

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. Competitive 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 and three deputies. Also on the committee are representatives of the professional councils appointed according to Paragraph 1 Article 16 of SSNE's articles of association. 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.

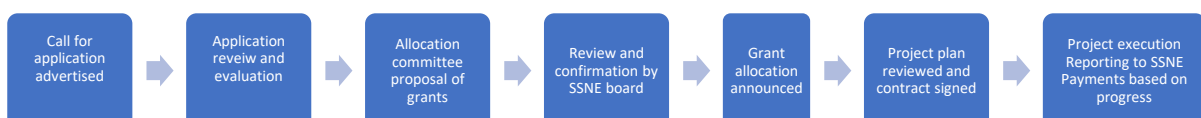
4. Implementation

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 responsible for communication with the grant recipients and project follow-up.

II. Project selection

5. Allocation process

Grants are generally advertised in fall and awarded once a year, in the last 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 legal persons, non-profit organizations, companies, or institutions. Municipalities in Northeast Iceland may also apply but, as a rule, institutions, public joint-stock companies, and organizations majority-owned by the state or local authorities should not be the lead partners 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 from the SSNE website. The application portal must be logged into using the applicants ID. As a rule, each applicant can receive a maximum of two grants awarded in each allocation process.

Applications must contain a clear description of the project and its objectives, a project plan, a detailed budget (cost and income plan) and information about the applicant(s). It is important that cost estimates are realistic. It should also be reasoned 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 Desember 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, national 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 region.
3. Projects that promote collaboration between companies, institutions, groups and/or regions.
4. Projects that have a strong social impact.
5. Projects that promote sustainability and positive environmental impact.

In the field of culture:

1. Projects that encourage collaboration between individuals, groups, regions, countries, or art forms.
2. Projects that involve original creation in the field of art.
3. Projects that promote economic activity in arts and culture.
4. Projects that have a strong 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 enhance cultural activities and increase job opportunities in the region.

2. Projects that promote innovation in cultural activities.
3. Projects for the operation of cultural institutions.

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**

** Tasks and expenses necessary for the implementation of projects are eligible for funding, excluding the those listed in 11 A.*

*** Tasks and expenses necessary for the implementation of projects are eligible for funding, excluding the those listed in 11 B. Start-up and operating grants in the field of culture can be granted for up to three years at a time, once every five years.*

11 A. Project grants in the fields of business development and innovation and culture, do not cover the following aspects:

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 own work contribution but should be based on wages paid plus wage-related fees. When evaluating own work contribution, a maximum hourly rate of ISK. 4,700 may be used.
5. Grants are not awarded for publications of any kind unless they are clearly unique and in accordance with the objectives of Northeast Iceland Development Plan. However, the fund can support the creative process itself.
6. Grants are not awarded to sports clubs, town festivals, social gatherings (e.g., concerts, memorial gatherings, exhibitions, and seminars) without apparent exception.
7. Registration of documents, church activities and traditional cultural activities within schools are not supported.
8. Costs incurred before the end of the application deadline for the project applied for are not eligible.

11 B. Start-up and operating grants in the field of culture do not include the following elements:

1. The Development Fund does not provide start-up and operating grants to entities which by law are entitled to grants from other funds.
2. As a rule, operating grants are not awarded for operation during the high semester, unless in clear special circumstances and in accordance with the goals of the Development Plan.
3. Sold out rates may not be used as a reference for calculating own work contribution but should be based on wages paid plus wage-related fees. When evaluating own work contribution, a maximum hourly rate of ISK. 4,700 may be used.
4. Grants are not awarded for publications of any kind unless they are clearly unique and in accordance with the objectives of Northeast Iceland Development Plan. However, the fund can support the creative process itself.

5. Registration of documents, church activities and traditional cultural activities within schools are not supported.
6. 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, or a person on its behalf, and the beneficiary enter into a written agreement which includes, 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 limits 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 without delay. 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 an 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 compromising impartiality in the selection of projects. In assessing disqualification, the provisions of Administrative Law no. 37/1993 and article 20 of 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.

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.

Approved by the board of SSNE on August 29th, 2023.