

# **FMO - Appraisal Manual**

**The EEA Financial Mechanism  
&  
The Norwegian Financial Mechanism**

Update: 10 November 2005

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# 1 Introduction

This document is an internal working paper for the FMO appraisal. It is meant as a practical guide for FMO's own appraisal work and as a basis for the terms of reference for the appraisal agents that FMO may use for the detailed appraisal described in chapter 4, 5 and 6.

The content is based on principles also used within project funding by the European Union, adapted to the needs of the EEA Financial Mechanism and the Norwegian Financial Mechanism.

The appraisal is about verification, examination and assessment of the information given in the application form for each project. This document is therefore very closely linked to the application form and its user guide, with direct references to various sections. These documents must be used together.

The output of the appraisal will be the basis for the Grant Decision Document, which is a standard form to be submitted by FMO to the respective decision bodies for each of the two financial mechanisms. The form is a part of the document Grant Decision Procedure.

## **2 Organisation and time schedule**

Upon arrival of the application to the FMO, the director appoints a task manager for the application. The task manager will normally be the relevant country officer. The administrative compliance and eligibility check shall be carried out by the task manager as soon as possible and at the latest within 5 working days upon arrival of application hard copy to the FMO.

### **2.1 FMO appraisal team**

For each application, an appraisal team shall be established by the task manager, consistent of at least three persons. In addition to the task manager, who chairs the group, one of the FMO's legal staff and the person responsible for the main priority sector in question shall participate. Additional personnel among FMO staff may be chosen by the task manager as required, e.g. the financial controller or other staff with special knowledge about the country or sector.

### **2.2 Detailed appraisal**

As soon as the administrative and eligibility check has been carried out by the task manager, FMO's appraisal team meets together with the director to discuss how to proceed and decide whether or not to carry out a detailed appraisal.

The type of project, its size and any documentation from previous appraisals are all examples of considerations that will determine the need for further appraisal.

According to the rules and procedures for both Norwegian and EEA Financial Mechanisms, the appraisal shall normally be carried out by an independent body, which shall be appointed and contracted by the FMO.

When detailed appraisal is chosen, the extent of work and topics covered may be adjusted based on the complexity and size of the project. The guiding principles will be part of the framework agreements with the appraisal agents and the team manager may instruct the agent from case to case regarding special topics for attention etc.

If a detailed appraisal is chosen, the task manager shall initiate the appraisal preparation as soon as practicable with the appraisal agent deemed most suitable.

The detailed appraisal shall normally be conducted within four weeks after the appraisal agreement has been signed both by the agent and by FMO. The appraisal report shall be copied to the Focal Point for them to make comments within 10 working days.

### **2.3 Commission Screening**

The team shall send the application to the EU Commission for screening for compatibility with community objectives. This screening will take place after the detailed appraisal at the latest.

## **2.4 FMO follow-up**

When the detailed appraisal is completed and after the deadline for comments from the Focal Point, the FMO appraisal team shall meet again and decide whether additional information is needed. If additional information or further clarifications are needed, the task manager may request this from the Focal Point or any other source deemed appropriate.

## **2.5 Preparation for grant decision**

Based on the initial check, the detailed appraisal, the Commission comments and any other relevant information, the task manager shall prepare the recommendation to the FMC and/or the NFMA for approval or rejection. For this purpose the Grant Decision Document shall be used. The Grant Decision Procedure describes this process further.

### **3 Initial check**

The initial check will be conducted according to the Rules and Procedures, guidelines and other documents describing the requirements of the two financial mechanisms. Failures in meeting any requirements may be commented and, if relevant, the Focal Point may be informed with a short deadline to rectify the issue.

#### **3.1 Administrative compliance**

The administrative compliance is the first control after the application has arrived at the FMO. This is about the formalities of the application.

- Has the application been completed the correct way?
- Is the application complete with all relevant attachments etc.?
- Has the requirements for open calls been followed?

Any failure in administrative compliance may give cause to reject the application and not carry out any further appraisal. In case the failure is considered possible to rectify, the NFP will be informed and given five working days to rectify the failure.

#### **3.2 Eligibility check**

The eligibility check shall answer the following key questions:

- Is the operation in accordance with the intention of the financial mechanisms?
- Does the proposed expenditure seem to be within the limits of eligibility?

