

Environment, Climate Change and Low Carbon Economy Programme
"Environment Programme"

European Economic Area (EEA) Financial Mechanism 2014-2021

**APPLICANTS GUIDE FOR FINANCING OF PROJECTS SUPPORTED
BY ENVIRONMENT, CLIMATE CHANGE AND LOW CARBON
ECONOMY PROGRAMME**

28 November 2019

The Environment, Climate Change and Low Carbon Economy Programme was created following the signing of the Memorandum of Understanding between Portugal, Norway, Iceland and Liechtenstein, with a view to the implementation in Portugal of the European Economic Area Financial Mechanism (EEA FM) 2014-2021 in the programme areas of Environment and Ecosystems (PA11) and Climate Change Mitigation and Adaptation (PA13). The Environment, Climate Change and Low Carbon Economy Programme - Environment Programme - contributes to the pursuit of environmental policy priorities in Portugal: transition to a circular, resilient and carbon-neutral economy and territorial enhancement.

Therefore, it is necessary through this Guide to establish the rules and conditions for access in national territory to the Financing of the Environment, Climate Change and Low Carbon Economy Programme (85% from EEA FM and 15% from the national contribution), within the scope of EEA FM 2014-2021.

Technical Information:

Programme Name: **Environment, Climate Change and Low Carbon Economy**

Programme Area: **Environment and Ecosystems (PA11)**

Complementary Programme Areas: **Climate Change Mitigation and Adaptation (PA13)**

Financing:

Total: **€28,235,294**

EEA Grants: **€24,000,000**

Portugal: €4,235,294

Programme Manager: **Secretary General for Environment and Energy Transition**

Donor Programme Partner: [Innovation Norway \(IN\)](#)

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General provisions

Article 1

Subject matter

This Guide defines the general conditions of access to funding for the Environment, Climate Change and Low Carbon Economy Programme.

Article 2

Programme Areas and Objectives

1. This Guide is intended for projects that address the following Outcome and objectives:

a) Outcome 1: Increased the application of circular economy principles in target sectors.

Objective: promote the application of circular economy principles by reducing the use of materials and waste production, in particular through a return system for plastic and aluminium beverage packaging and the application of efficiency measures and innovation in the value chain of the construction sector.

b) Outcome 2: Enhanced sustainable development in Biosphere Reserves.

Objective: support management and sustainability in the biosphere reserves territories, promoting their empowerment towards the development of their economy and promoting the involvement of the local population and the attraction of visitors.

c) Outcome 3: Increased climate change resilience and responsiveness in targeted areas.

Objective: increase resilience to climate change through concrete local climate change adaptation measures, low-carbon technological solutions and climate change mitigation in cities.

Article 3

Calls for proposals and budgetary allocations

1. Call notices corresponding to the themes referred to in the preceding Article shall be published on the website of the Secretary General and include, among other elements, the following:
 - a) Objectives pursued by the call;
 - b) Timetable for application, analysis and decision;
 - c) Criteria for the selection and ranking of applications;
 - d) Application forms.
2. The maximum amounts per programme area and the overall allocation for each Outcome are set out in the table below:

Programme Area	Outcome	EEA Grants	Norway Grants	Total	Programme Grant Rate	Overall Programme Allocation
PM	Programme Management	€1,935,000	€0	€1,935,000	85.00%	€2,276,471
PA11	Outcome 1	€10,242,500	€0	€10,242,000	85.00%	€12,050,000
PA11	Outcome 2	€1,870,000	€0	€2,040,000	85.00%	€2,200,000
PA13	Outcome 3	€9,952,500	€0	€9,782,500	85.00%	€11,708,823
	Total	€24,000,000	€0	€24,000,000	85.00%	€28,235,294

Article 4

Guiding principles and applicable regulation

1. The implementation of this Guide should be supported by the following guiding principles:
 - a) Transparency, accountability and cost efficiency;

- b) Good governance and sustainable development;
 - c) Equality of gender and of opportunities.
2. The provisions of the Regulation on the implementation of the European Economic Area Financial Mechanism 2014-2021 (EEA FM 2014-2021 Regulation), as well as those from applicable Community and national regulations, including in environmental legislation, public procurement legislation and State aid legislation, shall prevail in all matters not set out in this Guide.
 3. The procurement processes of the projects supported by the Environment, Climate Change and Low Carbon Economy Programme shall be conducted in accordance with the Public Procurement Code, and the obligation shall be extended *mutatis mutandis* to all project partners.
 4. Without prejudice to the previous paragraph, the principles of this Guide and other legislation shall be publicised nationally through the electronic portal of the Secretary General for Environment and Energy Transition and EEA FM 2014-2021.

