that is actually certified. This verification is done to monitor the implementation of the initiative, namely the provision of the product/service in accordance with the terms and conditions of the contract, the regularity and legality of the expenditure, the evidence of compliance with the information and advertisement rules, through the collection of additional elements proving the actual physical and financial execution of the project. The Promoters are notified in a timely manner:

- a) Of the date of its performance;
- b) Of the documents to be made available,

- c) Of the personnel who must be present to provide the necessary clarifications (i.e., initiative manager, responsible for the finance department, etc.).

The report resulting from each on-the-spot verification will identify the scope of the verification carried out, the technical impact, as well as the quantification of any non-eligible expenditure.

6.4 – Payments

The payment conditions are defined in the **Acceptance Agreement** and the transfer of funds to cover the expenses incurred within the FBR can only begin after the signature of this agreement, and provided that the conditions defined therein are fulfilled.

6.4.1 – Bank account

The Promoter must identify a bank account through which all the financial movements of the initiative funded by the FBR are carried out. This is the account where the funded amount is transferred to, and it is also through this account that the Promoter must pay all the expenses of the funded initiatives.

The Promoter must submit to the NFP the document certifying the ownership of the IBAN.

6.4.2 – Payments

For bilateral initiatives with funding of up to 15.000€, the payment of the support is made as follows:

- a) 60% of advanced payment;
- b) 40% after clearance of the final balance.

For bilateral initiatives with more than 15.000€ of funding, the payment of the support is made as follows:

- c) 40% of advanced payment;
- a) 40% of interim payment;
- b) 20% after clearance of the final balance.

In exceptional cases, the JCBF may agree on another payment plan.

For each payment request, the Promoter must submit the non-debt statement to the Social Security and the certified and regularized situation with the Tax Authority.

For reimbursement requests relating to **costs incurred by the partner entities** under a partnership agreement scope, the respective amounts are included in the payment requests submitted by the Promoter. The Promoter is responsible for paying the partners in accordance with the rules set out in the Partnership Agreement.

Art. 8.7 of the Regulation
Proof of Expenditure

In the case of partner entities based outside of Portugal, the Promoter may choose to send the proof of expenditure in the form of an English report prepared by a certified auditor.

The Promoter and the partner entities have the responsibility to keep records and proof of bank transfers made under the implementation scope of the Partnership Agreement.

As for the **payment of the final balance**, the request must be submitted to the NFP within 60 days after the date of completion of the respective bilateral initiative along with the final report. Its payment will only be made after the verification of the expenditure and that all the activities foreseen in the initiative have been completed and that the objectives set forth in the Acceptance Agreement have been reached.

As for the bilateral expenditure incurred directly by the Programme Operators, these must be reported periodically by the NFP to the Certifying Authority. To do so, the Programme Operators must report these expenses to the NFP, through the attached "FBR_ OP Semiannual Report Form", after the end of the semester in which they were incurred, with the deadline by January 15th and by July 1st of each year.

6.5 – Monitoring and Audits

The implementation of the bilateral initiatives is regularly and continuously monitored by the NFP in order to monitor its progress and the achievement of the agreed objectives and goals.

These procedures include:

- a) Monitoring the compliance with the legal framework of the EEAFM 2014-2021;
- b) Monitoring the progress and quality of the implementation of bilateral initiatives;
- c) Risk assessment and monitoring.

In addition to the analysis of the reports regularly submitted by the Programme Operators and Promoters, the NFP may also hold follow-up meetings.

The Programme Operators and Promoters of the bilateral initiatives are subject to audits by the Audit Authority, the Certifying Authority, the FMO and/or the EFTA Board of Auditors.

Evidence of the reported expenditure must be presented during the audit. The proof of expenditure documents must allow reconciliation with the reported amounts, confirm the legality and regularity of the eligible expenditure and ensure an adequate audit trail.

6.6 – Modifications of the approved Initiative

In duly justified cases, the NFP may accept modifications to the bilateral initiative, after signing the respective Acceptance Agreement, provided that this modification does not imply an increase in the amount to be funded and/or the respective funding rate.

The requests for modification are formalized by sending a written document to the NFP with detailed information justifying the need for the amendment.

As for substantial modifications, these requests are appraised by the JCBF and the respective decision is notified by the NFP via email.