The eligibility check is both about the eligibility of the project, the procedures, the applicant, and the costs. This is assessed according to the principles of the EEA Financial Mechanism and the Norwegian Financial Mechanism. These are included in, but not limited to, the Rules and Procedures, the Detailed Eligibility Provisions - Expenditures and the Memorandum of Understanding of the relevant beneficiary state.

Ineligible proposals will not be considered for further evaluation. If a project is found ineligible or the administrative compliance has not been fulfilled, a standard letter of refusal will be sent to the relevant Focal Point stating the reason.

Appendix 1 includes the checklist for administrative compliance and the eligibility check.

## 4 Detailed appraisal for all operations

The detailed appraisal is a more thorough investigation than the initial check described above. Normally, an appraisal agent will be assigned to carry out the appraisal. The agent chosen for this purpose must be completely independent of the applicant and any other stakeholder(s) in the operation.

The total work should amount to 5-15 days over a period of up to four weeks, and will often include a site visit and interviews with stakeholders and others.

The purpose of the external appraisal is to verify and assess the following:

- the key information given in the application especially the suitability of the applicant
- the relevance of the operation in a holistic context
- the choice and efficiency of methodology, approach and technical solution
- a risk assessment
- the economic and financial aspects and feasibility of the operation
- the cross-cutting issues

In addition a special assessment must be made for management system for block grants and programmes; this is discussed in section 5.

If advanced payment is applied for this must also be assessed. This is discussed in section 6.

Any previous appraisal carried out on behalf of the project promoter or the Focal Point, shall be used as part of the input to the detailed appraisal agent in order to avoid double work.

All the work of the detailed appraisal must be documented in a report with references etc. In addition it must be summarised according to the format in appendix 2 of this document. The structure of the report should follow the same structure as in the format in appendix 2 in order to secure a clear relation between the report and the summary format.

For each of the discussed sections below, there is a separate sheet in the summary format given in appendix 2 with specific questions to be examined. This is a simple assessment giving the questions a value between one (1) for very poor and five (5) for very good, with three (3) as adequate.

Any other issues that becomes apparent during project appraisal and that could affect the success of the operation must be discussed. This also goes for issues beyond the control of the applicant.

At the end of appendix 2, an overall recommendation and opinion of the appraisal agent is requested. This should be a very short statement about whether this operation seems to be the right solution to the right problem. This statement should also include a list of any special topics, such as shortcomings that need to be rectified, further information needed or special points to take into consideration for the grant agreement.

## **4.1 Applicant suitability**

Some of the information in the application form will need further checks and verifications. In cases where such information need further assessment than indicated here, it should be covered by the appraisal.

The information regarding the applicant must in particular be assessed for credibility and applicant suitability.

The type of information that needs to be verified and/or checked for credibility will to some extent vary from application to application, but the following sub-sections are to be considered in all cases.

### **4.1.1 Applicant**

A background check against the information given in the application form must be done on the applicant, as far as practically possible, to check for possible history or status that makes the applicant unsuited for the operation. This check is important for all types of applicants, and especially for block grant and programme intermediaries. Indications of unsuitability may be one or more of the following examples:

- Bankruptcy, or involvement in any related procedure caused by unsustainable finances
- Non-compliance with any type of fiscal obligations
- Serious breach of contract related to other projects, in particularly regarding grant financed projects
- Previous history or convictions related to professional misconduct, fraud or involvement in criminal activity or criminal organisations.

It should also be verified that the applicant is sufficiently committed to implement the project in line with relevant terms and requirements.

Any partners must also be checked for background etc. Their commitment and relevant competence/capacity should be verified.

### **4.1.2 Organisation**

The applicant's resources and competence regarding the ability to manage the operation must also be examined and compared to the information given in the application form. It should be verified whether the management structure is clearly identified and that roles and responsibilities are clearly allocated. Is the institutional capacity sufficient, e.g. does the body responsible for management and implementation have the necessary staff, experience and know-how to ensure efficient implementation of the operation?

### **4.1.3 Background and justification**

The background and justification of the operation should be confirmed by one or more independent sources. These may be:

- local or national NGO's
- relevant public institutions
- experts within the relevant topic from international and/or multilateral organisations or institutions
- other relevant sources

To which extent has relevant and necessary public consultation taken place? If relevant, assess the extent to which broad consensus and commitment to the operation has been achieved.

