

Civil Society Bilateral Manual

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1 Introduction

The EEA and Norwegian Financial Mechanisms 2014-2021 have two overall objectives of equal importance:

- contributing to the reduction of economic and social disparities in the European Economic Area
- strengthening bilateral relations between Iceland, Liechtenstein and Norway (hereafter referred to as ‘the donor states’), and each of the 15 beneficiary states (hereinafter the ‘bilateral objective’)

All programmes, projects and bilateral fund activities shall contribute to these two overall objectives.

Bilateral activities under the Active Citizens Fund contribute to strengthening bilateral relations between civil society organisations and other entities in the beneficiary country and in the donor states, in line with the overall objectives of the EEA and Norway Grants, as stated in the article 4.1 of the Programme Implementation Agreements (PIA).

This Bilateral Manual is annexed to the Manual for Fund Operators of the Active Citizens Fund and is complementary to the PIA. In case of conflict between this Manual and the PIAs, the provisions of the PIA shall prevail.

The purpose of this Manual is to provide guidance and recommendations on how to achieve the objective of strengthened bilateral relations in the programmes for civil society where the FMO is the Programme Operator. It also clarifies specific references in the PIA and provides further guidance to the Fund Operators, Donor Contact Point(s) and the FMO as Programme Operator on designing, implementing and reporting on bilateral cooperation under the Active Citizens Fund.

1.1 Definition of strengthened bilateral relations

Bilateral relations between countries refer to political, economic, cultural and historical ties, as well as people to people contact. Strong bilateral relations are characterised by cooperation between institutions and persons at administrative and political level as well as in the private sector, academia and civil society. Other elements of bilateral relations include trade and investment, cultural exchange, as well as general knowledge, understanding and public awareness about the other country and the ties existing between them.

The bonds between the countries involved in the EEA and Norwegian Financial Mechanisms are already strong due to a common history and culture, shared values and geographical closeness.

In the context of the Active Citizens Funds of the EEA and Norwegian Financial Mechanisms, the operational definition of ‘strengthened bilateral relations’ is: **Enhanced cooperation and improved mutual knowledge and understanding between donor and beneficiary states.**

2 A strategic approach to bilateral relations in the Active Citizens Fund

The Active Citizens Funds contribute to the overall bilateral objective of strengthening bilateral relations between the donor and beneficiary states.

The objective of strengthening bilateral relations is of equal importance as the objective of reducing social and economic disparities. However, bilateral cooperation activities are also expected to make a positive contribution to the overall objective of the Programme Area: 'Civil society and active citizenship strengthened and vulnerable groups empowered'. Bilateral activities should be mutually beneficial, based on a strategic and long-term perspective, and leverage the respective strengths of entities in the donor states and in the beneficiary states. A strategic approach to bilateral relations implies fostering bilateral ties and cooperation that are sustainable and bring together relevant stakeholders in donor and beneficiary states.

By providing a flexible source of funding for initiatives of mutual interest, the Fund for bilateral relations is an instrument to strengthen the cooperation and increase mutual knowledge and understanding between the donor and beneficiary states. The use of the fund for bilateral relations should be strategically targeted towards priorities and activities of bilateral interest.

A good bilateral initiative is planned and carried out in partnership between entities in the donor and beneficiary states to address an issue of common interest. The initiative contributes to increased cooperation or increased mutual knowledge and understanding, as well as joint results within the field they are working.

A results-based management approach should underpin the strategic approach to bilateral relations under the EEA and Norwegian Financial Mechanisms. In practice, applying a results-based approach to bilateral cooperation means identifying clear objectives at the outset and to focus on achieving planned results. Each Active Citizens Fund shall include a common bilateral outcome. Guidance on results-based management under the Active Citizens Funds is provided in the Civil Society Results Manual (please see Annex B of the Manual for Fund Operators of the Active Citizens Fund).

2.1 Donor Contact Point

Donor Contact Point(s) will be in place to facilitate bilateral relations between civil society and other entities in the donor states and the beneficiary states.

The Donor Contact Point(s) shall be invited to give input during the development of the Concept Note and the development of the bilateral plan and invited to the stakeholder consultation.¹

The role of the Donor Contact Point(s) may vary from programme to programme.

3 Donor partnership projects

In order to achieve the overall objective of strengthened bilateral relations, all programmes shall encourage and facilitate projects planned and implemented in partnership between civil society and other entities in the donor and beneficiary states– *donor partnership projects*.