Article 5

Responsible service and correspondence

1. For purposes of the application of the provisions of this Guide, the Secretary General shall represent the Secretary General for Environment and Energy Transition.
2. All correspondence relating to the implementation of the Environment, Climate Change and Low Carbon Economy Programme should be sent in digital form using the following e-mail address: ambiente.eeagrants@sg.maac.gov.pt

Eligibility of project promoters and project partners

Article 6

Project promoters and partners

1. The Environment, Climate Change and Low Carbon Economy Programme admits the involvement of the following types of participants and beneficiaries:

- a) Project promoter;
 - b) Project partners including project partners from donor countries;
2. A project can be implemented by a "project promoter" alone or in partnership provided that:
- a) The rights, duties and obligations of each entity participating in the project are clearly identified;
 - b) The partnership is formalised in a "partnership agreement" formalised in accordance with Article 8.
3. The following are eligible as applicants in projects funded under the Environment, Climate Change and Low Carbon Economy Programme (see also Article 7):
- a) Any public or private entities, whether for profit or not, and non-governmental organisations legally established and operating in Portugal;
 - b) Intergovernmental organisations operating in Portugal.
4. The following may participate as partners in projects funded under the Environment, Climate Change and Low Carbon Economy Programme:
- a) Any public or private entities, whether for profit or not, and non-governmental organisations legally established and operating either in Portugal or in donor countries of the European Economic Area Financial Mechanism: Kingdom of Norway, Principality of Liechtenstein, Iceland;
 - b) Intergovernmental organisations operating in Portugal.

Article 7

Specific tasks of project promoter

1. The project promoter shall be responsible before the Secretary General for Environment and Energy Transition for the application, coordination and implementation of the project and for compliance with the proposed objectives, as well as for strict compliance with the conditions of the project contract, in particular with regard to compliance with national and European Union legislation applicable to it.
2. When, under the terms of Article 8, the project is implemented in partnership, the promoter shall be responsible before the Secretary General for Environment and Energy Transition for:
 - a) Representation, coordination and communication with other members of the Partnership;
 - b) Submission and prior validation of all documents and information provided for in the project contract;

- c) Reporting any changes to the promoter or any of the project partners, including their names, addresses and legal status;
 - d) Centralisation of the entire communication exchange within the project, in particular with regard to the technical and financial monitoring of the project.
3. Each project shall be carried out under the responsibility of a coordinator contracted by the project promoter, whose identification or the modification of the project must be immediately communicated to the Secretary General for Environment and Energy Transition.
 4. Without prejudice to the provisions of the preceding paragraphs, the coordinator shall be the preferred representative of the Secretary General for Environment and Energy Transition and of the other management and monitoring bodies of the Environment, Climate Change and Low Carbon Economy Programme.

Article 8

Partnership agreements

1. A project may be implemented in the form of a partnership, provided that the project is formalised through a partnership agreement between the project promoter and the project partners.
2. The partnership agreement shall contain the following information:
 - a) Provisions on the rights, duties and responsibilities of the parties, including the responsibility of the project promoter for the financial flows to the project partners;
 - b) The budget allocated to each member of the partnership, including indirect costs;
 - c) Provisions on the method of calculation of indirect costs and their maximum amount;
 - d) Applicable exchange rate rule for expenditure and reimbursement, when partners from outside the euro area are involved;
 - e) Detailed budget, explaining costs and unit prices;
 - f) Identification of the project promoter and coordinator;
 - g) Provisions and audits on project partners;
 - h) Dispute resolution provisions.
3. All provisions contained in this Guide are applicable *mutatis mutandis* to all project partners.

4. The Partnership Agreement shall be drafted in English when at least one of the project partners comes from one of the donor countries.
5. The project team should be clearly identified, including summarised *curricula vitae* of each of the key stakeholders.
6. Partnerships involving entities from Norway, Iceland and Liechtenstein, the donor countries of the European Economic Area Financial Mechanism, are encouraged.
7. Applications are encouraged if they show concern for:
 - a) Equitable participation of men and women;
 - b) Combating mobbing;
 - c) Inclusion of minorities;
 - d) Combating hate speech, extremism, racism, homophobia and anti-Semitism.

Eligible expenditure

Article 9

General principles on eligibility of expenditure

1. The principles set out in this Article shall apply to all eligible expenditure, unless expressly provided otherwise in this Guide.
2. Eligible expenditures for the project shall be those actually incurred within the scope of the project and which meet the following criteria:
 - a) Those that relate to the subject matter of the project contract and that are indicated in the estimated overall budget of the project;
 - b) All expenditures between the first and last day of the project, as specified in the project contract, shall be eligible;
 - c) Those that are appropriate and necessary for the implementation of the project;
 - d) They must be used for the sole purpose of achieving the project objective(s) and expected results in a manner consistent with the principles of economy, efficiency and effectiveness;

- e) They must be identifiable and verifiable, in particular through their recording in the accounts, and determined in accordance with national accounting rules and general accounting principles;
 - f) They must comply with the requirements of social legislation and tax rates applicable in their country of origin.
3. Incurred expenditures shall be all those whose costs have been invoiced and paid, with corresponding delivery (in the case of goods) or performance (in the case of services or works).
 4. For the purposes of this Guide, the value of the eligible expenditures to be taken into account shall be the amount set out in the expenditure document, including Value Added Tax (VAT) at the rate in force.

