

# Procedures and grant allocation rules for Northeast Iceland Development Fund

## I. Administration

### 1. Purpose

The role of the Development Fund is to support cultural-, business development- and innovation-projects, as well as other projects that fall under the Northeast Iceland Development Plan. The fund promotes positive societal development, strengthens the pillars of culture, increases the region's competitiveness, and promotes sustainability and positive environmental impact.

### 2. Competition Fund

The Development Fund is a competitive fund. Applications are evaluated based on the goals and priorities of the Northeast Iceland Development Plan and the emphases contained in these procedures. The fund's operating year is based on the calendar year. Grants from the fund fall under EU regulation no. 1407/2013 that public support for individual companies shall not exceed 200,000 euros in each three-year period.

### 3. Allocation Committee

The SSNE Annual Congress appoints, according to the board's proposal, three members to the committee, including the chairman. Also on the committee are the chairpersons of the professional councils appointed according to Paragraph 1 Article 16 of the SSNE's articles of association. The annual congress of SSNE also appoints, according to the board's proposal, three deputies. Gender balance shall be considered when appointing the allocation committee.

The allocation committee's role is to select the projects that will be funded, based on professional evaluation. When allocating grants, equality, objectivity, transparency, and competitive considerations must be observed.

### 4. Implementation

SSNE advertises for applications to the Development Fund. SSNE staff, on behalf of the SSNE board, receive applications and process for the allocation committee. They have an advisory role towards applicants and must observe non-discrimination principles. Once allocation is complete, SSNE staff are in responsible for communication with the grant recipients and project follow-up.

## II. Project selection

### 5. Allocation process

Grants are generally advertised in October and awarded once a year, in the first quarter. Applications may be re-advertised if deemed necessary. Applications for grants must be advertised on the SSNE website, as well as in local advertising media in the fund's operating region.



## 6. Applicants

Applicants must be individuals of legal persons, non-profit organizations, companies, institutions, or municipalities in Northeast Iceland. Institutions, public joint-stock companies, and organizations majority-owned by the state or local authorities shall not normally be the leading party in projects funded by the Development Fund. Applicants for start-up and operating grants in the field of culture must be legal entities.

## 7. Applications

Applications must be submitted in the electronic application portal of Northeast Iceland Development Fund, which can be accessed on the SSNE website. It is necessary that the applicant's ID is used when signing into the application portal. Applications must contain a clear description of the project and its objectives, a work and time schedule, a detailed budget (cost and income budget) and information about the applicant(s). It is important that cost estimates are realistic. It must also be stated how the project supports the objectives of the Northeast Iceland Development Plan 2020-2024. The Fund's allocation committee reserves the right to determine whether an application is considered cultural, start-up and operation or business development and innovation.

## 8. Previous projects

The applicant must have submitted a final report on previous projects before January 5 for a new application to be processed by the allocation committee.

## 9. Criteria for project evaluation

The Development Fund pays special attention to projects that equalize the status of all groups in society; regardless of race, ethnic origin, religion, outlook on life, disability, reduced work capacity, age, sexuality, or gender identity and seeks to ensure that allocated grants are distributed throughout the region. Evaluation guidelines used when evaluating applications can be accessed [here](#).

Applications must relate to the objectives of the [Northeast Iceland Development Plan](#). In addition, special consideration is given to applications that support one or more of the following emphases:

### *In the field of business development and innovation:*

1. Projects that promote the utilization of the area's resources for job creation.
2. Projects that promote innovation in the area.
3. Projects that promote collaboration between companies, institutions, groups and/or regions.
4. Projects that have a great social impact.
5. Projects that promote sustainability and a positive environmental impact

### *In the field of culture:*

1. Projects that encourage collaboration between individuals, groups, regions, countries, or arts forms.
2. Projects that involve original creation in the field of art.
3. Projects that promote employment opportunities in arts and culture.
4. Projects that have a great social impact.
5. Cultural projects that support increased environmental awareness and sustainability.

### *In assessing start-up and operating grants in the field of culture, the following factors are considered:*

1. Projects that promote cultural activities and increase employment opportunities in the region.
2. Projects that promote innovation in cultural activities.
3. Projects for the operation of cultural institutions that cannot receive support from public funds.

