

Programme for Environment and Climate Co-operation (PECC) – Nordic programme for co-operation projects in North-West Russia, PECC-2

Questions & Answers

20 December 2019

Note: The listed questions and answers below are provided for information only linked to PECC-1 in adapted form and may have relevance for PECC-2 - in any case the Guidelines for Applicants for PECC-2 will apply.

1. **We have gathered [...] that the open call for the NCM projects has been announced already. Can you kindly send a link to the application material to the call on the projects for the environmental impact. If NEFCO has more possibilities for the international projects?**

The PECC-2 Call for Proposals has been announced at NEFCO's website at www.nefco.org/pecc; the CfP itself will be opened in January 2020.

There is information on PECC-2 available in both English and Russian, and you will also find general information on NEFCO and our other facilities for international project financing at the both the English and the Russian version of the website itself (www.nefco.org).

2. I wonder whether there is a possibility for Russian and Finnish NGOs to participate to the new Environmental Grant programme to be opened by NCM and NEFCO ... There is one potential NGO located in [...] settlement in Karelia. ... The NGO ... provides a good demonstration spot for piloting other clean and effective construction and maintenance solution ... They are now looking for partners from the Nordic countries (including [...] Associations).

Do you also have any idea about who would be suitable partner from Nordic county in their application to fulfil the eligibility criteria of the programme?

PECC is open for NGOs as partners from both NW Russia and the Nordic countries. As for searching for specific partners to team up with, this is not as such a service provided by the programme.

3. Referring to your announcement of application calls for the Nordic-Russian environment and climate programme. This programme is relevant for the ongoing cooperation in the border areas of Russia, Norway and Finland The [...] has been interested in doing new investigations and make preparations for a continuous and more thorough ground water monitoring in the area. Some contacts have been made to the [...] in the Murmansk region. Will an application for funding on further networking, for instance, be within your priorities in this programme? ...

Yes, ground water monitoring is eligible. As for choice of category, please choose the one that comes closest in your own judgment, or nominate a new category.

4. ... we would like to inquire whether it could be possible to make an amendment to the programme's guidelines and to include commercial companies and enterprises as eligible project partners, in case their participation in the project application is not related to any commercial interest or activity, but is aimed to support socially and environmentally viable aspects of the project.

The Guidelines may not be changed. Commercial companies and enterprises are thus not eligible as project partners. However, they may contribute in other ways, as further outlined in the Guidelines.