Article 10

Eligible direct expenditures

1. Eligible expenditures are those identified and certified by the "project promoter" or "project partners", exclusively and directly related to the implementation of the project and which comply with the general principles set out in particular in Article 9, particularly:
 - a) Staff costs related to the project, including salary, social contributions, workplace insurance and other compulsory costs;
 - b) Travel and subsistence allowance of the team members assigned to the project, under the same conditions and up to the maximum limit applicable to civil servants in their respective countries;
 - c) Amortisation costs of new or second hand equipment during the execution of the project. In case that the equipment is an integral and necessary component for achieving the outcomes of the project, the entire purchase price of that equipment may, by exception of the rule contained in paragraph 4 of Article 8.2 of the 'Regulation', be eligible; Costs of consumables and supplies that can be identified and allocated to the project;
 - d) Costs of contracting services by the "project promoter" or "project partners" for the purpose of implementing the project;
 - e) Costs entailed by other contracts awarded by the Project Promoter for the purposes of carrying out the project, provided that the awarding complies with the applicable rules on public procurement and this Guide;

Article 11

Eligible indirect costs

1. Indirect costs are those which cannot be directly attributed to a project yet which are indispensable for its implementation.
2. A fixed percentage, up to a limit of 20%, of total eligible direct expenditures, excluding eligible expenditures on subcontracting and costs attributed to resources made available by third parties and not used at the facilities of the promoter or project partner, shall be eligible as indirect overhead costs of projects to be defined under each call.
3. The fixed percentage referred to in the previous paragraph shall be calculated at the beginning of each project on the basis of the actual costs of each organisation and in accordance with the methodology defined in each call notice pursuant to Articles 2 and 3 of this Guide.
4. The Secretary General for Environment and Energy Transition reserves the right to request proof of all the information used in the calculation of the percentage referred to in paragraph 2.
5. Once the fixed percentage referred to in paragraph 2 has been calculated and accepted by the Secretary General for Environment and Energy Transition, such percentage shall be considered fixed for the entire duration of the project, not requiring additional verification.

Article 12

Ineligible expenditures

1. Expenditures that do not comply with the principles set out in Article 9 are ineligible.
2. The following expenditures shall be considered ineligible:
 - a) Interest on debt or bank loans, charges related to debt or bank loans and late payments;
 - b) Charges for financial transactions and other purely financial costs, except those related to financial service costs imposed by the project contract;
 - c) Reserves for losses or potential future liabilities;
 - d) VAT, when recoverable;
 - e) Costs covered by other sources of financing;

- f) Fines, penalties and litigation costs;
 - g) Expenditure that is excessive or inappropriate for the purposes previously established.
3. Expenditure on the purchase of land and buildings is ineligible.

Project applications

Article 13

Application process

1. Applications shall be submitted following the launch of the call for proposals through a notice published on the Secretary General's website (<http://www.sg.maac.gov.pt/>), on the EEA Grants Portugal website <https://www.eegrants.gov.pt/en/programmes/environment/> on the International EEA Grants website (eeagrants.org) and in a national media outlet.
2. On the commencement date of the call for proposals, application forms shall be made available on the website of the Secretary General for Environment and Energy Transition.
3. Only applications submitted on the forms referred to in paragraph 2, duly completed, submitted within the time limits laid down, and which meet the requirements set out in this Guide and in the relevant call notice, shall be eligible.
4. The application process shall take into consideration the ancillary regulations or restrictions to the general conditions published in an annex to the Call Notice.
5. Applications consisting of the forms and any annexes must be sent to the following e-mail address: ambiente.eegrants@sg.maac.gov.pt.

Article 14

Calls for submissions of applications

1. Calls for submission of applications must:
 - a) be widely disseminated with a view to reaching all potential applicants. Any limitations on publication must be provided for in the programme contract;

- b) include a clear and reasonable time limit from the date of publication of the notice and an address for publication;
- c) clearly specify the promoters and eligible partners of the project and any restrictions, limitations or exclusions to which they may be subject;
- d) contain detailed selection criteria as well as a scoring chart;
- e) clearly indicate which type of activities and expenditures are eligible;
- f) clearly indicate the total amount available through the call as well as the minimum and maximum amount of the requested project;
- g) contain provisions on the payment model;
- h) clearly indicate the co-financing requirements;
- i) require the disclosure of any consultant involved in the preparation of the project application;
- j) provide clear references and additional information, including a reference to this Guide and the relevant guidelines adopted, as well as other relevant documentation prepared by the Programme Operator;
- k) provide contact details for answers to questions asked.

Article 15

Formalisation of applications

1. Applications shall be formalised by submitting the application form containing:
 - a) Part A - Administrative Information;
 - b) Part B - Description and Public Summary of the Project;
 - c) Part C - Detailed Technical Description;
 - d) Part D - Financial Information.
2. All elements referred to in the previous paragraph, with the exception of the Project Summary included in Part B, shall be treated as confidential, and all persons and entities involved in the selection process are bound by the obligation of confidentiality.

3. Applications may be submitted in Portuguese or English, with the exception of Part B, which must be submitted in both languages.
4. When there are differences of interpretation in the situation provided for in the final part of the preceding paragraph, the interpretation given in the general language of the application shall prevail.

Article 16

General conditions of admission and acceptance of the project promoter and partners

1. By granting the Secretary General for Environment and Energy Transition access to the respective information during the application phase and during the term of the Project Contract, the proposing institutions and participants must prove that they have met their contribution obligations for Social Security and the Tax Administration.

Article 17

Territorial scope

1. Applications for projects that take place anywhere in the national territory are eligible.

Article 18

Project duration

1. All projects must be completed by the deadline of 30 April 2024.
2. Without prejudice to paragraph 1, projects with a duration of less than 12 months are ineligible.

