

# Norwegian Financial Mechanism 2014-2021

## Social Dialogue – Decent Work Programme

### Call for Project Proposals Cyprus

The programme “Social Dialogue – Decent Work” (hereafter referred to as “the Programme”) shall contribute to the general objectives of the Norway Grants 2014-2021, respectively to the reduction of economic and social disparities in the European Economic Area and to strengthening bilateral relations between Norway and the Beneficiary States.

The objective of the Programme is strengthened tripartite cooperation between employer organisations, trade unions and public authorities and the promotion of decent work. It will support social dialogue, contribute to ensure that Beneficiary States are better equipped to deal with the challenges following high unemployment and to establish decent work practices, and improve the enforcement of legislation and policies on decent work and social dialogue.

The Programme will also seek to stimulate and develop long-term bilateral cooperation between Norway and all the Beneficiary States covered by the Programme (Bulgaria, Croatia, Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Romania, Slovakia and Slovenia).

Norway has a strong tradition of tripartite consultation, bringing together workers, employers and the government on various levels in formulating and negotiating labour standards and policies. Bilateral cooperation plays a very strong role in the Programme, with the opportunity for close involvement of Norwegian social partners, sharing expertise and experience. The fund operator can assist project promoters in Cyprus in identifying possible Norwegian partners.

One important aspect of improving social dialogue is to get public authorities more involved in a structured and constructive way. Therefore, the Programme addresses tripartite cooperation and encourages cooperation between public authorities in the Beneficiary States and relevant public authorities in Norway, e.g. on enforcement of labour law and on the fight against work-related crime.

The Programme in Cyprus is expected to reach the following two outcomes: (1) Improved social dialogue and cooperation, and, (2) Enhanced implementation of the decent work agenda (fair and decent working conditions).

- **Improved social dialogue and cooperation** - the focus is to strengthen social dialogue and its effect. Projects can raise the capacity of social partners to participate in both tripartite and bipartite social dialogue through transfer of best practices and training. Capacity-building projects can range from very direct measures, e.g. set up structures for social dialogue and support the conclusion of collective agreements, to more indirect measures like creating a social dialogue-friendly environment, e.g. for discussing undeclared work and social dumping. Projects can also focus on increasing the capacity of national social partners to take part in EU level social dialogue, and to familiarise the players with EU legislation and the impact it has on their work.
- **Enhanced implementation of the decent work agenda (fair and decent working conditions)** - the focus is to finance projects at national and sector level with the objective to use bipartite and tripartite dialogue in the implementation of the decent work agenda. The aim is to increase the number of employees and enterprises that have improved decent work arrangements. The programme will raise awareness of the benefits of decent work, e.g. work-life balance, gender equality and non-discrimination, attitudes on health and safety, knowledge about rights and obligations and the fight against undeclared work and social dumping (work-related crime). The programme will support enforcement of national regulations related to the decent work agenda, awareness-raising activities and training on decent work topics addressing e.g. social partner staff, company health and safety officers, and labour inspectors. In addition, cooperation between public authorities in the Beneficiary States and Norway, particularly between labour inspection authorities, will be supported.

The budget available for funding of Cypriot projects is split equally between the two outcomes. Consequently, it is important to note that applicants<sup>1</sup> (project promoters<sup>2</sup>) should choose one of these outcomes as the main outcome for the project and organise the budget of the project accordingly. The project could contribute to reaching elements of the other outcome as well, and this should be reflected in the project description.

### **Available amount for financing of projects**

The total amount available for financing of projects from this call is **EUR 49,470**.

50 per cent of this amount (EUR 24,735) is earmarked projects under outcome 1 and 50 per cent (EUR 24,735) is earmarked projects under outcome 2. Applicants (project promoters) must indicate the main outcome addressed by their projects so it can be registered within the correct budget allocation.

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<sup>1</sup> Applicant: legal person applying for a grant.

<sup>2</sup> Project Promoter: legal person having the responsibility for initiating, preparing and implementing a project.