<p>5.</p>	<p>We are an energy service company working in North-West Russia, saving heat energy in public buildings and apartment buildings. We enjoy a history of cooperating with Norwegian partners, in particular.</p> <p>We are very interested to contribute to a project that would be conducive to greater awareness for energy efficiency among potential clients and public authorities. We believe that non-profit organisations are a sensible vehicle for this purpose.</p> <p>In this connection, we have the following question concerning NEFCO's definition of a non-commercial organisation: What are the necessary and sufficient conditions that must be filled for an organisation to be filled?</p> <p>By our experience organisations ... who are foundations and hence do not pay dividends ... have valuable competences, but they are sometimes deemed commercial as they offer their services in a market. Would these be considered non-commercial? And what is the distinction vis-a-vis for instance Bellona, which is hardly considered commercial, but which also offers their services in a market.</p> <p>We would greatly appreciate your clarifications on this point as it is vital for us to understand which organisations are eligible to apply in order to give sound advice on partners to the Russian organisations currently approaching us.”</p>
<p><i>Eligible partners are non-commercial or non-profit organizations, which means that commercial companies and profit-seeking organizations are not eligible as partners for the Programme. A profit-seeking company cannot be one of the core partners in the project and cannot receive financing through the project, even if the role of the company in the project would not be commercial/profit-seeking. As for such companies and organizations whose general purpose is not to generate profits for owners, such as foundations that do not pay dividends, but that operate on open markets in competition with commercial and profit-seeking companies and organizations, are not eligible as partner for the Programme. This would go also for the concrete examples of organizations, whose income comes from commercial activities, but not for [xxx] in as far as it operates as an NGO and whose economy is based on external contributions.</i></p> <p><i>Russian Regional or Municipal Unitary Enterprises (or similar) are eligible provided they fulfil the general conditions.</i></p>	
<p>6.</p>	<p>Question: Forests have a key role in the transition to a sustainable, bio-based society. Our project will help to increase forest production, which will have a direct effect on the use of renewable sources. Growing forests absorb carbon and wood products store carbon throughout their service life.</p> <p>Well-adapted sources of forest material for different environments will be important to make the forest resistant to climate variability and thus climate change. Long-term cooperation of tree breeding material between Finland, Sweden and North-West Russia will help to establish a base for increased growth in this region. ... Is our project in line with the purpose of the program?”</p>
<p><i>Yes, forest-related projects with climate and environmental benefits are eligible. As for choice of category, please choose the one that comes closest in your own judgment, or nominate a new category.</i></p>	
<p>7.</p>	<p>“We would like to ask some additional questions: how old should be the non-commercial organization (Russian)? Could the organization, located in Saint Petersburg, with the age less than 1 year take part in?”</p>
<p><i>There is no stipulated age limit for the project partners, so even an organisation with such a short history is welcome as a partner in the Programme. You may state your relevant references as outlined in the on-line application that you will submit, but you should not provide any separate documents.</i></p>	
<p>8.</p>	<p>We would like to apply for the Nordic-Russian environment and climate programme seeking to get funds for developing climate change strategies for ... Russian Barents regions. This should include GHG inventory as a starting point, GHG monitoring and reporting, evaluation of available technologies and opportunities to reduce GHG emissions, decarbonisation targets and pathways towards 2030 and 2050, appropriate GHG governance and regulation, capacity building and education, as well as public awareness and involvement etc. However looking into the Guidelines for Applicants I get confused as it says that Arkhangelsk oblast is</p>

eligible for participation in the Programme but it is not mentioned ... with regard to funding regulations. Does this mean there are no budget restrictions/limitations for Arkhangelsk oblast or does this mean there are no any funds available for the region at all? Please advice.”

Projects in Archangelsk Oblast (AO) are eligible for the financing from the NCM as well as from the BHSF - in this respect there is no budget restriction or limitation for AO under the Programme.

9. I am working with [...], Stockholm, and Russian colleagues, among others, to prepare a long-term plan for the development of am project in the northern part of Russia. Our aim is to get a ... proposal to the [XXX] at their Call for Proposals that will launched in early 2020.

In order to advance this proposal, we need to develop the network of authorities, municipalities, NGOs and other interests along the route, and agree the partnership and actions for the first stage - this is our pre-study. We are hoping that the development of this network and related pre-study can be eligible for the PECC call ...

In the design of the larger [XXX] project, we will need municipal as well as local small enterprise partners or associates. We are concerned that in the PECC call, 'commercial organisations' cannot be financed, because we would like to involve them in the project meeting ... Is our interpretation correct that we cannot finance their travel and hotel costs from the PECC funding? If indeed this is correct, then can the costs involved be treated as part of the 30% 'own contribution'?

Commercial companies and profit-seeking organizations are not eligible as partners for the Programme. However, they may contribute in other ways, as further outlined in the Guidelines. The participation of representatives from commercial entities in project activities is welcomed, yet not financed by the Programme. This includes their travel and hotel costs. Only such costs pertaining to the partners may qualify as co-financing under the Programme. As for [XXX], that Programme is co-financed by the EU, Finland, Norway, the Russian Federation and Sweden, and has no connection as such to PECC. Although there would be no objection from PECC to organise a project to take benefit of both programmes, and it might indeed be a good if a larger project would be structured in that way; however, a same project cannot at the same time be a [XXX] and a PECC project. In addition, the project applied for under PECC has to be a project in its own right - it cannot only consist in preparing an application for another programme.