Project selection process

Article 19

Application process

1. The application process shall take place in three stages:
 - a) Verification of the admissibility and eligibility of applications;
 - b) Technical evaluation of applications;
 - c) Selection decision.

Article 20

Selection Committee

1. The application selection process shall be carried out by a Selection Committee appointed by the Secretary General for Environment and Energy Transition for each call for proposals referred to Outcomes and Objective: increase resilience to climate change through concrete local climate change adaptation measures, low-carbon technological solutions and climate change mitigation in cities.
2. Article 3The Selection Committee shall have the following structure:
 - a) Two members appointed by the Secretary General for Environment and Energy Transition;
 - b) One member from the Donor Programme Partner (DPP), Innovation Norway, according to the terms of the MoU (Memorandum of Understanding on the Implementation of the EEA Financial Mechanism 2014-2021 between Iceland, the Principality of Liechtenstein, the Kingdom of Norway and the Portuguese Republic).
3. One representative from the National Management Unit of the European Economic Area Financial Mechanism 2014-2021 established by Council of Ministers Resolution No 39/2017 of 10 March may attend the meetings of the Selection Committee as an observer.
4. One representative of the European Economic Area Financial Mechanism Committee may attend the meetings of the Selection Committee as an observer.

Article 21

Verification of admissibility and eligibility of applications

1. As the managing entity of this Programme, the Secretary General for Environment and Energy Transition shall be responsible for launching calls for proposals, receiving applications and verifying the formal admissibility and eligibility requirements.
2. The verification of the formal admissibility and eligibility requirements shall include:
 - a) Analysis of all documentation submitted by the applicants within the scope of the call for proposals, assessing its legality and full compliance with the administrative prerequisites announced;
 - b) Analysis and proof of all the documentation submitted by the project promoters regarding the financial capacity for its execution, as well as the absence of any debts to the Portuguese State, namely in terms of tax and social security contributions;
 - c) Compliance with the applicable legislation defined in this Guide, as well as the framework of the project under the State aid rules, first verifying whether the support to be granted is covered by the definition of State aid under the characterisation criteria set out in Article 107.1 of the Treaty on the Functioning of the European Union (ex Article 87 TEC);
 - d) If and only if the support falls within the definition of State aid, then the framework, compliance and application of other relevant Community legislation, namely Regulation (EC) No 659/99, as amended by Council Regulation (EU) No 734/2013 of 22 July 2013, Regulation (EC) No 794/2004 of 21 April, Regulation (EC) No 651/2014 of 16 June, published in OJ L 187 of 26 June 2014, referred to as the "General Block Exemption Regulation (GBER)", of Commission Regulation (EC) No 1407/2013 of 18 December (*de minimis* rule), Commission Recommendation No 2003/361/EC of 6 May 2003, concerning the definition of micro, small and medium-sized enterprises and Community guidelines on State aid for environmental protection (2008/C 82/01), among other applicable texts, will be verified on a case-by-case basis.
3. The promoters of the applications will be notified by e-mail concerning the acceptance for assessment of their application or the exclusion of the respective projects within 20 working days.

Article 22

Technical evaluation of applications

1. Three expert evaluators appointed by the Secretary General for Environment and Energy Transition will assess the merits of each application independently.
2. The final scoring of applications shall be the result of the simple average of three evaluations.
3. The evaluation process will be based on the following criteria:
 - a) Technical Capacity of the Promoter and Team (TCPT), scored from 0 points (min.) to 100 points (max.);
 - b) Quality of Technical Proposal (QTP), scored from 0 (min.) to 100 points (max.);
 - c) Project Structure and General Objectives (PSGO), scored from 0 points (min.) to 100 points (max.).
4. The criteria set out in the previous paragraph shall be detailed differently for each call for proposals.
5. The evaluation grid for each call for proposals shall be published on the website of the Secretary General for Environment and Energy Transition when such procedure is launched.
6. The final score assigned to each project shall be obtained from the criteria defined in the previous paragraph and in each call notice according to the formula defined in these notices.

Article 23

Selection decision

1. Pursuant to Article 21, notification shall be provided on a factual and legal basis concerning the reasons for rejection of applications based on verification of the formal admissibility and eligibility requirements, and such rejection must be duly justified and substantiated. The decision may be appealed within 10 working days.
2. The Secretary General for Environment and Energy Transition shall consider such rationale, after which it will issue a final and definitive opinion on the admissibility of the applications.
3. After the technical evaluation of the accepted applications, the Secretary General of the Ministry of Environment and Energy Transition shall provide the list of project scores to the Selection Committee and the European Economic Area Financial Mechanism Committee.
4. The Selection Committee shall review the list of project scores and may modify them in a reasoned manner in order to submit a list of recommended projects to the Secretary General for Environment and Energy Transition.