#### **4.1.4 Other grant applications**

If seed money or other funding has been used to develop the operation, the experience of the funding source should be identified and considered in the context of the main application.

If any applications have been made to other donors for the same operation as the one applied for, this needs to be checked. The donors in question should be contacted and asked for comments.

#### **4.1.5 Publicity plan**

The publicity plan given in the application should be examined and verified regarding suitability for the purpose and the objectives for the financial mechanisms. The transparency of all relevant activities related to the operation is of particular importance. General compliance with the Publicity Guidelines must be verified.

### **4.2 Relevance of the operation**

The operation must be considered in an overall strategic context. This is necessary in order to understand how the operation will contribute to the overall objectives and to development on a more regional or national level.

The important question to be answered is whether the operation is a relevant step in the right direction or not.

The logical framework with its internal relations is of special interest in this connection. It is only the overall objective, the purpose and the logic of the framework that need to be discussed here. A more thorough discussion of the activities and the indicators is covered under 4.3 Method Efficiency.

Another dimension of the relevance is the potential of the operation to catalyse solutions into a larger scale. This is very important in order to create a maximum long term effect of the grant.

In addition, the contribution to implementing EU law is covered in this section.

### **4.2.1 The logical framework**

The assumptions and the relations included in the logical framework need to be examined. Such examination should be based on the assessments of the elements of the framework, such as activities, objectives and indicators discussed elsewhere in the appraisal. The focus here is to examine the overall assumptions and relations between these elements of the framework in order to give an overall opinion about the quality of the framework presented.

A check for the viability of the logical framework should be made on the relevance of the purpose as an effect of the activity. Is it realistic that the purpose will be achieved and can it be proven to have been achieved as an effect of the operation?

### **4.2.2 Overall Objective**

The relevance of the overall objective and its indicators needs to be considered. This has two different perspectives:

- 1 How does the overall objective fit into the national strategic plans of the beneficiary state for the relevant sector?
- 2 How significant may the contribution of the operation be to the overall objective?

This assessment should, when possible and practicable, be made in a national context in order to link the overall objective of the operation to the objectives of the financial mechanisms.

### **4.2.3 Catalysing effect**

The potential of the operation to become a demonstration project for solving the same or similar problems in a larger scale with resources from other sources, should be considered. This is particularly important because the EEA Grants cover many and broad sectors, and can therefore in many cases only contribute to solving parts of the needs. The potential for implementing the experience from the operation into other projects must therefore be considered. The better this potential is, the more likely it is that other resources may be allocated to the same focus area and contribute even further to the overall objective of the project.

### **4.2.4 Purpose**

The relevance of the purpose and its indicators also needs to be considered. The defined purpose of the operation should be compared with the needs expressed by the applicant in the background and justification. To what extent does the proposed operation meet these needs?

In addition, the purpose in the local, regional and national perspective must be discussed. It is important to form an opinion about how the operation contributes to solving the problem or the issue in a broader perspective. In this connection, relations with other projects and programmes should be identified.

#### **4.2.5 Compliance with EU legislation**

The operation has to be in accordance with EU legislation and this has to be verified within the reasoned opinion from the Focal Point. The appraisal must comment on this verification.

#### **4.2.6 Implementation of EU legislation**

If the activity contributes to the implementation of certain EU regulations, this is a point of special interest. If such implementation is supported, normally the score good or very good should be used in the summary format of appendix 2. Generally, there may well be other good reasons to implement an operation and therefore the score adequate can be used even when the operation does not contribute to the implementation of EU regulation. It is only if the operation may be in contradiction to any ongoing EU regulation implementation that the score poor or very poor should be used.

### **4.3 Methodological efficiency**

This section on methodology, approach and technical solution addresses whether or not the chosen operation or activity is the adequate solution or approach to the problem and how well this can be measured.

#### **4.3.1 Adequate solution and best available technology**

The chosen solution, methodology and/or technology must be compared to alternative ways of solving the same problem. If there are other feasible ways of solving the same problem which have not been considered, this should be addressed and when practicable, also assessed for a comparative discussion.

The choice of technology should, when relevant, be defended in a best available technique (BAT) context.

