

FINANCIAL INSTRUMENT 1999-2003

FINAL REPORT



1. Introduction

The European Economic Area (EEA) Agreement entered into force on 1 January 1994. As an integral part of the agreement Iceland, Liechtenstein and Norway contribute to the reduction of social and economic disparities in the EEA area through a financial instrument.

The Financial Instrument 1999–2003 was the second five-year grant scheme to be supported. For this period, €119.6 million was made available in grant assistance for projects in Greece, Ireland, Northern Ireland, Portugal and Spain. Funding was available for projects in the areas of environment, transport, including infrastructure, and education and training, including academic research. The environment theme was broadly defined and included urban renewal, reduction of urban pollution and the preservation of European cultural heritage. The aim was to allocate at least two thirds of the overall amount to projects in the area of environment. Environmental projects were granted more than 93% of the total grant amount.

The earlier Financial Mechanism (1994–1998) and the Financial Instrument 1999–2003 were based on support to individual projects, rather than on a more strategic, programming approach. As a result it is not possible to aggregate results and assess how the projects have collectively contributed to reduced social and economic disparities. Nevertheless, as can be seen from some of the success stories outlined in this report, many of the projects have contributed to lasting and sustained results at local levels in the countries concerned. The projects have among other things improved infrastructure resulting in more effective monitoring of the eastern Mediterranean Sea, increased access to Cultural Heritage, and provided access to education and training for vulnerable groups. The projects have had a positive impact on people living in these areas and have contributed to the reduction of social and economic disparities locally.

2. Management of the Financial Instrument

The Financial Instrument Committee, representing the three donor countries - Iceland, Liechtenstein and Norway - decided on the selection and commitment of funds to project proposals. The Financial Instrument Unit, which was affiliated to the EFTA secretariat, supported the committee in its work. The European Investment Bank was responsible for project appraisal and monitoring was carried out by independent monitoring agents contracted by the beneficiary countries.

3. Key Figures

The commitment period of the Financial Instrument ended on 31 December 2003. By the end of the commitment period the Financial Instrument Committee had approved 25 applications for a total of €113.86 million (95% of the total available). Two projects were withdrawn at a later stage. The last projects were fully implemented by the end of 2011.

Allocations and disbursements

	Distribution key (%)	Original allocation (million €)	Commitments as at 31.12.2013 (million €)	Disbursed (million €)	Disbursement rate (%)
Spain	58.7	70.18	64.43	56.38	80.34%
Portugal	17.8	21.29	21.29	21.23	99.72%
Greece	18.5	22.08	22.09	11.84	53.64%
Ireland	4.6	5.53	5.53	5.53	99.99%
Northern Ireland	0.4	0.53	0.53	0.53	100.00%
Total	100	119.60	113.86	95.50	79.85%

Of the total grant commitments, 93.3% went to environmental projects, 5.4% to education and training, and 1.3% to transport.

Commitments by sector

Sector	Commitments as at 31.12.2013 (million €)	Share of the grants (%)
Environment, incl. urban renewal, reduction of urban pollution and securing of European cultural heritage	106.23	93.30%
Education and training, including academic research	6.15	5.40%
Transport sector, incl. infrastructure	1.48	1.30%
Total	113.86	100.00%

Number of projects implemented by the beneficiary states

Beneficiary state	Projects committed	Projects withdrawn/cancelled	Projects completed
Spain	17	1	16
Portugal	1	-	1
Greece	5	1	4
Ireland	1	-	1
Northern Ireland	1	-	1

4. Beneficiary States

GREECE

At the end of the commitment period on 31 December 2003, the Financial Instrument Committee had approved five Greek grant applications, corresponding to the total amount available for Greece € 22.08 million. Due to project modifications as well as a withdrawal of one project the total grant disbursements for Greece amounted to € 11.8 million.

Three large-scale projects in the environmental sector were supported. Two projects were aimed at restoring the wetlands of Amvrakikos and of the Riparian Forest of Nestos Delta. The third project involved the development of the POSEIDON II monitoring and forecasting system for sea conditions in the eastern Mediterranean. This was an extension of the POSEIDON project which was financed under the Financial Mechanism 1994-1998.