When a call for proposals is foreseen, donor partnership opportunities should be planned for and widely promoted by the FOs in the beneficiary states, as well as by the Donor Contact Point(s) in the donor states, allowing sufficient time for partnerships to materialise.

The project level cooperation shall be mutually beneficial to the involved partners, and the partnership is expected to have a positive impact on the project.

3.1 Donor project partners

A 'donor project partner' is a *legal person* actively involved in, and effectively contributing to, the implementation of a project, and whose primary location is in one of the donor states. Both public and private entities, commercial and non-commercial, as well as non-governmental organisations may participate as donor project partners in a project.

The degree of involvement and the content of the partner's contribution will vary but only projects implemented in close co-operation between beneficiary and donor state partners will be considered donor partnership projects. They should be joint initiatives where input from both partners is necessary to achieve the project objectives.

Donor project partners should be involved as early in the planning stages of the project cycle as possible. The donor project partner should be consulted on, and given the opportunity to contribute to the relevant aspects of the project application.

3.2 Facilitation of donor project partnerships

It is crucial that the FO actively encourages and facilitates the establishment of donor partnership projects throughout the programme cycle, by considering the potential for bilateral project-level cooperation during the programme development, carrying out relevant matchmaking events and activities before, or at the latest, in conjunction with launching calls for proposals, as well as by encouraging donor partnership projects in call

¹ For more information on the concept note phase please see the Civil Society Results Manual, section III.1.

texts. The FO should apply clear and proportionate application procedures and reporting requirements, with a view to encourage cooperation between entities in the donor and beneficiary states.

The FO should ensure that project applicants are provided with sufficient guidance on how to best establish contact with potential donor project partners. Partnership opportunities shall be widely communicated, including on the FO's dedicated programme website.

The Donor Contact Point(s) may assist the FO in the facilitation of project partnerships through appropriate measures, from ensuring that programmes are designed to encourage and enable bilateral cooperation on project level, to identifying and bringing in potential donor project partners. In the donor states, the Donor Contact Point(s) shall communicate partnership opportunities to relevant entities, and should make such information available on their websites.

Donor state embassies may also offer advice and assistance to FOs and project applicants in the beneficiary states, by advertising partnership opportunities and referring applicants to relevant donor state entities.

3.3 Project partnership agreements

In each donor partnership project, the project promoter shall enter into a partnership agreement with the donor project partner(s), in line with the requirements set out in Article 5.7 of the PIA. Partnership agreements involving a donor project partner shall be in English.

A partnership agreement template is attached to this Manual and may be used in donor partnership projects.

The partnership agreement forms the basis for the cooperation between the parties, and it is therefore crucial that the project promoter and donor project partner work closely together in the preparation of the agreement.

The draft partnership agreement or alternatively a letter of intent shall be submitted to the FO in English at the latest prior to the signature of the project contract. This gives the project promoter and donor project partner sufficient time to develop their cooperation and agree on roles, responsibilities and financial arrangements without being rushed into signing a partnership agreement. The parties should however seek to sign the partnership agreement as soon as possible following the signature of the project contract.

In any project, including donor partnership projects, the project promoter is in general the grant recipient and the only one to enter into a contractual relation with the FO. In most donor partnership projects, the donor project partner will nevertheless implement parts of the project activities. The financial contribution to the project will consequently be distributed among the partners in accordance with the partnership agreement.

The expenditure of the donor project partners is reimbursed from the project budget, and accordingly, it is important that the partnership agreement includes figures which reflect the actual cost level in the donor state. The FO should ensure that funds for the donor project partner set aside in the partnership agreement can realistically enable the donor project partner to be reimbursed for its contribution.

It is important to note that there are substantial variations in the level of costs between the donor and beneficiary states. Differences in price levels must be reflected in the planning and implementation of project partnerships. This is to ensure that sufficient funds are set aside for donor partners and that reimbursements cover their actual costs. The Donor Contact Point(s) can be of assistance when there are questions regarding the cost level in the donor states.

4 Fund for bilateral relations

The Programmes shall set aside a minimum of 1% (and not less than EUR 10 000) of the total allocation for programmes up to EUR 20 million, and 0.5% of the total allocation for programmes above EUR 20 million for a bilateral fund. The FO is responsible for the use of the fund and makes sure the activities contribute to the bilateral objective and to the Programme objective.

Both donor state entities and relevant entities in the beneficiary state shall be eligible beneficiaries as promoters or partners under the fund.

