

Minutes

7th Annual Meeting for the EEA and Norway Grants 2009-2014

1st Annual Meeting for the EEA and Norway Grants 2014-2021

05.06.2018, Sibiu, Romania

The Annual Meetings for the 2009-2014 and 2014-2021 EEA and Norway Grants took place in Sibiu, on the 5th of June on the ASTRA Museum's premises.

During the AMs, the representatives of the Norwegian Ministry of Foreign Affairs (NMFA), the Financial Mechanism Office (FMO), the National Focal Point (NFP), the Certifying Authority and Audit Authority analysed the closure process and results of the 2009-2014 period and the progress achieved in programming and implementation of the 2014-2021 period.

The AM was chaired by Ms. Mihaela Terchila (NFP) and Mr. Sjur Larsen (NMFA) and covered all the points of the agenda, as follows:

I. Final (7th) Annual Meeting, EEA and Norwegian FMs 2009-2014

1. Opening

In the opening of the meetings the Donors' representative thanked NFP for hosting the meeting in Sibiu, in the premises of Astra Museum, a meeting with double meaning – firstly the final annual meeting for 09-14 financial mechanisms and, secondly, the first annual meeting for 14-21 mechanisms.

The meeting was deemed a good opportunity to jointly review the results achieved under the 09-14 mechanisms and the progress achieved under the 14-21 mechanisms, and part of them will be seen during the project visits organised on the margin of the AM. The two strategic reports demonstrate the important progress and results achieved in Romania. Nevertheless, some improvements were identified which will be addressed under point 2 of the agenda.

The Donors' representative also pointed out the good cooperation with the Embassy and the FMO.

Further on, the NFP made a brief overview of the 2009-2014 programming period, with reference to the Final Strategic Report, pointing out also that 2018 is dedicated to the 100 anniversary of the Romanian State and the meeting location is special because de ASTRA Museum contains the cultural heritage from all Romanian regions. Also, the location of the meeting - the ASTRA Museum is a very good example of successful EEA and Norway Grants interventions, with two big projects implemented, with important and sustainable results, which is assured by the increased number of visitors.

Other remarks by the NFP pointed out the following:

- The majority of the 22 programmes implemented in Romania achieved their set objectives and have exceeded the target indicators, while a few attained a lower level of success resulting also in a low level of absorption of the funds, such as RO03 (the LAKI II project), RO06 – Renewable Energy – hydro energy component and RO05 – Energy Efficiency.
- However, the overall absorption rate is a good one, of more than 85% - according to the currently available data.

- A surprising programme was RO11 – Gender Equality managed by the Ministry of Labour which started later but the results are important, 11 kindergartens are refurbished and renovated with a good estimated sustainability.
- Very good results were achieved in Programmes RO10 - Children and Youth at Risk, RO09 - NGO Fund, RO12 – Cultural Heritage and RO13 – Diversity in Culture, RO23 - Correctional Services, RO17 - Green Industry Innovation. The RO19 – Health Programme performed well, due mostly to the commitment of Project Promoters.

2. Final Strategic Report

With regard to the final strategic report, the NFP representative highlighted the following main aspects:

- The report presents the results achieved in the Programmes, seeking to demonstrate the impact of the Grants on the Romanian social and economic development in the last 6 years.
- Programmes started quite late, following the signing in March 2012 of the Memoranda of Understanding and the closure of the programming phase took place by the end of 2013. Most calls for proposals were organized in 2014, with contracting taking place in late 2014 and early 2015. Thus, the implementation period of projects was reduced to only 2-3 years.
- However, the majority of Programmes achieved (and over-achieved) their result targets, according to Final Programme Reports.
- An important decision of the Donors was, at Romania's request, to extend the project implementation period with one year, which was crucial for the level of results achieved.
- The success of the Programmes largely depended on the capacity of the POs and in some cases, such as the Health and Correctional Services Programmes, on the involvement of predefined project promoters.