5. The Secretary General for Environment and Energy Transition shall verify that the selection process has been conducted in accordance with the EEA FM 2014-2021 Regulation and that the recommendations from the Selection Committee comply with the rules and objectives of Environment, Climate Change and Low Carbon Economy Programme.
6. Following verification, the Secretary General for Environment and Energy Transition will prepare and release to the candidates a provisional report on the evaluation of the projects, duly justified and substantiated, in order to conduct a hearing with interested parties.
7. At the hearing, the project promoters may make observations they consider relevant within 10 working days after notification of the proposed decision.
8. The Selection Committee will assess the respective rationales and then issue a final and definitive opinion on the scoring of the applications.
9. Within 20 working days of receiving the opinions and reports resulting from the evaluation process, the Secretary General for Environment and Energy Transition shall notify the project promoters, respectively, of the proposed project financing decision and of the opinion of the Selection Committee.
10. Project promoters wishing to exercise the rights set out in the previous paragraphs shall do so via the following e-mail address: ambiente.eegrants@sg.maac.gov.pt.
11. The Secretary General for Environment and Energy Transition shall be responsible for the final decision on the applications, informed by the report of the selection committee, with proposed decisions containing:
 - a) List of applications excluded:
 - i. On the basis of the criteria for verifying the admissibility and eligibility of applications;
 - ii. Score of less than 50 points.
 - b) List of accepted applications sorted according to scores, including:
 - c) Proposed project(s) and amounts to be supported;
 - d) List of applications with a positive score but not selected due to insufficient funds.

Article 24

Communication of final financing decision

1. Once the final financing decision has been taken, the Secretary General for Environment and Energy Transition shall notify the project promoters via e-mail and regular registered mail within a maximum of 15 working days.
2. Without prejudice to the provisions of the previous paragraph, the list and final score of approved projects shall be made public on the website of the Secretary General for Environment and Energy Transition.

Article 25

Project contract

1. The financing decision shall be formalised in a written contract to be entered into between the Secretary General for Environment and Energy Transition, as the Manager of this Programme, and the project promoter.
2. The project contract must include, among others, the following elements:
 - a) An explicit reference to the Environment, Climate Change and Low Carbon Economy Programme, to the EEA FM 2014-2021 Regulation and to this Guide;
 - b) The name of the project to be financed;
 - c) The objectives, deadlines for completion of the operation and the performance and output indicators to be achieved by the project, where applicable;
 - d) The total cost of the project, the amount of co-financing from the Environment, Climate Change and Low Carbon Economy Programme and the applicable co-financing rate;
 - e) Identification of the promoter's bank account for payments;
 - f) The responsibilities formally assumed by the contracting parties in complying with applicable national and Community rules and provisions;
 - g) The frequency of submission of requests for validation of expenditure or the minimum percentage of expenditure to be submitted in each validation request in relation to the approved grant amount;
 - h) The deadlines for payment to the project promoter;

- i) The time limit and other conditions for payment of the final balance of the operation;
 - j) The content and frequency of the project execution reports to be submitted by the promoter to the Secretary General for Environment and Energy Transition;
 - k) The obligation of the project promoter to ensure the establishment of a separate accounting system or an appropriate accounting code for all transactions related to the operation;
 - l) The obligation of the project promoter to fully respect the applicable public procurement rules and clearly demonstrate the connection between the declared expenditure and the respective public procurement process, when applicable;
 - m) The project promoter's obligation not to make cash payments in respect of the transactions underlying the operation, except in situations where this is the most frequent means of payment, depending on the nature of the expenditure and provided that the unit amount is less than €100;
 - n) Specification of the consequences of any non-compliance, including termination;
 - o) Provisions for recovering amounts unduly paid, including, where applicable, the application of default interest and compensatory interest;
 - p) The procedures to be followed when modifying the project;
 - q) The obligation of the project promoter to comply with the provisions of this Guide applicable to it;
 - r) Compliance with communication and image obligations, in compliance with [Annex 3 to EEA FM 2014-2021](#).
3. Additional elements of the contract may be requested from the project promoter, if deemed useful by the Secretary General for Environment and Energy Transition, as Programme Operator.
 4. After receiving the draft, the Project Contract must be returned to the Secretary General for Environment and Energy Transition within 20 working days, duly signed and initialled by those with authority to legally bind the entity or institution.
 5. The term for execution of the Project Contract may be extended for an equal period provided that an adequately justified rationale is submitted and accepted.
 6. Failure to return the Project Contract duly signed within the period referred to in paragraphs 4 and 5 to the Secretary General for Environment and Energy Transition for reasons attributable to the project promoter shall invalidate the financing decision.

Article 26

Project start date

1. The start date of each project shall be reflected in the information provided in the first interim payment application.
2. The project start date may not exceed 90 consecutive days after the date of notification of the final decision to the project promoter, except in situations duly justified and accepted by the Secretary General for Environment and Energy Transition.

Article 27

Contract termination

1. Without prejudice to the causes of unilateral termination provided for by general law, the Secretary General for Environment and Energy Transition may unilaterally terminate the contract in the following cases:
 - a) Failure by the project promoter or any project partners to comply with the obligations set out in the contract as well as with the instruments and principles set out in Article 4;
 - b) Non-compliance by the promoter or any of the project partners with their legal obligations, particularly tax and social security obligations;
 - c) Provision of false information about the status of the project promoter or any project partners or the falsification of data provided in the submission, appraisal or monitoring of investments.
2. Upon termination of the Contract on grounds of breach of the contract by the project promoter or any project partners, the project promoter shall be obliged to return all amounts received to the Secretary General for Environment and Energy Transition, plus default interest at the legal rate in force, within a maximum period of thirty (30) days after notification for this purpose.