Substantial changes are, for example, changes in more than 10% of the budgeted headings, changes in the proposed results, among others.

If the modification is accepted, it must be reflected in the Acceptance Agreement through an addendum.

6.7 – Irregularities

The NFP records all situations likely to fall within the concept of irregularities, detected by the NFP itself or communicated by the Promoters, and reports them to the Irregularities Authority (General Inspectorate of Finance), in accordance with the provisions of Article 12.2 of the EEA FM 2014-2021 Regulation. If these situations fall under the Article 12.5 of the Regulation, they will be reported by the Irregularities Authority to the FMO.

*Chapter 12 of the Regulation
Irregularities*

The amounts that have already been paid by the FBR but are considered non-eligible following an audit will have to be returned by the Promoter or the Programme Operator to the NFP. These amounts are subtracted from the value of the funding and cannot be replaced by other eligible expenses within the same bilateral initiative or the same Programme.

Depending on the severity of the detected irregularities, the NFP may **cancel the grant to the initiative**. Without prejudice to the causes of the unilateral resolution provided for in the applicable legislation, the cancellation of the funding may occur in case of:

- a) Failure to comply with the obligations stipulated in the Acceptance Agreement and/or Partnership Agreement, by the Promoter or its partners;
- b) False information about the Promoter or partners, or the adulteration of data in the submission, evaluation or monitoring.

In case of cancellation of the funding, the Promoter is obliged to reimburse all amounts already received plus interest at the legal rate in force, within a maximum period of 30 days after the notification of the NFP. After this period, if the voluntary return of these amounts has not been made, the coercive recovery procedure will be carried out by the competent services of the Certifying Authority.

7 – COMMUNICATION AND DISSEMINATION OF THE BILATERAL INITIATIVES

For the present financial mechanism, of which the FBR is a part of, the communication area is extremely important.

The dissemination of the initiatives to the public is as relevant as the initiatives developed under the FBR. At the same time, it is also essential to disseminate the contribution of the EEA Grants to the implementation of these initiatives, with a special focus on the role of the bilateral relations and of the Donor States.

Therefore, the requirements and guidelines have been defined regarding the EEA Grants communication and the Promoters must follow them during the implementation of their initiatives. The document entitled "**Communication and Design Manual - EEA Grants Portugal 2014-2021**" was prepared by the NFP and is available at the EEA Grants Portugal website: www.eeagrants.gov.pt.

All the initiatives funded by the FBR are advertised on the EEA Grants Portugal website, whereby the NFP reserves the right to use all or part of these contents in its communication actions.

8 – GLOSSARY

Acceptance Agreement	Document, signed by the Promoters of the bilateral initiatives, that establishes the conditions for granting the funding of these initiatives.
Audit Authority (IGF)	National public entity (General Inspectorate of Finance) functionally independent of the National Focal Point, Audit Authority and Programme Operators designated by Portugal as Beneficiary State, responsible for verifying the effective fulfillment of the previously approved Management and Control Systems.
Beneficiary States	The 15 Member States of the European Union with the greatest deviations from the European average GDP per capita, including Portugal, eligible as beneficiaries of the European Economic Area Financial Mechanism.
Bilateral Initiative	Initiative consisting of one or several activities, implemented in partnership with the Donor States entities, which clearly contribute to the strengthening of the bilateral relations.
Certifying Authority (ADC)	National public entity (Cohesion and Development Agency P.I.) functionally independent of the National Focal Point, Audit Authority and Programme Operators designated by the Beneficiary State, responsible for certifying financial reports.
Description of the Management and Control Systems (DSGC)	Description of the Management and Control Systems established between the National Focal Point, the Audit Authority and the Certifying Authority or established by each Programme Operator, which describes the organizational structure, procedures for analyzing expenditure, monitoring and reporting, certification and audits, etc.
Donor Programme Partner (DPP)	Public entity of a Donor State designated by the FMC to assist in the preparation and implementation of a Programme agreed upon in the MoU.
Donor States	Iceland, Liechtenstein and Norway, EFTA countries that signed the Treaty of Accession to the European Economic Area and that contribute to the EEAFM funding.
EEAFM 2014-2021 Legal Framework	Composed by the EEAFM 2014-2021 Regulation, the Protocol 38C of the European Economic Area Agreement, the Memorandum of Understanding, Programme agreements and the Guidelines adopted by the FMC.