The maximum grant rate for a project is 90 percent. The applicant (project promoter) shall secure the full financing of the project. The project promoter (and/or the project partner(s)) shall provide or obtain the remaining co-financing in the form of cash.

### **Deadline for applications and language**

To be eligible, applications must be submitted to the fund operator, Innovation Norway, through the electronic application form<sup>3</sup> no later than **Thursday 7 February 2019, at 13.00 Cypriot time.**

The application and supporting documents shall be submitted to the fund operator in English. Official certificates and certified annual accounts can be submitted in Cypriot. The list of mandatory attachments can be found in Annex I.

## **1. Projects and project funding**

### **1.1 Eligible applicants and partners**

The following entities, constituted as legal entities in Cyprus or in Norway, are considered eligible project applicants and partners:

- a) social partners (employers' organisations and trade unions);
- b) public authorities and institutions that have statutory roles related to decent work or tripartite cooperation, and;
- c) organisations of public authorities that have within their mandate the promotion of decent work and/or tripartite dialogue.

Norwegian entities are only eligible as applicants in partnership with at least one legal entity established in Cyprus. The role of any Norwegian applicant, project promoter and project partner is to contribute to ensuring social dialogue and decent work in Cyprus.

The applicant responsible for submitting the application on behalf of the project is called the project promoter and will be the main contact person for the fund operator.

Eligible project partners are the same as eligible applicants, with the addition of:

- a) business associations and organisations representing member companies on issues relevant for the decent work agenda;

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<sup>3</sup> <https://www.innovasjon Norge.no/DecentWork>

- b) companies which are involved in the implementation of the decent work agenda and/or social dialogue through their membership in sectoral or cross-sectoral employers' organisations;
- c) non-governmental organisations (NGOs), defined as a non-profit voluntary organisation established as a legal entity, having a non-commercial purpose, independent of local, regional and central government, public entities, political parties and commercial organisations, which are involved in the implementation of the decent work agenda. Religious institutions and political parties are not considered NGOs; and
- d) education and research institutions that can provide training on social dialogue and/or decent work issues,

constituted as legal entities in Cyprus or in Norway.

## 1.2 Bilateral cooperation in the Programme

Donor partnership projects are strongly encouraged and will be awarded extra points during the project assessment process. A donor partnership project is defined as cooperation between a project promoter in Cyprus and at least one eligible entity in Norway, implementing a project where all entities are independent of each other and perform substantial and relevant tasks in the completion of the project.

## 1.3 Areas of support and eligible activities

This call can provide support for projects that will implement activities within one or more of the following areas:

### Improved social dialogue and cooperation:

- a) support to strengthening the tripartite dialogue and consultations at national, regional or local level;
- b) support to strengthening the bipartite dialogue and consultations at national, regional or local level;
- c) development of structures and practices for social dialogue on decent work topics (e.g. working conditions, occupational health and safety, work-related crime and access to employment);
- d) training of social partners to increase capacity to take part in the social dialogue.

**Enhanced implementation of the decent work agenda (fair and decent working conditions):**

- a) support to awareness-raising campaigns on decent work topics (e.g work-life balance, gender equality and non-discrimination);
- b) support to projects on improving the enforcement of national legislation related to decent work;
- c) support to training on decent work issues.

Projects must contribute directly to one or more of these outcome indicators:

**Outcome 1 indicators:**

- a) stronger tripartite cooperation and involvement of stakeholder institutions at national level or regional/local level
- b) higher level of trust between cooperating social partner entities
- c) collective bargaining agreements signed as a result of this Programme;
- d) more national policies and laws influenced in the areas covered by this Programme;
- e) more bipartite dialogue consultations and involvement of stakeholder institutions (at national level, regional/local level, sector level or company level);
- f) establishment of new committees for decent work topics (e.g. working conditions, occupational health and safety, work-related crime, access to employment) (at national level, regional/local level, sector level or company level);
- g) training of professional staff and social partner institutions.