SPAIN

At the end of the commitment period on 31 December 2003, the Financial Instrument Committee had approved 17 Spanish grant applications worth € 64.4 million. Due to the withdrawal of one project and savings in the implementation of others, the total amount disbursed to Spain equalled € 56.4 million. The remaining projects were successfully implemented.

The allocation has mainly supported environmental projects, with an emphasis on urban renovation of historical towns. One project also included a large-scale initiative in the transport sector entitled "Route to the two Andalucias".

PORTUGAL

At the end of the commitment period on 31 December 2003, the Financial Instrument Committee had approved one Portuguese application, corresponding to the total amount available for Portugal € 21.29 million. The project was mainly implemented in the town of Rabo de Peixe on the north coast of San Miguel Island in the Azores. The project comprised of social and physical interventions to address the problems of multiple deprivation and environmental degradation of the community. The Old Ghettos, New Centralities project is presented as a project example.

IRELAND

At the end of the commitment period on 31 December 2003, the Financial Instrument Committee had approved one Irish grant application, corresponding to the total amount available for Ireland of € 5.5 million. The project covered several priority sectors and combined central objectives of the Financial Instrument, funding both environmental interventions, European cultural heritage and education and training. The project Lifetime Lab is presented as a project example.

NORTHERN IRELAND

At the end of the commitment period on 31 December 2003, the Financial Instrument Committee had approved one grant application from Northern Ireland corresponding to the total amount of € 526,240 available for Northern Ireland. One project was supported in the environment sector, including education and training.

5. Project examples

GREECE: Poseidon II (€7,367,632¹)

Sector: Environment

The POSEIDON II project involved the development of a second-generation monitoring and forecasting system for the eastern Mediterranean. It was an extension of the monitoring and forecasting system for sea conditions in the Eastern Mediterranean (POSEIDON), financed under the Financial Mechanism 1994-1998. The operational monitoring and forecasting capacity of the POSEIDON system in the Eastern Mediterranean Sea was expanded and upgraded with a new super-computing system and calibration equipment. A specialised laboratory was established in Crete and a deep-sea platform suitable for tsunami detection was installed. A set of remote sensing products has been made available through the project's online portal, where all POSEIDON II information is available to end-users. OCEANOR (Norway) was a supplier in both POSEIDON projects.



The POSEIDON system has a significant positive impact on the environment. It helps detect and limit the spread of pollution, prevents shipping accidents due to early forecasts of potentially dangerous sea conditions and helps to building a better understanding of the effects on the physical, biological and chemical processes on Greek waters.

<http://poseidon.hcmr.gr/>

¹ The final, total disbursement figures in brackets

SPAIN : Route to the two Andalusias (€7,026,908)

Sector: Environment

This project involved seven municipalities in the Andalusian provinces of Málaga, Sevilla and J  n. The project consisted of 26 sub-projects involving the renovation of historic buildings, archaeological sites, monuments and artistic works. Once renovated, many historic buildings that were inaccessible were made into museums and opened to visitors. In addition to attracting more visitors, the project created 650 new jobs during the implementation period and more than 300,000 inhabitants benefitted directly from the restoration works.



PORTUGAL: Old Ghettos, New Centralities (€21,230,190)

Sector: Environment



The Financial Instrument funded the extension and renovation of community facilities and much needed basic infrastructure in the municipality of Rabo de Peixe. The projects included the renovation and rehabilitation of the water supply and sewerage system, public urban spaces, sports facilities, schools and kindergartens and provided multi-purpose spaces for cultural and heritage purposes. The Instrument funded professional training programmes, educational and extra-curricular activities for youth, environment and health awareness programmes and activities to promote civil society and citizenship.



The final report on the project carried out by an independent evaluator reported that education levels were raised and that school absenteeism decreased dramatically. Available leisure activities for young people were improved with the creation of a community centre and nautical club. The vocational training available provided residents with more opportunities in the job market. In addition, the improvement of waste water and sewerage systems were critical to improving sanitation and public health.