## 10. Grants

The Development Fund generally grants no more than 50% of the total eligible cost of projects. Grants from the Development Fund are of three kinds:

- a) project grants in the field of culture
- b) project grants for business development and innovation
- c) start-up and operating grants in the field of culture

Project elements and cost items that are necessary for the implementation of projects are eligible for funding, except for the elements listed in Article 11.

## 11. Grants from the Development Fund do not cover the following elements:

1. No funding is granted for investments in companies or for the purchase of land or housing.
2. No funding is granted for the purchase of computers and general office equipment.
3. No funding is granted for the purchase of inputs for production intended for sale on the market.
4. Sold out rates may not be used as a reference for calculating wages, but wage costs shall be based on wages paid plus wage-related fees. When evaluating your own work contribution, an hourly rate of up to ISK. 4,700 may be used.
5. Uppbyggingarsjóður does not provide start-up and operating grants to entities which by law are entitled to grants from other funds.
6. Grants are not awarded for publishing CDs, news outlets, preparation, or publication of books nor document registration. Activities of sports clubs, town festivals, gatherings (e.g., concerts, memorial gatherings, exhibitions, and seminars) without notable novelty, church activities and traditional cultural activities within schools are also not supported.
7. Costs incurred before the end of the application deadline for the project applied for are not eligible.

## III. Execution of projects and communication with grant recipients

### 12. Contract

SSNE, as the administrator of the Development Fund, and the beneficiary enter into a written agreement which, among other things, stipulates the arrangement of payments, submission of reports and follow-up. In addition, the beneficiary must provide SSNE staff with information about the implementation of the project when and if requested. The contract must be signed within 6 weeks of the notification of allocation. If the signed contract is not received within that time, the grant terms will be cancelled unless otherwise specifically agreed.

### 13. Grant payments

1. Grants of up to 1 million ISK may be paid in two parts. The first part, up to 50%, may be paid when the project begins, i.e., upon signing of the contract or later. The final payment is made when the project is completed, and the beneficiary has submitted a satisfactory final report.
2. Grants over 1 million ISK are paid according to the progress of the project and the submission of progress reports. However, up to 30% of the grant amount may be paid upon signing of the contract and starting the project. Up to 40% may be paid upon submission of a progress report. The final payment will be made after the project has been completed, when the beneficiary has submitted a satisfactory final report.

3. For start-up and operating grants, 80% of the grant may be paid upon signing of the contract and 20% after the grant recipient has submitted a satisfactory final report.

If the project has not started within three months from the signing of the contract, the grant will be cancelled, unless the parties to the contract agree otherwise. If there are significant changes to the project, without the approval of the allocation committee, the grant is fully or partially refundable. All requests for changes must reach the relevant SSNE employees by December 31 of the grant year. They are authorised to make decisions about minor changes, e.g., delaying the completion of the project until March of the following year and changing the location of events.

Progress and final reports must be submitted in a appropriate form found on [the fund's website](#) .

## **IV. Other provisions**

### ***14. Liability and Eligibility***

The applicant guarantees that there are adequate permits for the implementation of the project and use of references, if necessary, and is responsible for all aspects of the project. Beneficiaries must meet the eligibility criteria of paragraph 2. Article 47 Act no. 84/2007 on public procurement.

Members of the allocation committee must observe eligibility rules when making decisions and step down if circumstances are conducive to reducing the belief in impartiality in the selection of projects. In assessing disqualification, the provisions of Administrative Law no. 37/1993 and 20 art. Local Government Act no. 138/2011 are considered. For example, if a committee member is involved in an application, he must recuse himself from discussing all grant allocation of the year in question and a deputy must be called in.

If a member of the allocation committee or the professional council is an employee of an organization or company and an application from employees of the same organization or company is being considered, the closeness of the members relationship with those employees and/or managers of the organization in question must be assessed. That type of professional relationship does not necessarily lead to disqualification. Members of the allocation committee and the professional council are responsible for spotting circumstances that disqualify them from considering applications.

### ***15. Confidentiality***

Applicants are promised confidentiality regarding their applications in accordance with the Information Act. A list of the grant beneficiaries will be made public, including the project name, grant amount and an introductory text. The members of the allocation committee undertake to delete all data to which they have access due to their work in the committee no later than 90 days after the announcement of the Fund's allocation for each year.

### ***16. Audit***

These procedures shall be reviewed annually.

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