Whenever possible, the efficiency of the operation in terms of cost per unit of result or purpose should be assessed. This aspect is very important, in order to channel the grants to where they give the best outcome. For example, the renewable energy projects supported should be the ones which have the lowest cost per kWh produced.

#### **4.3.2 Adverse environmental impacts**

The environmental impact assessment (when relevant) needs to be evaluated. In particular, any adverse impacts must be examined. In case the degree of environmental impact will depend on the chosen method, approach or technology, the alternatives must be compared. Also any mitigations done as part of the operation to reduce or eliminate adverse impacts need to be discussed.

#### **4.3.3 Time schedule**

The realism of the time schedule is important for the success of the operation and must therefore be considered. The proposed work programme should be assessed regarding coherence between objectives, activities and time table.

In cases where the time table will depend on the chosen method, approach or technology, the alternatives must be compared. Generally, the sooner the benefits of the operation can be achieved, the better.

The clarity of the work programme must be assessed. The milestones included must be definable and measurable. They must also be appropriate and practical for use for monitoring, reporting, disbursement etc.

#### **4.3.4 Indicators and baseline**

The indicators must be relevant, quantifiable and achievable. It is also of great importance for the precision and efficiency of the evaluation of the operation after completion that the valuation of the baseline is as correct as practically possible.

### **4.4 Risk**

Risks that may reduce the benefit of the project or even cause the operation to fail should be assessed. Normally, a risk analysis shall be included in the application, but there may also be risk factors not recognised by the project promoter and therefore not included. Managerial, technical, financial and legal risks are groups of risk factors that will occur in most projects. These must be identified, analysed and there must be a proper response plan. The target for the appraisal agent is to verify that the risks have been considered and that an adequate risk management have been established.

A risk assessment must identify and analyse the risks, including considerations of likelihood and impact as a basis to determine how the risks should be managed. It will typically include, but not be limited to, relation between risks and objectives, judgement of critical risks and determination of actions to mitigate risks.

#### **4.4.1 Managerial risks**

Examples of managerial risks are lack of qualifications, mismanagement, fraud etc. Such and other managerial risks that relates to the operation should be discussed here or may already have been part of the discussion regarding section 4.1.

#### **4.4.2 Technical risks**

Technical risks may among other things be related to accidents, lack of technical suitability, maturity of technology etc. Such risks should be assessed as part of the risk discussion based on the discussion about methodology in section 4.3.

#### **4.4.3 Financial risks**

Examples of financial risks are lack of co-financing, lack of applicant financial strength, inappropriate expenses etc. Most of these issues are covered elsewhere in the appraisal so here a summary and conclusion regarding the financial risks should be given.

#### **4.4.4 Legal risks**

Legal risks may be related to required permits not obtained, legal disputes, changing legislation etc. This discussion should be seen in conjunction with the legal issues under section 4.2.

#### **4.4.5 Risk management**

The management of risk also need to be examined. The purpose of the risk management is to identify, control and minimise the risk factors as well as secure an efficient response in order to minimise the consequences.

### **4.5 Economic feasibility**

The economic feasibility shall answer whether or not the project has a sound financial and economic foundation to become a success both in a short-term perspective during implementation and in a long-term perspective, after implementation.

#### **4.5.1 The financial plan**

It is important to verify that the costs are realistic for the activity proposed and that the financing and cash-flow situation is under control throughout the project. Therefore, the financial plan shall be examined with emphasis on the following two elements.

- 1 the size of each cash outflow component related to the benefit to the operation
- 2 the timing of cash inflow in relation to cash outflow

#### **4.5.2 Revenue generation and additional benefit**

If the operation has a revenue generating component, this must be evaluated according to the Revenue Generating Guideline of the financial mechanisms.

The additional benefit information should be assessed. Based on this the appraisal agent should present its opinion regarding the necessity of the grant support in order to initiate and carry through the operation. A consideration about the required minimum size of the grant for the operation to be implemented should be included. This may also be relevant for other projects than the revenue generating ones.

#### **4.5.3 Co-financing**

The co-financing source(s) must be assessed regarding solidity and likelihood of delivering the required financing according to schedule throughout the project.

Any in-kind contribution must, as far as practically possible, be checked for their existence and availability to the project.

#### **4.5.4 The financial and economic analyses**

The financial and economic analyses must be examined and assessed as appropriate for the operation, the objectives etc.