Article 28

Modification of projects

1. Requests for modifications to projects after approval and execution of the contract must be formalised by submitting a written document containing the detailed information that justifies the need for modification.
2. A promoter wishing to formalise an application for a project modification as referred to in the previous paragraph shall do so via the following e-mail address: ambiente.eeagrants@sg.maac.gov.pt.
3. The Secretary General for Environment and Energy Transition shall consider the application within 20 working days, communicating its decision via e-mail and registered mail;
4. Requests for an extension of the end date beyond the deadline set out in Article 18 are not allowed.

Project monitoring

Article 29

General principles of monitoring

1. The Secretary General for Environment and Energy Transition shall carry out verifications of the administrative, financial, technical and physical aspects of projects/operations.
2. The verifications shall certify the veracity of the expenditures declared, the supply of the products or services in accordance with the approval decision, the accuracy of the applications for advances and reimbursement by the project promoter and the conformity of the projects/operations and expenditures with the rules of the European Union and Portugal financial regulation (EEA FM 2014-2021).
3. The verifications shall include procedures to avoid double funding of expenditure with other Community or national schemes and with other programming periods.
4. Project reports shall be monitored quarterly.
5. Project reviews shall be carried out twice a year for pre-defined projects and at least once a year for all other projects.
6. The purpose of project reports, project reviews and on-the-spot verifications shall be to ensure that the project is carried out in accordance with the requirements of this Guide and the project contracts, to

verify procurement procedures and the cost efficiency of the expenditure incurred, and to assess the achievement of the sectoral objectives and indicators as well as the impact and outcomes of projects.

7. *Ad-hoc* on-the-spot verifications may be carried out at any time and whenever suspicions arise that the information provided by the project promoter is doubtful or incorrect.
8. *Ad-hoc* on-the-spot verifications may also be organised for other reasons.
9. All verifications shall be properly documented including:
 - a) Registration and description of the work carried out;
 - b) Dates of verifications including, where applicable, the dates of the on-the-spot verifications;
 - c) Results of the verifications;
 - d) A detailed description of the irregularities detected;
 - e) Corrective actions taken;
 - f) Monitoring of irregularities and corrective actions determined in previous verifications;
 - g) Safekeeping of checklists;
 - h) Identification of the name and title of the person who performed the verifications;
 - i) Physical evidence of compliance with information and publicity requirements.
10. A record shall be kept of the work carried out for the verifications referred to in the previous paragraphs, the date and results of the verification and the measures taken to correct the irregularities detected.
11. Irregularities shall be dealt with in accordance with the Programme Management and Control System.

Article 30

Regular monitoring

1. Ordinary monitoring shall be carried out at any time by the following means:
 - a) Documentary analysis of project reports;
 - b) Project reviews;
 - c) Project visits.
2. Regular monitoring shall be divided into the components of Technical Monitoring and Administrative and Financial Monitoring.

3. The frequency of each of the regular means of monitoring shall be established in the contract between the Secretary General for Environment and Energy Transition and the promoter.
4. The promoter shall be responsible for promptly providing the Secretary General for Environment and Energy Transition with all the necessary information to allow regular monitoring of the project.

Article 31

Technical monitoring

1. Technical monitoring shall be carried out by the Secretary General for Environment and Energy Transition and have the following objectives:
 - a) Monitor the progress of work and evaluate deviations from the original schedule;
 - b) Evaluate the products produced within the scope of the project;
 - c) Observe actions taken under the project;
 - d) Confirm the correct application of the communication and image requirements of the Environment, Climate Change and Low Carbon Economy Programme;
 - e) Consider project change requests.
2. In order to prove that the programme's objectives have been met, the technical verification of the projects will be carried out as follows:
 - a) Compliance with the performance indicators defined in the project contract will be verified in each project and these indicators will be subject to verification by sampling;
 - b) Evidence to be provided by promoters to verify compliance with the indicators includes records, in electronic, paper or other format, attendance lists at workshops, meetings, minutes, materials produced for training or support or equipment purchased, as well as verification of the physical presence of human resources assigned to certain project activities.

Article 32

Administrative and financial monitoring

1. All requests for advances and reimbursement of expenditure shall be subject to administrative checks, whether they are interim or final requests, and the entire expenditure submitted shall be verified.

2. Such requests shall also be subject to administrative verifications based on an analysis of the order and the relevant supporting documents (i.e., invoices, delivery notes, bank statements, progress reports, attendance sheets).

Article 33

On-the-spot verifications

1. On-the-spot verifications are intended to control the reality of the project/operation, in particular the supply of the product(s)/service(s) in accordance with the terms and conditions of the contract, physical progress, evidence of compliance with Community rules on information and publicity, public procurement and the environment, as well as the collection of additional evidence of the actual physical and financial implementation of the project (i.e., project/operation implementation reports prepared directly by the promoter).
2. On-the-spot verifications of individual projects/operations may be carried out through sampling in order to obtain reasonable assurance as to the legality and regularity of the underlying transactions, taking into account the level of risk that has been identified.
3. On-the-spot verifications shall be based on a sample of documents, for which the sponsor shall submit the originals of those previously submitted, as described in Article 31 2b).
4. The Secretary General for Environment and Energy Transition shall be responsible for determining the sample size, which will never be less than 10% of the total number of payment applications submitted.
5. On-the-spot verifications shall be adequately planned and scheduled and the project promoter will be notified of:
 - a) The date on which they will be carried out;
 - b) The documents to be made available;
 - c) The staff who must be present to provide the necessary clarifications.
6. On-the-spot verifications shall be carried out when the project/operation demonstrates material and financial progress, thereby enabling the adequate correction of any problematic situations detected.
7. At least one on-the-spot verification per year shall be carried out for each project.
8. In the case of projects supported under the "Sector Projects" call for proposals, this minimum frequency shall be only one verification per project.