**Outcome 2 indicators:**

- a) better access to improved decent work arrangements (e.g. prohibit undeclared work and abuse of atypical contracts, improve work-life balance, parental leave, working time, etc.);
- b) enhanced awareness on decent work issues (e.g. through awareness-raising campaigns);
- c) training of professional staff on decent work issues (e.g. company health and safety officers, staff from labour inspectorates, social partner institutions, etc.).

### **1.3 Minimum and maximum grant for each project**

The minimum amount of grant assistance applied for shall be EUR 5,000.

The maximum amount of grant assistance applied for shall be EUR 24,735.

## 1.4 Grant rates and co-financing

The financial contribution from this Programme shall be determined on a case-by-case basis, taking all relevant factors into account (see point 2.1 selection criteria below).

The maximum grant rate for a project is 90 per cent. The applicant (project promoter) shall secure the full financing of the project. The project promoter (and/or the project partner(s)) shall provide or obtain the remaining co-financing in the form of cash. Man-hour contribution from staff employed with the project promoter and project partner(s) may be accepted as cash contribution, based on documented hourly rate for salaries. The applicable rules on public procurement and on state aid, procedural and substantive, shall, if relevant, be complied with.

## 1.5 Eligible expenditures

### 1.5.1 First and final dates for eligibility of expenditure

Costs within projects may be eligible from the date on which the grant is awarded or from a later date set in the Project Contract. The Project Contract shall set the final date of eligibility of costs, which shall be no later than 31 August 2022. Costs incurred after that final date are not eligible.

### 1.5.2 General principles of eligibility

Eligible expenditures of projects are those actually incurred by the project promoter or the project partner, which meet the following criteria:

- a) they are incurred between the first and final dates of eligibility of a project as specified in the Project Contract;
- b) they are connected with the subject of the Project Contract and they are indicated in the detailed budget of the project;
- c) they are proportionate and necessary for the implementation of the project;
- d) they are used for the sole purpose of achieving the objective of the project and its expected outcome(s), in a manner consistent with the principles of economy, efficiency and effectiveness;
- e) they are identifiable and verifiable, in particular through being recorded in the accounting records of the project promoter and determined according to the applicable accounting standards and generally accepted accounting principles; and
- f) they comply with the requirements of applicable tax and social legislation.

Expenditures are considered to have been incurred when the cost has been invoiced, paid and the subject matter delivered (in case of goods) or performed (in case of services and works). Exceptionally, costs in respect of which an invoice has been issued in the final three months of

eligibility are also deemed to be incurred within the dates of eligibility if the costs are paid within 30 days of the final date of eligibility. Overheads are considered to have been incurred when they are recorded on the accounts of the project promoter.

The project promoter's internal accounting and audit procedures must permit direct reconciliation of the expenditures and revenue declared in respect of the project with the corresponding accounting statements and supporting documents.

### **1.5.3 Detailed eligibility provisions**

#### **1.5.3.1 Eligible direct expenditures**

The eligible direct expenditures for a project are those expenditures which are identified by the project promoter and/or the project partner, in accordance with their accounting principles and usual internal rules, as specific expenditures directly linked to the implementation of the project and which can therefore be booked to it directly. The following direct expenditures are eligible provided that they satisfy the criteria set out in Article 1.5.2.

- a) the cost of staff assigned to the project, comprising actual salaries plus social security charges and other statutory costs included in the remuneration, provided that this corresponds to the project promoter's and project partner's usual policy on remuneration;
- b) travel and subsistence allowances for staff and volunteers taking part in the project, provided that they are in line with the project promoter's and project partner's usual practices on travel costs. However, business class travels are normally not eligible;
- c) costs of consumables and supplies, provided that they are identifiable and assigned to the project;
- d) costs entailed by other contracts awarded by a project promoter for the purposes of carrying out the project, provided that the awarding complies with the applicable rules on public procurement; and
- e) costs arising directly from requirements imposed by the Project Contract (e.g. dissemination of information, specific evaluation of the project, audits, translations, reproduction), including the costs of any financial services.