The cost-effectiveness of the operation should be examined. This analysis must take all relevant costs and benefits of the operation into consideration over the lifetime of the operation in a net present value consideration. An attempt must be made to quantify all relevant effects of the operation, including ecological, social and values to the society.

#### **4.5.5 Economic life and post completion financing**

The economic life is related to the long-term financing of operation and maintenance of the result in order to maintain the purpose after the lapse of the implementation period. Local and/or national fiscal instruments may play an important role in creating such economic life. For environmentally related operations, the polluter pays principle should play a key role in the long-term financing. For other types of operation there will be other similar principles to base such economical life upon.

For all types of projects an effort must be made to create an economic life after the completion of the project. It is an objective for the appraisal to determine whether or not the possibilities for creating the financing for such economic life have been efficiently utilised.

### **4.6 Contribution to cross-cutting targets**

The contributions to cross-cutting targets address various aspects of the operations relevant for all sectors, and are important in relation to the quality and sustainability of the proposals. They may also form an essential part of the overall operation rationale in one way or another. It is therefore important for the totality of the appraisal also to discuss these factors.

#### **4.6.1 Sustainable development**

The issue in this section is the overall assessment about whether or not the operation contributes to sustainable development as such, considering the three pillars; environment, economy and social dimensions.

The environmental sustainability is to some extent covered under section 4.3. Environmental protection may even be the purpose of the operation in case the project falls under one of the environmental priority sectors. However, it is also necessary to check the environmental sustainability as a cross-cutting topic independent of priority sector.

The economic sustainability includes several aspects that have already been covered, such as cost-efficiency of method, economic feasibility, and economic life and post completion financing.

The social evaluation is important because it is directly linked to the objective of reduction of social and economic disparities, and it is one of the three pillars of sustainable development.

The contribution of the operation to the “social dialogue” must be examined whenever this is relevant. The social dialogue is the tripartite dialogue as well as the dialogue between the labour unions, employees’ associations and civil society actors’ involvement. Other social issues may be inclusion of disadvantaged groups into the operation or other effects to disadvantaged groups resulting from the operation.

#### **4.6.2 Gender equality**

Possible benefits to gender equality in society should be assessed. These may be inclusion of women into the operation or other effects contributing to gender equality.

#### **4.6.3 Good governance**

The information given on good governance should be checked and verified. Any information indicating possible non-compliance with elements of good governance must be considered in particular. The question to be considered is whether or not the operation contributes to good governance as such, meaning a well-governed, efficient and transparent society.

#### **4.6.4 Bilateral relations**

It is of interest to know whether or not the operation contributes or may contribute to bilateral or even multilateral relations between donor states and beneficiary states. In this context the bi- and multilateral relations is meant in a relative broad use of the terms involving all possible cooperation between stake holders or players in the donor states and the beneficiary states. The relations may be considered on various levels:

- national level (state to state cooperation)
- regional level (cooperation between regional authorities)
- local level (cooperation between local authorities)
- non-governmental organisation level (cooperation between NGOs)
- business community level (cooperation with commercial aspects)
- mixed (cooperation involving more than one of the above mentioned levels)

## **5 Detailed appraisal for block grant and programme management**

In case of a proposal for a block grant or a programme, the decision-making process for the approval of sub-projects or component projects must be assessed together with other procedures for the management of the intermediary, the reporting and the auditing. It is essential that the principles and intentions of the guidelines for Block Grants and for Programmes (group of projects) are reflected in the plans.

### **5.1 Approval process**

Essential elements in the approval process of sub-projects or component projects:

- Open calls for applications
- Conduct assessment
- Ensure that different interests in the geographical area are taken into account
- Transparent decision process
- Independency between decision-makers and applicants
- Clear approval criteria

### **5.2 Management of the intermediary**

The management of the intermediary must be assessed along the following criteria (but not limited to them):

- Qualification
- Suitability
- Independency

### **5.3 Reporting and monitoring procedures**

The planned reporting and monitoring procedures must be in accordance with the requirements and principles set out in the rules, procedures and guidelines. It is very important that the FMO receives transparent and regular information in a manner that makes it possible to execute efficient control of the activities of intermediaries and the sub-projects and component projects.

### **5.4 Auditing arrangements**

The auditing arrangement must be according to the requirements and principles set out in accordance with Article 6 of the Rules and Procedures.

