

Cross-cutting issues

There are three cross-cutting issues under the financial mechanisms: good governance, sustainable development and gender equality (ref Protocol 38 B and Article 1.6 of the Regulations). The planning phase is crucial for the integration of the cross-cutting issues in the project. By undertaking assessments of cross-cutting issues during the planning phase, it is possible to identify challenges and obstacles that can undermine sustainability and counteract the overall objectives of the financial mechanisms.

The following sections give guidance on how to integrate the cross-cutting issues into the Project design.

1. Good governance

Good governance has 6 main principles; it is participatory and inclusive, accountable, transparent, responsive, effective and efficient, and follows the rule of law. Implicit in this is a zero tolerance towards corruption, that the views of minorities are taken into account, and that the voices of the most vulnerable in society are heard in decision-making.

The above-mentioned principles have the following characteristics:

- Participation and inclusiveness – participation of all relevant stakeholders, which includes both men and women, directly or through institutions (public and private).
- Accountability – in general organisations and institutions should be accountable to those who will be affected by decisions or actions.
- Transparency – decisions and enforcement are done in a manner that follows rules and regulations; information is freely available and directly accessible.
- Effectiveness and efficiency – institutions and processes produce results that meet the needs of society while making the best use of resources at their disposal.
- Rule of law – a fair legal framework that is enforced impartially, including respect of human rights, and without corruption. Good governance is fundamental to the economic and social development process of all countries, and hence is inherently linked to the objectives of the financial mechanisms. Of the elements that threaten good governance, corruption is seen by the Donor State(s) as among the most destructive.

Corruption and mismanagement cripple economic growth and development.

The principles of good governance shall complement the requirements of the Regulations, including on irregularities, as well as selection and monitoring procedures, and apply equally to the at the project level. The implementation of the mechanisms shall be characterised by transparency and of openness at all phases of the project cycles and there is an absolute requirement that no projects are in any way contradictory to the principles of good governance. The Donor State(s) adhere to a strict zero-tolerance policy on corruption.

2. Sustainable development

Sustainable development is a framework for a long-term vision of sustainability in which economic growth, social cohesion and environmental protection go hand in hand and are mutually supporting. The term "sustainable development" is defined as "...development that meets the needs of the present without compromising the ability of future generations to meet their needs." Sustainable development aims to provide a long-term vision for society. Activities to meet present needs may still have short-term horizons, but they must in addition always include a long-term perspective. Sustainable development is an integrated concept involving all human actions down to the local level, and:

- aims to improve the quality of life of both current and future generations, while safeguarding the earth's capacity to support life in all its diversity;
- is based on democracy, the rule of law and respect for fundamental rights including freedom, equal opportunities and cultural diversity;
- promotes high levels of employment in an economy whose strength is based on education, innovation, social and territorial cohesion and the protection of human health and the environment.

3. Environmental

All project must reflect environmental considerations, not only those project that are specifically aimed at environmental improvements. Examples may include infrastructure projects, building activities or economic activities in different sectors. The key issue is to assess systematically the environmental impact of projects, to quantify them and to integrate measures to limit any negative environmental impacts resulting from the project . The planning phase is crucial when it comes to environmental considerations, as key decisions relating to the project design might be difficult to adjust in later phases. By undertaking environmental considerations during the planning phase, it is possible to identify and avoid any harmful direct and indirect environmental impacts and to enhance environmental conditions. The following key questions should as a minimum be considered when undertaking the environmental considerations. Will the project:

- use natural resources in ways that will pre-empt the use or potential future use of those resources for any other purpose?
- generate waste and hazardous waste, is this prevented and is the waste recycled/reused?
- be located in, and potentially, affect any environmentally sensitive areas such as National Parks and other protected areas, important archaeological and cultural sites, vulnerable ecosystems that provide important ecosystem services or with species threatened by extinction?
- cause soil, water or air pollution, including climate change, and are the potential direct and indirect impacts likely to be of minor or of major significance, and not easily mitigated?
- result in policy initiatives which may affect the environment such as changes in agricultural, water, energy and transport policies?
- involve the risk of accidents with potential environmental impacts (oil spills, chemical spills etc)? How is the risk reduced?
- lead to occupational health and safety risks?

Public and private projects that are likely to have a significant effect on the environment shall undertake an Environmental Impact Assessment (EIA) in accordance with the EIA Directive (Directive 85/337/EEC as amended by Directive 97/11/EC and 2003/35/EC).

4. Economic

All project must address economic sustainable development considerations. Projects should be assessed systematically at planning phase against the positive sustainable economic impact they will have and integrate measures to limit any negative impacts resulting from the projects in implementation.

The following areas should be considered when assessing such impact at Programme level:

- effects in terms of economic development at national / regional / local levels;
- effects in terms of job creation;
- impact on entrepreneurship;
- capacity to create a favourable environment to the development and provision of key services;

- the cost-benefit of the project;
- why the required inputs are justifiable in terms of the outputs (cost-efficiency), including an assessment of costs in relation to alternative approaches; and
- if applicable, the extent to which the government at the relevant level (or other financing bodies), is prepared to continue financing the outputs of the project after the support from the financial mechanisms has ended.

5. Social

All project must address social sustainable development considerations. Social dimensions of Project will be assessed systematically at planning phase against the social sustainable development impact they will have and integrate measures to limit any negative impacts resulting from the project during implementation.

An assessment of sustainable development – social should reflect upon the project's impact in terms of:

- building social capital;
- ensuring that priorities and needs of various groups , in terms of gender, disability, ethnicity, age, sexual orientation, and religious affiliation are respected, promoting equality and antidiscrimination;
- contributing to the fight against poverty and social exclusion, including of children;
- limiting major threats to public health;
- facilitating access to employment, housing, mobility, and health care; and
- facilitating access to education and skills training.

5 Gender equality

Men and women must have equal rights and opportunities in all areas of society and the economy if sustainable development is to be achieved. A gender impact assessment will be undertaken for all projects under the financial mechanisms. A gender impact assessment involves looking for gender relevance at every step of policy and activities, with the aim of avoiding reproducing discrimination on the grounds of gender and to promote equality between women and men. While some projects can appear gender neutral in their content, in practice they may have a very differential impact on women and men, and thereby result in reinforcing existing inequalities. It is therefore important not to make general assumptions when designing projects, e.g. that women will automatically benefit from the planned activities under a project, or that the planned activities will benefit men and women equally. In a bid to overcome such challenges,

EXAMPLE

Addressing the following questions can help identify some of the specific needs of women and men targeted by each project :

Representation and participation: Is there a different share of women and men in the project target group? What are their characteristics?

Access to resources: How are resources divided between men and women in your target group (time, information, money and economic power, education and training, work and career, IT and communication, social services, mobility)?

Rights, norms and values: Are there assumptions about what men and women do in the area you are targeting? How do these influence gender roles and the gendered division of labour? After identifying these specific needs, the following methodology should then be addressed in order to ensure that gender equality is taken into consideration in all the phases of development of the project:

- How does the project take into account the identified gender-specific needs and address

gender-specific conditions?

- How is the project in line with national policies and priorities related to gender equality?
- How does the project provide sex-disaggregated baseline data and indicators?
- Does the project include explicit budget allocations and resources towards activities targeting women / men or gender equality issues?
- How does the project promote equal participation within its management?