<http://www.portaldahabitacao.pt/pt/ihru/>

IRELAND: Sustainable city campus in Cork - Lifetime lab (€5,525,000)

Sector: Environment/education and training



The Financial Instrument supported the restoration and redevelopment of a former waterworks site into a multi-purpose facility. The overall objective was to promote energy efficiency and sustainability, while at the same time restoring Cork's architectural and industrial heritage.

The Lifetime Lab is a highly popular attraction for visitors of all ages with almost 20,000 visitors per year. The Lifetime Lab has won numerous architectural and conservation awards for its energy conservation solutions, and has also been accredited by several national and international bodies. 80% of its' energy requirements are provided for by renewable resources, available on site. It has made an important contribution to restoring and conserving the architectural and industrial heritage of Cork, and more than 1,200 school groups visiting every year new generations are able to learn about science and the environment through hands-on investigations.

<http://www.lifetimelab.ie/>

ANNEX - Project overview

Project Overview in Greece

Amvrakikos Wetlands Upgrading (€ 2,557,405)

Sector: Environment

The project involved management, restoration and upgrading of the Amvrakikos Wetlands. Activities included assessing the environmental status, treating drainage water, enhancing water circulation and the raising of public awareness on wetlands environmental status.

Messolonghi – Etoliko – Iniadon lagoon complex (€ 0)

Sector: Environment

The project concerned restoration and integrated environmental management of the Messolonghi – Etoliko – Iniadon lagoon complex. It was withdrawn by the beneficiary state.

Ormylia (€678,522)

Sector: Academic research

The project, located at the Holy Convent of Annunciation of Mother of God, involved research into the early detection of breast, cervical and colon cancer. It was partly withdrawn by the beneficiary state.

Greece: Poseidon II (€7,367,632²)

Sector: Environment

Included in the main report as a project example.

Riparian Forest of Nestos Delta (€1,239,291)

Sector: Environment

The project concerned the restoration of the Riparian Forest of Nestos Delta. 280 hectares of natural vegetation were restored through the project, protecting the habitat of native flora and fauna.

Homepage: <http://www.ekby.gr/nestos/category.asp?menuid=16&lang=en>

² The final, total disbursement figures in brackets

Project Overview in Spain

La Carolina Urban Renewal (€ 2,404,048)

Sector: Environment

The project involved extensive renovations of public roads and lighting in the town of La Carolina in order to improve the urban environment and therefore reduce depopulation from this area. A second objective was to increase public security and traffic security.

Ponferrada Knight Templar Castle (€ 8,157,190)

Sector: Environment

The project involved the restoration of the castle of the Templar Knights of Ponferrada. Since the castle was renovated, the number of visitors has increased, from approximately 58,500 in 2006 to 71,500 in 2008.

Route to the two Andalusias (€ 7,026,908)

Sector: Environment

Included in the main report as a project example.

Toledo Urban Renovation (€ 2,267,550)

Sector: Environment/transport

The project comprised rehabilitation and reconstruction works on two unlinked road components in the city of Toledo in Castilla-La Mancha. It aimed to improve traffic control, pedestrian safety and the urban environment.

Zamora I (€ 7,490,856)

Sector: Environment

The project replaced a poor and unhygienic water supply system and wastewater pipeline in the town centre of Castilla y León. In addition, new sub-surface cableways for telecommunications and electricity infrastructure were laid.

Zamora II (€ 2,072,000)

Sector: Environment

The project was an enlargement of the initial Zamora I project (see above) to include a fifth zone. The project concerned the same type of rehabilitation work as in the four zones covered by Zamora I.

Soria Historic Quarter Restoration (€ 299,726)

Sector: Environment

The project was part of an urban regeneration plan for the entire historic-artistic quarter of Soria in the region of Castilla y León, which is a designated a preservation area. By renovating several buildings, the project has contributed to the preservation of historical heritage, tourist promotion and regeneration.

