

National Focal Points
In the Beneficiary States
Of the EEA and Norwegian Financial Mechanisms

Brussels, 6 September 2022

Subject: Period of eligibility of expenditures in projects supported by the EEA and Norwegian Financial Mechanisms 2014-2021

Dear Colleagues at the National Focal Points,

The Donor States and the Financial Mechanism Office (FMO) have in the past months received letters from some Beneficiary States requesting prolongations of the eligibility period for projects beyond 30 April 2024. Some Beneficiary States have requested extensions of the entire portfolio while others of only specific programmes. The Donor States have given careful consideration to all requests.

The period of eligibility of expenditures in projects is set in Article 8.13 of the Regulations on the implementation of the EEA and Norwegian Financial Mechanisms 2014-2021 ('the Regulations'). The relevant provisions are clear that the final date of eligibility of expenditures in projects is fixed at 30 April 2024 and do not foresee any possibility for the final date to be postponed. Moreover, paragraph 1 of Article 14.5 of the Regulations explicitly states that no waiver may be granted from the final date of eligibility of expenditures.

It should be noted that three additional years for implementation were already added to the commitment period from the outset and the Donor States have planned and allocated important resources to the design, launch and management of the grants in this longer implementation period. Furthermore, considerable efforts have been made to maximise results and increase absorption by providing flexible rules, in response to the Covid-19 pandemic and the war in Ukraine. This resource allocation has been aligned with the existing implementation period stipulated in the Regulations.

The Donor States have therefore decided that the period of eligibility of expenditures in projects supported by the EEA and Norwegian Financial Mechanisms 2014-2021 shall not be extended.

The Donor States are committed to continue to explore further options together with the Beneficiary States to increase absorption capacity. Various measures have already been taken, for example providing for the possibility for programmes to award additional funds to certain projects facing exceptional price increases, communicated by the FMO's letter of 10 June 2022.

The restructuring of programmes should be considered on an ongoing basis and reallocations between programmes should now be a priority. To help facilitate the necessary adjustments to country programme portfolios, the Donor States will take a flexible approach to limits on programme management costs and co-financing requirements in order to provide stability and ease the process of reallocating the contribution from the Financial Mechanisms.

While the provisions contained in Article 8.13 of the Regulations must be upheld, the Donor States are, subject to agreement with the European Union, open to allowing ongoing projects to complete their activities beyond 30 April 2024 with support from a future funding period. Such a solution was already foreseen in Article 1.12 of the current Regulations, however the precise terms and conditions could be defined differently in the future.

We would like to thank you for your continued good cooperation and efforts in successfully completing programmes and projects. The Donor States and the FMO are at your disposal to discuss available measures that can be taken to maximise the impact that the EEA and Norwegian Financial Mechanisms 2014-2021 can have in your countries.

Yours sincerely,



Leif Trana
Chair
Financial Mechanism Committee