## **6 Detailed appraisal for application for advance payment**

The decision regarding an advance payment shall be based on the necessity of such payment according to the criteria below:

- The strength of the applicant to finance the starting activities four to six months in advance
- Possible disadvantage to other activities if such financing takes place
- Influence on project start date
- Influence on project completion date

The appraisal should verify such justification and conclude with a suggestion as to how much advance payment considered necessary for the operation to be implemented efficiently and successfully.

## **7 Conclusion and reporting**

The conclusions of the appraisal shall be made by the task manager based on the internal check and the detailed appraisal report. The conclusions shall be made in the format defined in the Grant Decision Procedure.

The documentation is the completed forms in the appendix and the detailed appraisal report.

The detailed appraisal report shall fulfil the following purposes

- document all activities and sources of which the appraisal is based upon
- document all findings during the appraisal
- give background for all judgements made to fill in the format in appendix 2 of this document
- give the appraisers opinion about the application and the foreseen operation in relevance to the priorities of the financial mechanisms.

## **Appendix**

- 1 Administrative compliance and eligibility check list
- 2 Summary of detailed appraisal report

## Appendix 1

### ***Check list for administrative compliance and eligibility***

<b>Completed by</b>		(typed name)
		(signature)
		(date)

#### **Identification data**

Registration number	
Name of applicant (I-1.1)	
Type of application (I-2)	
Type of project assistance (I-3)	
Title of operation (I-4.1)	
Grant applied for in euro (I-5.1)	
Beneficiary state (II-1.1)	
Key priority sector (II-6)	

#### **Administrative compliance**

	Yes	No
The standard application format has been used without any modifications.		
The application form is complete.		
The application has been submitted as a hard copy.		
The application has been submitted electronically identically to the hard copy.		
The application is typed.		
The language is English.		
All other technical requirements of the application form are fulfilled		
The application (hard copy) has been dated and signed.		
The supporting documents attached are clearly numbered		
A letter of authority for the person signing has been included.		
A logical framework has been included.		
A copy of the signed partnership agreement has been included, if relevant.		
All financial figures are in euros.		
The "financial plan" is made in the format required.		
The "financial resources" is made in the format required.		
A feasibility study has been included.		
Other required documents have been included.		

## Eligibility, checklist

		Yes	No
Priority sector	The operation is within the priority sectors of the EEA FM.		
	The operation is within the priority sectors of the Norwegian FM.		
Procedure	The application is part of a cleared open call process.		
	The FP has checked the compliance with relevant regulations.		
Applicant	The applicant is a legal entity registered in the beneficiary state.		
	The applicant is operating in the public interest.		
Costs	The type of activity is eligible.		
	The duration of the activity is limited to the commitment period plus 2 years.		
	The requested contribution is at least 250.000 euro.		
	15% or more of the eligible costs are financed by public budget allocations.		
	Application has been made for more than one grant.		
	The maximum contribution is limited to the following proportion of the total eligible budget: <input type="checkbox"/> 60% <input type="checkbox"/> 85% <input type="checkbox"/> 90% and the requested contribution is within that limit.		
	The "in kind" contributions (if any) are eligible.		
	The administrative, financial and legal charges are eligible.		
	The purchase of land (if any) is directly linked to the objectives.		
	The purchase of land (if any) is limited to 10% of the total eligible expenditures.		
	The purchase of real estate (if any) is directly linked to the objectives.		
	The VAT, taxes, levies or charges (if any) are unrecoupable.		

## Comments

Please indicate any missing information or documents, any ineligibility or any other comment relevant to this check.

## Appendix 2

### *Summary of detailed appraisal report*

**Completed by** \_\_\_\_\_ (typed name)  
\_\_\_\_\_  
(signature)  
\_\_\_\_\_  
(date)  
\_\_\_\_\_  
(company)

#### Identification data

Registration number	
Name of applicant (I-1.1)	
Type of application (I-2)	
Type of project assistance (I-3)	
Title of operation (I-4.1)	
Grant applied for in euro (I-5.1)	
Beneficiary state (II-1.1)	
Key priority sector (II-6)	

#### Scoring guide

This evaluation summary is divided into sections and subsections. Each subsection must be given a score of 1 (very poor), 2 (poor), 3 (adequate), 4 (good) and 5 (very good).