10. “I am NN a... My understanding is that this is a largely networking money to be used to support cooperation among ongoing projects. Is it correct? Since 2016, I am leading an EU consortium [...], which aims to develop predictability framework for forest fires across boreal zone of Eurasia and North America. Some of the countries, which are members of consortium, have not been entitled for their own budgets due to rules of that funding call [XXX]. Finland and Russia are among these countries. I wonder would it be possible to apply for the Programme funding with the overall goal to support full-scale participation of these countries in the [XXX] consortium?

Finally, I have a couple of more specific questions concerning admissible budget expenses. I would envision about 10% of the total budget of my application to be spend on establishing a dendrochronological laboratory at the [XXX] in [XXX], Russia. The need for such lab is dictated by a complete lack of adequate facilities for analyses of dendrochronological samples and the fact that a vast majority of the material to be collected within the framework of ongoing and planned projects will originate in Russian North-West. The lab therefore could function as dendro hub, serving this region of Russia at a fraction of the cost that we would have to carry if these analyses would be carried out in one of the Nordic countries. So, my question is whether this cost would be a legitimate expense or not? Wording of the call rules on that point is somewhat vague and I would greatly appreciate your clarifications ere.”

Yes, as stated in the Guidelines the Programme supports Nordic - North-West Russian co-operation between non-commercial partners to implement projects within the fields of environment and climate at regional and local levels; eligible projects should aim at facilitating exchange of experience and establishment of sustainable networks between the Nordic countries and North-West Russia. Finland and Russia are eligible countries under the programme but there must be a defined project related to the eligible regions in NW Russia. The project that

is the subject of the application must be defined and limited and such. The Programme cannot finance a part of a larger project, or a partner's participation in such a larger project. The cost for the laboratory should be an eligible cost insofar as it complies with the stipulation that "costs for purchase of equipment, facilities, technology or infrastructure should be specifically justified and explained, as they should be closely linked to the project purpose and may be accepted on a case-by-case basis."

11. Please find below our queries related to the first call of the PECC program:

1. Considering that: On page 3 of the guidelines, under the item Financial Framework, it appears that only BHSF funding will cover work done in Komi and Nenets.

On pp. 4, under the title Eligible applicants and Partners, it is stated "For being eligible for the BHSF part of the available funding, however, the partnership may consist of minimum one (Lead) Nordic and one Russian Partner"

Please confirm or clarify if: For an application that involves work done in Komi or Nenets, we may include minimum 1 Nordic partner.

The only available resources to fund work in Komi or Nenets are those from BHSF funding, which amount up to EUR 300,000.

2. Considering that: Our National Offices, although members of a global NGO network are each of them independent organizations, legally established in their own countries according to national laws and governed by their own Boards. Please confirm or clarify if: Each national office will be treated by NEFCO as separate Applicants.

3. Considering that: On pp. 8 of the guidelines, under the title Co-financing, it is stated that "To qualify for funding from the NCM share of the Programme, co-financing from Russian sources is required to add up to minimum 30% of the combined financing from Russian sources and from the NCM. This requirement may however be waived in relation to projects or project components implemented by or together with NGOs."

Please confirm or clarify if: Applications that include NGOs like us as Lead Applicants, and/or Partners, are not required to include co-financing from Russian sources at the levels indicated above.

4. Does the geographic scope of PECC include marine areas and coastal territories of North-West Russia. For example, is it possible to apply within PECC for a project aimed at solving problems of pollution from shipping or conservation of marine ecosystems?

5. Considering that: On pp.8 of the guidelines, under the title Eligible Costs, it is stated that "Costs related to any possible partnerships with commercial companies will not be covered".

Please confirm or clarify if: A project implemented in a territory leased by a commercial company can be funded since the company is not a beneficiary, but a testing ground for a pilot model of ecological land planning."

1 The assumption is correct.

2. There can be only one Applicant per submitted project. The Applicant should be from a Nordic country. Please also refer to Guidelines concerning the eligibility of applicants and partners

3. The Applicant should note this and argue for the case that the project or project components in question pertain to NGOs. The final decision on whether the case will qualify for waiving the stipulation on Russian co-financing will be made as a part of the project evaluation.