Eligible Expenditure	Expenditure identified and clearly associated with the completion of an activity, the nature and date of which comply with the EEAFM 2014-2021 legal framework, as well as other applicable national and community rules.
European Economic Area Financial Mechanism (EEAFM)	Financial Mechanism established under the European Economic Area Agreement scope in which the Donor States finance, in 15 Beneficiary States, initiatives and projects in several programmatic areas, in order to reduce economic and social disparities and strengthen the bilateral relations between Donor States and Beneficiary States.
Expenditure Certification	Formal procedure whereby the Certifying Authority declares to the FMO that the expenses submitted for reimbursement are eligible, that they are justified by invoices paid, or other accounting documents of equivalent probative value, or physical performance indicators in the case of simplified costs, and which were carried out within the scope of the activities duly approved for funding.
Financial Mechanism Committee (FMC)	Committee created by the Donor States to manage the European Economic Area Financial Mechanism, consisting of representatives of their respective Ministries of Foreign Affairs.
Financial Mechanism Office (FMO)	Office which assists the FMC in the management of the European Economic Area Financial Mechanism and acts as the contact point.
Fund for Bilateral Relations (FBR)	Fund with a minimum of 2% of the total allocation of the Beneficiary State, with the objective of strengthening bilateral relations between Donor States and the Beneficiary State, managed by the NFP.
Fund for Bilateral Relations Agreement	The FBR is governed by the Fund for Bilateral Relations Agreement signed between the FMC and the National Focal Point defining the scope and purpose of the Fund. The Agreement also describes the role, functioning and composition of the JCBF and the procedures and requirements for the Work Plan and the allocation of funds.
Grant Rate	Funding by the EEAFM 2014-2021 to the implementation of the approved programmes, projects and initiatives, corresponding to a percentage of the total eligible cost of the programmes.
Irregularities Authority (IGF)	National public entity (General Inspectorate of Finance) functionally independent of the National Focal Point, Certifying Authority and Programme Operators, designated by Portugal as Beneficiary State, responsible for the registration and reporting of irregularities detected to the FMO.

Irregularity	An irregularity is a violation of the EEAFM 2014-2021 legal framework, and all other applicable legislation, namely, with regard to public procurement.
Joint Committee for Bilateral Funds (JCBF)	Committee established by the National Focal Point to discuss issues of bilateral interest to decide on the use of the fund for bilateral relations and to review progress in the implementation of the EEAFM 2014-2021 in order to achieve the objective of strengthening the bilateral relations between the Donor States and the Beneficiary States.
Memorandum of Understanding (MoU)	Document that defines the entities, the Programmes, the Donor States partners, the bilateral ambitions and the amounts of funding.
National Focal Point (NFP)	The national public entity (EEAFM National Management Unit) designated by the Beneficiary State with overall responsibility for meeting the objectives of the EEAFM 2014-2021 and for the implementation of the MoU.
National Management Unit (UNG)	Under the terms of the Resolution of the Council of Ministers no. 39/2017 of March 10 th , rectified by the Declaration of Rectification no. 14 / 2017, of April 24 th , the National Management Unit of the European Economic Area Financial Mechanism 2014-2021 is created and assumes the role of National Focal Point for the fulfillment of the duties defined in the respective Regulation of the EEAFM 2014-2021 and the Memorandum of Understanding.
Open Call Text	Notice of the opening of a call for the allocation of available funds for the funding of bilateral initiatives, including the conditions for granting funding, such as amounts, funding rates, deadlines for submission of proposals, selection criteria, etc.
Partner Entity of the Donor State	Involved entity with an effective contribution in the implementation of the bilateral initiative with its main location in one of the Donor States.
Partnership Agreement	Agreement between the Promoter of the initiative and the Partner of the Donor States for the development of the partnership, regulating the roles and responsibilities of the parties, as well as the budget and the expenditure allocated to the participation of the partners.
Programme	Structure with the definition of a development strategy with a coherent set of measures and indicators to be carried out through projects

supported by the EEAFM 2014-2021 and aimed at achieving the agreed objectives and results.

**Programme Operator
(PO)**

Public or private entity appointed in the MoU, with responsibility for the preparation and implementation of the Programme.