Storm water regulation and treatment system in Puertollano (EUR 2,711,172)

Sector: Environment

The main purpose of the project was to collect rainwater in order to prevent flooding within the city of Puertollano, Castilla-La Mancha.

Environmental improvement of the sewerage system in Gran Canaria (€ 0)

Sector: Environment

The project was withdrawn by the beneficiary state.

Landfill after treatment (€ 2,020,146)

Sector: Environment

The project concerned three locations in the Madrid region – Alcalá de Henares, Arroyo Quiñones and La Cantueña – its main objective was to control and seal off a series of abandoned landfills so that they could subsequently be integrated into green areas set aside for recreational purposes.

La Vall D'en Joan, Garraf (€ 5,122,458)

Sector: Environment

The project was part of the overall waste management plan of Barcelona's metropolitan area. The project comprised elements of rehabilitation of a zone in a landfill site.

Entre Huertas Urban Renovation (€ 3,416,634)

Sector: Environment

Through the project, the municipality of Santander – particularly the neighbourhoods of Rio de la Pila and Prada de San Roque – has been renewed by the creation of a cable car system. In addition to the new cable car system, the project involved the re-landscaping of the surrounding area and the planting of 2,471 trees and shrubs. Close to 10,000 residents benefited directly from this project.

Environmental Recovery in Extremadura (€ 3,517,069)

Sector: Environment

The project was aimed at the environmental recovery of areas degraded from past mining activities in Extremadura. The project worked to restore the natural environment, protect ecosystems and improve the development of the native fauna and flora. Work was done to protect and preserve the former mining facilities so that they no longer constitute a danger for the citizens in the area.

Revitalisation of the Jávea Historic Centre (€ 3,310,545)

Sector: Environment

The project concerned a large-scale restoration of the historic centre of the municipality of Jávea in the Alicante province. The urban area in the historic quarter of the town was improved by making the streets pedestrian friendly, renovating electrical installations, and renewing the water supply and the sewerage system. In addition, the 19th century building Casa Tena was restored and converted into a Centre for Fine Arts and Painting.

Recovery and environmental integration of Adaja River Bank (€ 3,219,072)

Sector: Environment

The project focused on the regeneration of land on the Adaja river bank near the city of Avila. Cycle paths were created, as well as two pedestrian bridges and a building to be used for educational purposes and environmental exhibitions. Other projects included, new recreational and sports facilities, as well as the installation of street lighting and new sanitary and sewage facilities.

Don Luis de la Cueva Palace Restoration (€ 2,358,053)

Sector: Environment

Renovation work in the Úbeda historical centre resulted in the creation of exhibition halls for local artisans and the restoration of a historic monument. Business activity in the area increased with the opening of several businesses in the renovated palace square. The Don Luis de la Cueva Palace was opened up to visitors and equipped with three new exhibition halls and three fully-equipped meeting rooms.

Urban refurbishment of the old quarters of Hostalric (€ 986,708)

Sector: Environment

The old quarters of Hostalric were restored and renovated to improve the inhabitants' quality of life. Works included the upgrading of electricity, sewage, gas, and telecommunications infrastructures. All public roads and pavements in the area were also restored, leading to the complete renewal of the old historic quarters of Hostalric.

Project Overview in Portugal

Old Ghettos, New Centralities (€21,230,190)

Sector: Environment

Included in the main report as a project example.

Project Overview in Ireland

Sustainable city campus in Cork – Lifetime lab (€ 5,525,000)

Sector: Environment/education and training

Included in the main report as a project example.

Project Overview in Northern Ireland

Salmon management and habitat restoration plans (€ 526,240)

Sector: Environment/education and training



The salmon management and habitat restoration project's aim was to improve fish farming practices and the salmon stocks in Northern Ireland's rivers. The project entailed stabilizing and reinforcing the banks of streams and the control of plant growth. These measures led to the improved survival of salmon offspring. The project also involved the monitoring of fish health.

The project resulted in the conservation of an endangered resource and better farming practices by landowners.