#### **1.5.3.2 Eligible indirect costs in projects (overheads)**

Indirect costs are all eligible costs that cannot be identified by the project promoter and/or the project partner as being directly attributed to the project, but which can be identified and justified by its accounting system as being incurred in direct relationship with the eligible direct costs attributed to the project. They may not include any eligible direct costs. Indirect costs of the project shall represent a fair apportionment of the overall overheads of the project promoter or the project partner. The method of the indirect costs and its maximum amount shall be determined in the Project Contract. They may be identified according to either of the following methods:

- a) based on actual indirect costs for those project promoters and project partners that have an analytical accounting system to identify their indirect costs; or
- b) a project promoter and project partners may opt for a flat rate of up to 25% of total direct eligible costs, excluding direct eligible costs for subcontracting and the costs of resources made available by third parties which are not used on the premises of the project promoter or project partner, subject to the calculation of the rate on the basis of a fair, equitable and verifiable calculation method or a method applied under schemes for grants funded entirely by the Beneficiary State for similar types of project and project promoter; or
- c) a project promoter and project partners may opt for a flat rate of up to 15% of direct eligible staff costs.

### 1.5.3.3 Excluded costs

The following costs shall not be considered eligible:

- a) charges for financial transactions and other purely financial costs, except costs related to accounts and financial services imposed by the Project Contract;
- b) provisions for losses or potential future liabilities;
- c) exchange losses;
- d) recoverable VAT;
- e) costs that are covered by other sources;
- f) fines, penalties and costs of litigation, except where litigation is an integral and necessary component for achieving the outcomes of the project;
- g) excessive or reckless expenditure;
- h) second-hand equipment unless explicitly stated in the Project Contract;
- i) already owed debts and credits to third parties;
- j) any other costs incurred before the date of the grant is awarded, or, if different, the date set in the project contract; and
- k) operational expenses.

## 2. Assessment of projects and selection procedure

The fund operator will review all applications received within the deadline set out in this Call for Project Proposals for compliance with formal/administrative and eligibility criteria. If any shortcomings are found concerning the formal/administrative criteria, these can be corrected by the applicant upon written request from the fund operator.

Applicants whose applications are rejected at this stage shall be informed in writing and will have



two weeks to appeal that decision to the fund operator.

Applications meeting the formal/administrative and eligibility criteria shall be subject to a full assessment organised by the fund operator. Experts will evaluate the project against the selection criteria set in this call. If necessary, external experts will be used.

After the selection procedure is complete, information of the results and the decision on the award of grants will be communicated to the applicants and published online

## 2.1 Selection criteria

The selection criteria are based on the objectives and the outcome(s) that the Programme seeks to achieve. The objectives and principles of good governance and good business practice, sustainable development and gender equality are cross-cutting issues that shall be considered as part of the assessment process.

The applicable selection criteria are divided into the following sections:

### 1. Formal/administrative criteria

- a) The application has been filled in according to the instructions given in the Call for Project Proposals, the electronic Application Form and the Guidelines, and all mandatory documentation is attached to the application;
- b) The application and requested supported documents are submitted and presented in English, apart from certificates and certified annual accounts, which can be submitted and presented in Cypriot;
- c) In the case of partnership projects, a Partnership Agreement defining the partners' different roles and responsibilities, signed by all partners, is attached to the application. A template for the Partnership Agreement is published with this call, see annex I;
- d) The applicant and partner(s) and the applicant's legal representative signing the application have clean criminal and tax records.
- e) The applicant and partner(s) are neither bankrupt, nor entered in judicial administration nor are under liquidation, nor have suspended business activities, nor are the subject of proceedings concerning those matters, nor are in any analogous situation arising from a similar procedure provided for in national legislation;
- f) The applicant and partner(s) have not been the subject of a judgment which has the force of res judicata for fraud, corruption, involvement in a criminal organization or any other illegal activity detrimental to financial interests, without evidence of substantial correction measures taken in the past years.