4. Yes, such projects are eligible insofar as the marine bodies in question pertain to or connect to the eligible regions in NW Russia.

5. This may be such a situation that needs to be considered case-by-case, so the Applicant will need to argue that the case in question is in line with the purpose of the Programme without violating any of its principal limitations.

12.	<p>My name is N.N. together with my colleagues we wanted to apply to the NEFCO call for project together with Swedish partner organization. But we not totally sure about eligibility. The project core ... in [XXX] region is save geological section on the beach of Baltic, by make special pillars, protection of that area from illegal amber extraction (it is now one of the destroying ways) and making all this through the museification of this part of landscape including opening in frames of project the small museum where will be the geological history of section presented. I will be appreciate if you answer if that idea is eligible for NEFCO or not?</p>
<p>Yes, such a project would be eligible insofar that the Applicant can argue for its direct or in-direct climate or environmental benefits. As for choice of category, please choose the one that comes closest in your own judgment, or nominate a new category.</p>	
13.	<p>"I have a question on previously approved funds from the Nordic Council of Ministers. It is necessary to indicate in the application form Name of programme/project and amount (EUR).</p> <p>I had several grants of NCM [...]</p> <p>But... It is hardly possible now to remember exactly total sum of all the grants. Coordinators of 2 first projects have already retired and I am afraid I hardly will be able to find them.</p> <p>What shall I do in this case? I would be grateful for your reply and explanations.</p>
<p><i>You may state your relevant references as outlined in the on-line application form, and you may but you need not specify all amounts and details. Please consider however also whether you are eligible for further state aid with reference to the de minimis rules</i></p>	
14.	<p>"Overall view: Everything is more or less clear, but there is two things ...:</p> <ol style="list-style-type: none"> 1. What is the budget share for Karelia Republic since it was allocated in the Programme area but it has not been directly mentioned in the paragraph "limitations on the total Programme budget" (Page 4). I represented my own assumes concerning this in the attached document. 2. Is possible to write the application to this Programme with idea that we need to prepare technology for further probable projects? In our case the further project is [...].
<ol style="list-style-type: none"> 1. <i>Projects in the Republic of Karelia (RK) are eligible for the financing from the NCM as well as from the BHSF - in this respect there is no budget restriction or limitation for RK under the Programme.</i> 2. <i>The project that funding is applied for under the Programme has to be a project in its own right - it cannot only consist in preparing an application for another programme. Having said that, we welcome of course the potential for taking or developing the project further with other funding or financing.</i> 	
15.	<p>We would like to prepare an application for Nordic-Russian environment and climate programme. There are some questions to you (they are below) and I would be grateful for your help. If suddenly more questions arise later. It is already impossible to write you after January?</p> <ol style="list-style-type: none"> 1. Does project manager mean coordinator of the project (applicant/lead partner) and leaders of the other groups, Russian group and group from another Nordic country? 2. Is one of the main aims of projects an improvement of environmental situation in the North-West region of Russia? 3. N 21 of application form – own contribution. It should be not less than 30% of total budget of project or ONLY 30% of budget of Russian partner? 5. The use of grant funds shall be well balanced and the cost share of the Russian partner(s) of the total grant funding must be significant. What is the approximate percentage of the total budget for Russian partner? 6. The Applicant must also state clearly whether the funds applied for are in full or in part are intended for

physical investments in any form - and this must also be clearly reflected in the project budget. What does this mean? We need to use part of budget for investments?

Salary costs:

7. The monetary value of the working hours of project staff should be calculated on the basis of the actual salary costs, including social contributions. Based on the salary costs, the administrator of the project should calculate an hourly rate for the employee. The administrator of the project is responsible for ensuring that the working hours of the project staff are registered and documented by using a timesheet. The number of hours used for project work should be multiplied by the hourly rate. The timesheet should be signed by the employee, the manager of the employee and the project manager.

a) Do “actual salaries” mean the salaries which participants of project have in their organization?

b) If we would like to invite expert to perform certain part of work how we can pay him?

c) Documents signed by the employee, the manager of the employee and the project manager should be sent as attachment to application?