Any irrelevant questions can be left with not applicable (n.a.) in the middle cell. This should be commented in the appraisal report.

Each section contains an area for comments. If the score is 1, 2 or 5 to a question, the reason for giving such score must be indicated in the comment box. Short comments shall be made under each section with reference to the appropriate place in the appraisal report. In addition please give information about other relevant subsections than those listed that may have emerged during the appraisal.

## Re 4.1 Applicant suitability

	1	2	3	4	5	Application form
	very poor	poor	adequate	good	very good	
4.1.1 How suitable is the applicant to implement the operation?						I, 1.2
4.1.1 How suitable are the partners for the operation?						I, 4.5.1
4.1.2 How suitable is the organisational resources / structure?						I, 4.5.2
4.1.3 How justified is the operation?						I, 4.2
4.1.3 How good is the public consensus about the operation?						I, 4.2
4.1.4 How do other donors evaluate the operation or the applicant?						I, 4.7
4.1.4 Is the publicity plan adequate for the operation?						I, 7

## Comments

## Re 4.2 Relevance of the operation

	1	2	3	4	5	Application form
	very poor	poor	adequate	good	very good	
4.2.1 What is the quality of the logical framework?						I, 4.4
4.2.2 What is the relevance of the overall objective?						I, 4.4
4.2.3 How suited is the operation to catalyse other resources into the same overall objective?						
4.2.4 To what extent does the purpose of the operation meet the needs expressed by the applicant?						I, 4.2 and 4.4
4.2.4 How does the purpose contribute in a national perspective?						II, 4
4.2.5 Does the verification of the compliance with EU legislation appear correct?						I, 6.1
4.2.6 How does the operation contribute to the implementation of EU legislation?						I, 6.2

## Comments

### Re 4.3 Efficiency of methodology, approach and technical solution

	1	2	3	4	5	Application form
	very poor	poor	adequate	good	very good	
4.3.1 How good is the proposed activity compared to alternative solutions to the same problem?						I, 4.3
4.3.1 How does the solution stand in a BAT consideration, if relevant?						I, 4.6
4.3.2 Is the operation free of adverse environmental impacts?						I, 9.1.1
4.3.3 How clear and feasible is the time schedule?						I, 4.3
4.3.4 How objectively verifiable are the proposed indicators and baseline evaluation?						I, 4.4
4.3.5 How suitable is the management and control of risk?						I, 8

### Comments

## Re 4.4 Risk

	1	2	3	4	5	Application form
	very poor	poor	adequate	good	very good	
4.4.1 Are the managerial risks under control?						1, 4.5 and 8
4.4.2 Are the technical risks under control?						1,4.6 and 8
4.4.3 Are the financial risks under control?						1, 5 and 8
4.4.4 Are the legal risks under control?						1, 6 and 8
4.4.5 How suitable is the management and control of risk?						1, 8

## Comments

## Re 4.5 Economic feasibility

	1	2	3	4	5	Application form
	very poor	poor	ade-quate	good	very good	
4.4.1 Is the cash-flow positive throughout the operation?						I, 4.3 and 5.2
4.4.2 How well is the project within the limits for revenue generating projects?						I, 5.1, 5.2 and 5.4
4.4.2 Does grant approval give additional benefit to the operation?						I, 5.5
4.4.3 Does the applicant have a secure source for the co-financing?						I, 5.3
4.4.3 How does the project promoter control any in-kind contributions?						I, 5.3
4.4.4 How appropriate is the financial analysis?						I, 5.4
4.4.4 How appropriate is the economic analysis?						I, 5.4
4.4.4 How cost-effective is the operation?						I, 5.4
4.4.5 Has the potential for post completion financing been utilised?						I, 9.1.2

## Comments

## Re 4.6 Contribution to cross-cutting targets

	1	2	3	4	5	Application form
	very poor	poor	adequate	good	very good	
4.5.1 Does the operation contribute to environmental sustainability?						I, 9.1.1
4.5.1 How does the operation contribute to the social dialogue?						I, 9.1.3
4.5.1 How does the operation contribute to inclusion of disadvantage groups?						I, 9.1.3
4.5.2 How does the operation contribute to gender equality?						I, 9.2
4.5.3 Does the operation contribute to good governance?						I, 9.3
4.5.4 How does the operation contribute to bilateral relations?						I, 9.4