Article 34

Payment applications and certification of expenditure

1. The payment flows to the project promoter shall be made in the form of advances, interim payments and payment of the final balance.
2. The project promoter may request an advance, which should not exceed 10% of the total grant amount, justified by liquidity needs. Exceptionally, and in duly justified cases, this percentage may be increased to a maximum of 25%. The payment advance must be made within 20 working days of signing the project contract. The advance will be deducted from subsequent interim payment applications.
3. Interim payments will be made to the project promoter after approval of the payment application, which must be supported and formalised by the completion of a separate form, to be made available on the electronic portal of the Secretary General for Environment and Energy Transition.
4. The lists identifying the expenditure incurred shall contain at least the following information:
 - a) Project identification;
 - b) Identification of the procurement procedure (number and date of the contract, in the case of expenditure within the scope of a public procurement procedure);
 - c) Identification of the eligible expenditure (isolating the value of VAT);
 - d) Identification of the expenditure document (invoice and receipt with the respective number/Ref., date) and identification of the means of payment/financial flow;
 - e) Identification of the accounting record;
 - f) In the case of partial charging of expenditure contained in a document, identification of the charging criteria;
 - g) Declaration of conformity of the list submitted and of the absence of charging the expenditure to other financial mechanisms, signed by the project promoter.
5. Prior to their submission to the Secretary General for Environment and Energy Transition, the expenditures declared by the project promoter shall be certified by an external auditing entity and the following must be confirmed:
 - a) The legality of the supporting documents recorded in the Statement of Expenditure;
 - b) The compliance of the expenditure and investments made with Article 9, Article 10 and 11, as well as with the requirements set out in the application with regard to their eligibility and taking into account the date thereof;
 - c) Full compliance with procurement and payment procedures;

- d) The appropriateness of the date and validity of receipts;
 - e) The proper accounting of investment and incentive expenditures under applicable legal terms;
 - f) The adequate disclosure in the financial statements of the financing sources presented by the promoter, applicable only in the final verification.
6. Upon receipt of payment application, accompanied by a statement from the external auditor confirming that the expenditure is eligible under the Programme and in accordance with this Guide, the Financial and Asset Administration Services of the Secretary General for Environment and Energy Transition shall have 20 working days to make the interim payment to the project promoter.
 7. The sum of the amounts paid in the form of advances and interim payments may not exceed 90% of the total support for the project.
 8. The last expenditure list must be submitted no later than 30 consecutive days after the project completion date. Lists of all expenditure incurred by the project promoter and project partners are considered to be submitted at the end of this period.
 9. Payment of the final balance shall be made within 60 consecutive days of approval of the final report.
 10. The deadlines for the submission and evaluation of interim financial reports shall be defined in the Project Contract. Through interim reports, the project promoters must submit information at least on a quarterly basis to the Secretary General for Environment and Energy Transition on the expenditure incurred, the exact evolution and forecast of pre-payments.
 11. The project promoter must submit interim financial reports and payment applications within 15 working days of the end of each reporting period defined in the project contract, together with all proof of expenditure. The interim payment application must be accompanied by all relevant documentation, thus allowing all documentary controls to be carried out during the administrative verifications. The documents to be delivered are:
 - a) Duly completed payment application form;
 - b) Individual expenditures and total expenditures, indicating the amount of expenditures;
 - c) References of the corresponding invoices;
 - d) Payment date, payment reference number;
 - e) Type of expenditure;
 - f) Rate of allocation;
 - g) Expenditure item and activity.

- h) Three budgets for each expenditure.
12. Copies of the budgets, invoices and supporting documents associated with each expenditure shall be provided.
 13. The project promoter and partners must have organised accounts and specific accounts must be created for the registration of expenditure and revenues.
 14. The project promoter must keep a properly organised file of all documents that can provide evidence of the information and statements provided under the scope of the project, as well as all supporting documents for the expenditure, and make such file available for consultation whenever requested by the entities involved in the review, monitoring and control process.
 15. This file must be kept up to date and a delay of more than 60 days is prohibited. This file shall be kept available for a period of ten years after completion of the project or other period if specifically referred to in the project contract. The separate project file must include the following elements:
 - a) Application forms and respective annexes;
 - b) Project brief;
 - c) Communication of the approval decision;
 - d) Contract;
 - e) Project-specific bank account opening process;
 - f) Duly updated statements proving that both the project promoter and its partners are not indebted to the Tax Administration and Social Security;
 - g) Application for modification of the project, where applicable;
 - h) Schedule of physical and financial implementation;
 - i) Document proving VAT status;
 - j) Tendering procedures carried out for the implementation of the project;
 - k) Copies of applications for payment of advances and reimbursement and respective lists of supporting documents for expenditure;
 - l) Copy of the documents of the expenditure incurred and payments made;
 - m) Copy of the expenditure documents relating to general project expenses;
 - n) Documentation relating to disclosure of the support received.