## 2. Eligibility criteria

### a) Applicant

- The applicant is eligible according to the list under 1.1.;

### b) Project partner

- The partner is eligible according to the list under 1.1.;

### c) Project

- The proposed project is relevant for the Programme specific outcomes and within the eligible activities defined in this call;
- Grant minimum and maximum amounts and co-financing rates are complied with and the project implementation period is within the deadline for cost eligibility;
- No overlapping/double funding arises from the application for a similar project from EU/EEA/International Financial Institution/bilateral or other sources;
- The project is in compliance with both EU and national legislation in Cyprus (in particular, but not limited to: public procurement, state aid and environment requirements).

## 3. Technical and financial selection criteria

- The entity/entities have the necessary human resources and the technical and financial capacity (including documented necessary working capital and a sound equity capital situation) to implement the project and support its costs;
- The project is mature, i.e. technically viable and feasible in terms of time schedule, budget and value for money;
- If applicable, the quality of the partnership agreement, the division of tasks and responsibilities among partners is established and described and each partner has a significant contribution to the project activities;
- The project is adequately supported by a risk mitigation plan;
- The quality of the planned arrangements to publicize the project and disseminate the results and impact (Publicity Plan);
- The project promoter and the partners adhere to good business practice as defined by the OECD guidelines and UN Guiding Principles on business and human right, including zero-tolerance towards corruption;
- The project is in compliance with relevant cross-cutting issues in the Application Form (on project level);
- The project has added value, i.e. socio-economic impact;
- The project incorporates clear sustainability measures, i.e. the durability of the project after the implementation;
- The project contributes to the overall objectives of EEA Grants/Norway Grants 2014-2021 (reduction of economic and social disparities in the European Economic Area and to strengthen the bilateral relations between Cyprus and Norway).

## 2.2 The Project Contract

In the case of a positive decision, a Project Contract shall be concluded between the fund operator and the project promoter.

The Project Contract will include relevant Special Conditions, the Standard terms and Conditions on EEA/Norway Grants programmes operated by the fund operator, the agreed Project Implementation Plan, the agreed activity-based Budget and the agreed Disbursement Plan. These documents shall set out the terms and conditions of the grant assistance, as well as the roles and responsibilities of the Parties.

Prior to the signing of the Project Contract, the project promoter has to submit a binding confirmation of the co-financing of the project to the fund operator. The Grant Offer letter will set a deadline for submitting such a confirmation. If the deadline is not met, the Grant Offer is considered to be withdrawn, unless a prolongation of the deadline is granted by the fund operator in writing.

The Project Contract will as a minimum contain provisions on the following:

- a) obligations regarding reporting that enable the fund operator to comply with its reporting obligations and to assess project progress and impact;
- b) the maximum amount of the project grant in Euro and the maximum project grant rate;
- c) the list of eligible expenditures;
- d) the method of calculating indirect costs (overheads) and their maximum amount;
- e) the first and final dates of eligibility of expenditures;
- f) requirements for the submission of proof of expenditure;
- g) provision on modifications of the project;
- h) ensuring that the access requested in relation to monitoring, audits and evaluations is provided without delay;
- i) ensuring that obligations regarding publicity (information and communication) are complied with;
- j) the right of the fund operator to suspend payments, make financial corrections and request reimbursement from the project promoter;
- k) resolution of disputes and jurisdiction;
- l) waiver of responsibility;
- m) a detailed budget, with itemised costs and unit prices;
- n) provisions on equipment for which the entire purchase price is eligible;
- o) provisions concerning termination, compensation and damages in case of termination of the project;

- p) when applicable, reference to the donor partnership agreement;
- q) provisions that ensure that obligations regarding record keeping; and
- r) the Project Implementation Plan and Disbursement Plan.

The grant will be subject to the acceptance of the Standard Terms and Conditions on EEA/Norway Grants programmes operated by the fund operator and the Special Conditions of the Project Contract.

### **3. Implementation of projects**

All provisions and requirements related to the implementation of projects are set out in the Standard terms and Conditions, published together with this call.