8. Lead partner will get grant and then will sign sub-contracts with other partners. How the sums will be transferred to other partners? To their organization or to bank accounts of the partners? Should all partners include administrative cost for this aim to their budgets?

9. Auditor. Should we include in our budget expenses for audit? Is it strict condition?”

All questions should be submitted as stipulated in the PECC-2 Guidelines .

1. The project manager is the one person that co-ordinates the full project and is responsible for its implementation.

2. Yes. The purpose of the Programme is to contribute to creating an improved status of the environment and climate in North-West Russia. It therefore financially supports the implementation of relevant projects on the regional and local level in North-West Russia.

3. As noted in the Guidelines, co-financing from Russian sources is required to add up to minimum 30% of the combined financing from Russian sources and from the NCM. Note that this distribution solely refers to the amount of project financing coming from the NCM and the Russian co-financing combined, and does not take into account financing from other non-Russian sources (including BHSF funding under this Programme) This requirement may however be waived in relation to projects or project components implemented by or together with NGOs.

4. N/A

5. This cannot be stipulated by percentages of the budget, but refers to a reasonable balancing of the contributions of the project partners to achieve the Programme’s target to promote co-operation between non-commercial partners by funding projects that facilitate exchange of experience and establishment of sustainable networks.

6. Physical investments of any kind are an option but in no way a pre-condition for obtaining grant funding from the Programme.

7 a) Yes, “actual salaries” in principle mean salaries which participants of project have in their home organization; b) Invited experts should be remunerated in accordance with justified (market) rates; c) No such documentations needed for the application - reporting details will be settled in the final grant agreement.

8. The detailed structures will be determined during negotiations and contracting. However, related foreseen costs should be taken into account in the budgets.

9. Auditing is a precondition and the adequate costs should be taken into account in the budgets.

16. We are preparing a project application (with our partners from Nordic countries and NW Russia) for

submitting to the Programme. A few questions we have in the frames of this stage:

- If the project will be focused on one of the districts of the Republic of Karelia, Russia - what kind of scheme of financing could be used ("Guidelines for applicants")?
- If the Lead partner from the Nordic country and Co-lead partner from NW Russia (responsible for the project on the Russian side) are NGOs - what size of co-financing will be requested?
- Is it possible to include in the project network any governmental bodies (local authorities) from the Republic of Karelia as partners of the project?
- What size (maybe, in %) of the grant could be requested as "investment part" of the project?

Republic of Karelia - pls. see Answer 14 above.

NGOs - pls. see Answer 15 above

Regional or local authorities or federal authorities in the regional level, i.e. in the Republic of Karelia, are eligible Russian partners (whereas federal authorities on the federal level are not.)

Physical investments of any kind are an option but in no way a pre-condition for obtaining grant funding from the Programme. There are no specific percentages for how small or how large their share can be of the total project budget.

17. We would like to get an answer to following three questions regarding the Programme for Environment and Climate Co-operation call open ...

1. Is the Finnish Environment Institute an eligible applicant and project partner for the Programme?
2. ...
3. In the section 4 (Co-financing) of the Guidelines it is said: "This requirement may however be waived in relation to projects or project components implemented by or together with NGOs."

How should the Russian co-financing share be calculated in case that NGOs (Russian or other) is taking part to the project? Does the co-financing rate apply at all if Russian NGO is a partner in the project?

1) The Finnish Environment Institute is not an eligible applicant and project partner for the Programme acting on the national level in Finland. If, however, it can act as a project partner on a regional or local level in Finland, it may qualify as such. It must clearly argued in the application that this is the case in the institutional sense as well as that the project and intended co-operation in question is to take place on a strictly sub-national level as national level activities are not allowed under PECC-2

2) ...