Article 35

Extraordinary monitoring

1. Promoters and project partners may at any time be subject to technical and/or financial audit for the project activities and must provide the necessary information for this purpose.
2. Audits may be requested by the Secretary General for Environment and Energy Transition or by other entities involved in the management of the European Economic Area Financial Mechanism, namely by the National Management Unit, the Agency for Development and Cohesion or the EEA Financial Mechanism Committee.
3. Audits may be conducted by the cited bodies or by entities hired by them for this purpose.
4. Audits shall be scheduled at least 10 working days in advance.

Financing

Article 36

Grant rate

1. The overall funding to be allocated by the Programme shall be defined in the respective Call Notice according to Articles 2 and 3 of this Guide.
2. The value of the project expenditures to be borne or obtained by the promoter shall be defined in the respective Call Notice.

Article 37

Payments and transfers

1. The planning of the financial flows of each approved project shall be formally established under a contract to be implemented between the Secretary General for Environment and Energy Transition and the project promoter.

Article 38

Suspension of payments

1. The Secretary General for Environment and Energy Transition reserves the right to suspend contractual payments if one or more of the following conditions are present:
 - a) The interruption or the partial or total non-execution of the approved project;
 - b) Non-compliance by the project promoter with the time limit of 15 working days for transferring the corresponding portion of aid to its partners after receiving each tranche of funding;
 - c) In the event of delay in the performance of any obligation or condition which does not lead to termination of the contract.
2. After a period of 30 working days from the date of notification, payment of the financing shall be suspended after notification of the Secretary General for Environment and Energy Transition until the dispute has been settled, and any financing already received shall be subject to default interest at the legal rate in force for debts to the State.

Irregularities

Article 39

Definition of irregularities

An irregularity means a violation of the following regulations:

- a) Legal framework of the EEA Financial Mechanism 2014-2021 referred to in Article 1.5;
- b) Any provision of European Union law; or
- c) Any provision of the national law of the beneficiary State.

Article 40 Irregularities

1. The project promoters and the project partners shall make every possible effort to prevent, detect and reverse the effect of any irregularities. Likewise, any suspected and actual cases of irregularity shall be promptly and efficiently investigated and duly corrected, including any financial corrections that may be appropriate.
2. Amounts unduly paid shall be recovered and reimbursed in accordance with programme agreements and this Guide.

Information and communication

Article 41 Communication Plan

1. The project promoter shall develop and implement a Communication Plan in accordance with [Annex 3 to the EEA FM Regulation \(2014-2021\)](#) in order to provide information on the project to the widest possible audience at the national, regional and/or local level, including stakeholders;
2. The Communication Plan shall include at least the following aspects:
 - a) The objectives and target groups, including national, regional and/or local stakeholders and the public;
 - b) The strategy and content of information and publicity initiatives, including activities, communication tools and deadlines, taking into account the added value and impact of the financial mechanism funding;
 - c) At least two information activities on the progress, achievements and results of the project, such as a seminar or stakeholder conference, press conference, including a launch activity and/or project closing activity;
 - d) Measures to make information about the project available on the internet, either through a dedicated website or through dedicated webpages within an existing website, with regular information updates in both Portuguese and English;
 - e) Information on the internet shall include information about the project, its progress, achievements and results, cooperation with entities in donor countries, images, contact information and a clear

- reference to the Environment, Climate Change and Low Carbon Economy Programme, as well as to EEA FM and the Secretary General for Environment and Energy Transition;
- f) Information on the administrative departments or bodies responsible for implementing information and publicity measures, including a contact person;
 - g) An indication of how the information and publicity measures will be assessed in terms of visibility and awareness of the project and the financial mechanism, their objectives and impacts, as well as the role of donor country(ies).
3. The project promoter must ensure that the information and publicity measures are carried out in accordance with the Communication Plan and with the objective of reaching the widest possible audience, including the main stakeholders at the appropriate territorial level(s);
 4. Organisers of information events, such as conferences, seminars, fairs and exhibitions related to the application of the EEA FM, the Environment, Climate Change and Low Carbon Economy Programme and their projects commit themselves to making explicit and visible the support of the EEA FM and the Secretary General for Environment and Energy Transition;
 5. Where applicable, during project implementation, the project promoter shall place a panel at the site of each operation, in accordance with the requirements of the Communication and Design Manual, which meets the following conditions:
 - a) The total public contribution to the operation exceeds €50,000;
 - b) Information on whether the operation consists of financing a physical object, infrastructure or building;
 6. No later than six months after completion of the project, the project promoter shall replace the panel with a permanent and visible commemorative plaque of significant size, in line with the Communication and Design Manual;
 7. The project promoter must ensure that project participants have been informed of funding from the Environment, Climate Change and Low Carbon Economy Programme and EEA FM;
 8. All information and publicity material related to EEA FM 2014-2021 shall be in accordance with the Communication and Design Manual. These elements may be found here:
<https://www.eeagrants.gov.pt/en/programmes/environment/>.

The Manual sets out the detailed technical requirements in relation to the use of logos, as well as panels, signs, posters, publications, websites and audiovisual material.