Bilateral cooperation refers to networking, exchange, strengthening cooperation, sharing and transfer of knowledge, technology, experience and best practice between civil society organisations and other entities in the beneficiary states and in the donor states. Search for partners for donor partnership projects prior to or during the preparation of a project application, the development of such partnerships and the preparation of an application for a donor partnership project, also contribute to bilateral cooperation.

The involvement of a donor state entity is a pre-requisite for the activity to be considered a bilateral activity. International organisations may also be involved in bilateral activities, provided that there also is a donor entity involved. The FO should strive to finance initiatives that have a clear bilateral profile and serve the purpose of strengthening bilateral relations between the donor and beneficiary states. As an example, in an event supported under the fund for bilateral relations, having attendants from donor state entities at the actual event is not considered sufficient to define the activity as 'bilateral'. The event must reflect the bilateral ambition throughout the event programme, e.g. through a focus on exchanging relevant experiences between the donor and beneficiary state. Donor partners shall be actively involved in planning and organising the activity.

Examples of activities that could be carried out under the fund for bilateral relations include:

- matchmaking events
- development of donor partnership project applications
- technical cooperation and exchange of experts
- secondments and internships
- capacity building and short term training
- workshops and seminars on topics of common interest
- joint side events at international meetings
- joint participation in international network organisations
- study tours and visits
- data collection, reports, studies and publications
- campaigns, exhibitions and promotional material

This list is non-exhaustive.

The fund for bilateral relations may be used for activities that support the development of project applications and/or exploring partnership possibilities. This support can include for example travel and meeting costs for potential partners or any costs related to the development of the project application or development of the partnership. Funds for this purpose can be allocated through open calls for proposals at specific points of time (e.g. some months prior to the main calls for proposals), or by allowing for applications on a continuous basis, depending on the specificities of each programme.

The FO can also initiate and organise events and meetings to promote donor partnership projects, for instance through outreach and matchmaking seminars for potential project applicants and potential donor project partners, to allow them to explore cooperation possibilities. The FO may decide to distribute such funds through calls for proposals, simple expression of interest or by 'pre-defining' activities.

In the awarding of funds for bilateral relations, the FO shall apply the principles of good governance, transparency, equality, efficiency and zero-tolerance towards corruption.

The success of the funds for bilateral relations is dependent on relevant entities being aware of the availability of funding opportunities. Information on the existence and the procedures of the fund shall therefore be accessible to all relevant stakeholders, including to donor state entities. For further details, please consult the Manual for Fund Operators of the Active Citizens Fund, Chapter 3 on Communications.

4.1 Plan for bilateral fund

The FO will submit a **provisional plan for the first year's bilateral cooperation** to the FMO prior to the signing of the PIA. This provisional plan is drawn up in coordination with the FMO and can be informed by discussions with the Donor Contact Point(s).

Within the first year of the signing of the PIA, a **plan for use of the bilateral fund ('plan for bilateral fund')** for the implementation period shall be submitted to the FMO for approval. The Donor Contact Point(s) shall be invited to provide input to the plan. It shall

describe the administrative procedures for how to manage the fund to best achieve the bilateral objective.

Thereafter, the FO submits **annual updates to the plan for the bilateral fund** to the FMO. The FO shares information on bilateral plans and activities with the other FOs of the Active Citizens Funds in the beneficiary states in order to ensure a strategic approach to bilateral cooperation across the beneficiary countries, and informs the donor state embassies and NFP of significant bilateral activities.

The plan is in English, and is made available via the webspace of the Active Citizens Fund: [URL].

4.2 Eligibility of costs and disbursement of funds

For guidance on the eligibility of costs and disbursement of funds, please see the Manual for Fund Operators of the Active Citizens Fund sections 9.2 and 9.3.

The FO's staff costs related to organising a bilateral call, selecting the initiatives and contracting are covered by the Programme management fee.

5 Bilateral reporting

In the Annual Programme Report, the FO shall, in accordance with Article 7.1 of the PIA assess and report on progress towards the bilateral objective, including, but not limited to, the bilateral outcome and output indicators.

Bilateral initiatives shall be reported on through the Information System. The FO is responsible for registering initiatives covered from the funds for bilateral relations. The registration in the system should be made within four weeks following the completion of the initiative.

The bilateral initiatives reporting enables overviews of the type of activities supported, the actors involved, and results achieved. A detailed guidance note on how to fill in the form will be available in the Information System. For more detailed guidance on reporting please refer to the Civil Society Results Manual.