## Comments

## Re 5: Block Grant and programme management

	1	2	3	4	5	Application form
	very poor	poor	adequate	good	very good	
5.1 How transparent is the approval process?						I, 4.5.3
5.2 What is the quality of the intermediary management?						I, 4.5.3
5.3 How efficient can the FMO execute its control responsibility?						I, 4.5.3
5.4 How relevant is the auditing arrangements?						I, 4.5.3

### Comments

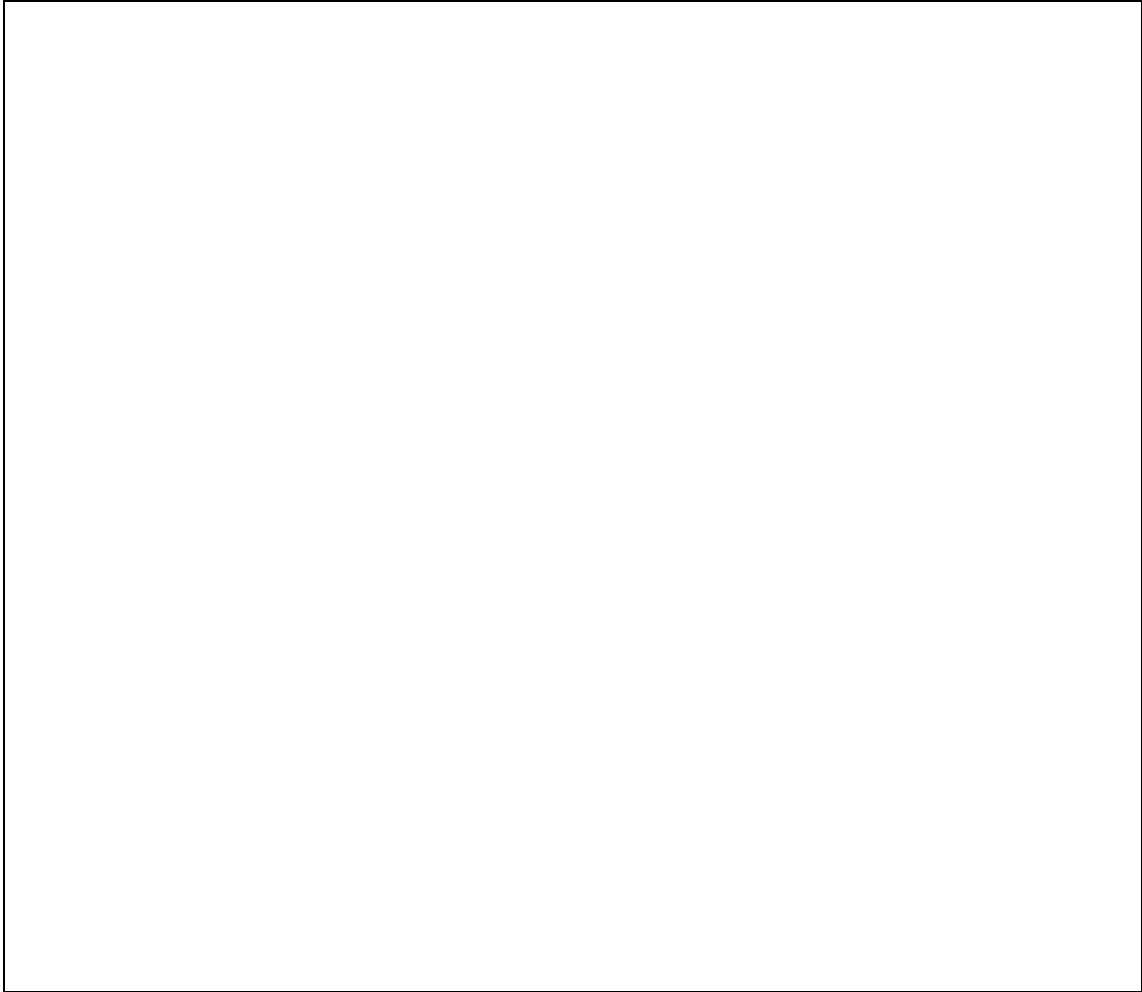
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**Re 6: Application for advance payment**

Comments

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**Conclusive recommendation and opinion of appraisal agent**

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