3) The Applicant should note this and argue for the case that the project or project components in question pertain to NGOs. The final decision on whether the case will qualify for waiving the stipulation on Russian co-financing will be made as a part of the project evaluation.

18. Hi! We think to apply project to

Promoting environment and climate cooperation projects between non-commercial partners from the Nordic countries and North West Russia from [XXX]

we have any to ask

1. ...

2. If we want to make an "Awareness rising and outreach; development of information channels, campaigns etc. (related to any topic under A1 above)". Can we use commercial organizations: and if we can: how can we pay for their work: if we cannot use taxes. Can we buy or rent video equipment, t.ex to make information channels?

	<p>3. If we are the main partners: will we send money to other partners at one time or for each costs separately?</p> <p>4. The application and the budget are filled by each partner: or all together?</p> <p>5. Must a Russian partner have audit in Russia? From Russia, or all together must be auditing in main partner organisation?</p>
	<p>1. ...</p> <p>2. <i>Commercial organisations may not be project partners. However, eligible non-commercial partners may engage commercial companies to provide adequate technology as well as necessary supplies and services to the project on sound commercial conditions, and if so these costs can then be covered.</i></p> <p><i>Costs for purchase of equipment - for instance for making videos - should be specifically justified and explained, as they should be closely linked to the project purpose.</i></p> <p>3. <i>Pls. see Answer 15.8 above.</i></p> <p>4. <i>The application and the budget pertain to the full project and should be submitted by the Applicant only (i.e. there are not to be filled in by each partner).</i></p> <p>5.. <i>Auditing costs shall be included in the budget. In principle, only the Nordic Grantee will be subject to auditing, but NEFCO will reserve the right to request audits also of the other Nordic and Russian partners, in any such cases where it may be deemed justified and necessary.</i></p>
19.	<p>In the meantime we have problems with our Finnish contact and wish to involve one of the Baltic countries instead, is this possible?</p>
	<p><i>Only the countries listed in the Guidelines are eligible. Entities from the Baltic countries are thus not eligible as project partners.</i></p>
20.	<p>“... Our colleagues are preparing an application and have several questions about financial issues.</p> <p>Could you please clarify:</p> <p>Total max budget can be EUR 200,000 and min 30% co-financing from Russian sources should be calculated from that amount?</p> <p>200,000 - 30% = EUR 60,000 from Russian partners?</p> <p>Could you please provide samples of project budget distribution?</p> <p>What exchange rate should be taken for calculations?</p>
	<p><i>The calculation is correct. Note however that the co-financing requirement concerns only the NCM share of the Programme. The project may still qualify for the BHSF-funded share. The budget form on the application platform is interactive and will indicate automatically whether the calculated budget will qualify for the NCM share of the Programme or not. The budget distribution should be balanced between the Nordic and Russian partners, and be justifiable taking into account the proposed activities and roles. The exchange rates used for the calculations should in principle correspond to the official rate at the date of the submission of the application but may differ from that with a small margin for simplification purpose (- corresponding roughly to single-digit percentage, but not more).</i></p>
21.	<p>We are preparing for the application process for the Grant of EUR 200.000. We are two partners from Denmark. One NGO and the University of [Denmark] the other a University of [Norway]. Our Russian partners are from Karelia and St. Petersburg. Two NGO's and one University. The question is, whether Russia must contribute with 30 % of the total sum.</p>
	<p><i>The Applicant should note this situation in the application and argue for the case that the project or project</i></p>

components in question that pertain to NGOs as Russian partners make it qualify for a full or partial waiver of the 30% co-financing pre-condition for the NCM share of the Programme. The final decision on whether the case will qualify for waiving the stipulation on Russian co-financing will be made as a part of the project evaluation.

22. На сайте: <https://www.nefco.org/> ... указано, что материалы доступны и на русском языке, но я не нашла их на сайте. Где их можно посмотреть?

Pls. see Answer 1 above