## ANNEX I – List of mandatory documents

- Detailed Activity Budget (template)
- Relevant registration certificates of the Applicant (and Partner(s) – if relevant) (no template)
  - registration certificate (or similar), issued by the competent authority in the Donor State/Beneficiary State
  - latest approved statute (or similar), which proves that Applicant’s main activity is closely related to the activities in the project
- Proof of clean criminal and tax records of the Applicant (and Partner(s) – if relevant) (template)
- Disbursement Plan (template)
- Project Implementation Plan (template)
- Communication Plan (no template)
- CV’s for the project management team (template)
- Letter of commitment (template)
- Draft Partnership Agreement (if relevant) (template)
- Procurement Plan (template)
- Expected outcomes of the implementation of the project (template)

## ANNEX II Essential readings

Please find below the list of documents which are relevant for the present Call and are available on our webpage <https://www.innovasjon Norge.no/decentwork>:

1. Standard Terms and Conditions
2. Project Assessment Criteria and Methodology
3. Guidelines on Cross-cutting Issues and Good Business Practice
4. Communication Guidelines
5. Application Form Guidelines

## ANNEX III – Glossary of terms

The following terms used in the present Call shall be understood as follows:

**Social Dialogue:** according to the International Labour Organisation (ILO), social dialogue includes all types of negotiation, consultation or information-sharing among representatives of governments, employers and workers or between those of employers and workers on issues of common interest relating to economic and social policy. Social dialogue can be bipartite, between workers and employers, or tripartite, including government.

**Decent Work:** the concept of decent work is one which is predominantly applied in the ILO context to developing countries and not so often in the EU context, where the terms “quality work and employment” and “fair and decent working conditions” are more commonly used. However, the idea remains the same: workers need a job which gives them enough salary, decent working hours and conditions, the possibility to join a union to represent their rights, and a job in which they are protected by individual and collective labour law.

**Work-related crime:** activities that breach laws relating to pay and working conditions, social security and taxation. Related terms include social dumping, undeclared work, illegal working contracts and general compliance with labour law. Combating work-related crime, including cross-border work-related crime, is a priority for the Norwegian Government.

**Active Labour Market Policy:** the main goal of active labour market policies (ALMPs) is to increase the employment opportunities for job seekers and to improve matching between jobs (vacancies) and workers (i.e. the unemployed). According to the OECD, ALMPs include spending on public employment services and administration, labour market training, special programmes for youth when in transition from school to work, labour market programmes to provide or promote employment for unemployed and other persons (excluding young and disabled persons) and special programmes for the disabled.

**Employers' organisations:** bodies designed to organise and advance the collective interests that employers have in the labour market

**Trade unions:** association of workers in a particular trade, industry, or company, created for the purpose of securing improvements in pay, benefits, working conditions, or social and political status through collective bargaining

**Public authorities and institutions that have statutory roles related to decent work or tripartite cooperation:** Examples of such entities are national labour inspectorates and directorates with responsibilities related to decent work

**Organisations of public authorities that have within their mandate the promotion of decent work or tripartite dialogue:** An example of such an entity is an association of local and regional authorities which act as an employer organisation for local governments and conducts collective bargaining on behalf of its members

**Business and sector associations:** associations and federations representing specific sector interests of business and industry and which participate in social dialogue at sectoral level

**Non-governmental organisations (NGOs):** a non-profit voluntary organisation established as a legal entity, having a non-commercial purpose, independent of local, regional and central government, public entities, political parties and commercial organisations. Religious institutions and political parties are not considered NGOs.'

**Training provider:** a private or public legal entity, including education and research entities. When a project includes training activities and the project promoter and projects partners do not have their own training departments, a training provider could be included as a project partner to ensure quality training.

**Project:** Specific and clearly identifiable activities with outcomes and outputs related to the programme

**Project contract:** an agreement between the Fund Operator and the Project Promoter regulating the implementation of a particular project.

**Project grant:** a grant awarded by a Fund Operator to a Project Promoter to implement a project.

**Project Promoter:** legal person having the responsibility for initiating, preparing and implementing a project.

**Applicant:** legal person applying for a grant.