The Donors' representative highlighted that the final Strategic Report is very detailed and gives an excellent overview of the status of implementation of the EEA and Norway Grants in Romania and the achieved results.

- It was highlighted that the use and the results of the Grants was put into a wider context and assessed against the national and EU targets and strategies and the Roma target was properly addressed, including the achieved results.
- The section on 'Summary list of issues and recommendations' showed crucial lessons learned and critical success factors which should be taken into account when setting up the new mechanisms.
- The draft SR had some shortcomings when it comes to reporting on monitoring and audits and on the work plan ahead. The report should give account of monitoring and audit activities performed at donors' level as well. A more detailed work plan would be desirable including post completion activities planned by the NFP, POs, Audit and Certifying Authorities.
- These shortcomings should be addressed in the final version, then the final strategic report can be approved.

3. Closure process

With regard to the closure of the Programmes, the NFP representative pointed out that process can be considered very efficient so far, with two Programmes already closed – RO15 - Scholarships and RO05 – Energy Efficiency, while in some cases, Final Programme Reports and Final Balances were sent by POs with some delays.

The most delayed Programme in this respect is RO02 – Biodiversity, for which the Final Programme Report was not yet submitted. Moreover, the underlying verification of final or even interim project reports was not finalized by the PO. This is an indication of the future of the new Environment Programme and the NFP highlights, once again, the risks related to this PO.

A team dedicated to the closure of the Programmes was created at the FMO which facilitates the process of analysis and approval of Final Programme Reports. Also, the Audit Authority started to perform the final audit missions and issuing the final audit reports.

The Audit Authority representative made a brief presentation of the results of the AA's additional verifications, performed at the request of the Donors, with regard to the issues of "double funding" identified in the Moore Stephens audit report on some project promoters under the NGO Fund.

The Audit Authority has analysed all the documents and only few expenditures were found not eligible on salaries budget line, where expenditures were overestimated. The report is finalised and after the translation, an English version will be send to the Donors in approximatively two weeks. Regarding the aspects underlined by the Moore and Stephens Report¹, after the very thorough verifications performed, the Audit Authority considers that there were no cases of double funding. The Audit Authority representative also remarked that the quality of the initial report and audit work was not up to the highest standards, as the conclusions were not based on actual verification of the documents, but based mainly on interviews.

The CA / Irregularities Authority representative made a presentation regarding irregularities, mentioning that the total rate of irregularities on the programmes is under 1%. Based on the Final Balances submitted by POs to date, the amount not spent to be returned to the FMO is 22 million euros.

On the issue of the closure process, the Donors' representative added the following:

- the FMO is currently in the process of reviewing the final programme reports;
- there are only a couple of projects reported non-completed and all the programmes have produced good results;
- all irregularity cases will have to be closed before the final programme reports are approved;
- the Donors intend to close all programmes within 2018;
- the importance of ensuring the sustainability of the results was also stressed.

The NFP addressed the aspect of the final evaluation of the programmes carried out under the 2009-2014 programming period. The evaluation process has been contracted and shall address all programmes in terms of effectiveness, efficiency, relevance, sustainability.

The contract was signed on 16.04.2018 with QURES Quality Research and Support (which also participated in the FMO's Mid-term review).

The final report will be available in August 2018 and further made available by NFP to Donors and on the national dedicated website.

The Donors' representative mentioned that the very good results achieved in the programmes under the EEA and Norway Grants 2009-2014 are much appreciated. This was a joint effort of all entities involved in the implementation. The dedication and professionalism of these entities was important in achieving these great results.

4. Bilateral cooperation

The NFP representative underlined the results achieved on the objective of increasing bilateral cooperation between Romania and the Donor States under the 2009-2014 EEA and Norway Grants:

- 13 of the 22 Programmes (60%) implemented were managed in partnership between Romanian Programme Operators and a total of 15 Donor State entities or international organisations;

¹ Audit report commissioned by the FMO

- 30% of all 830 projects funded (247) have been implemented in partnership with organizations from Norway, Iceland or Liechtenstein.
- In general, the indicators are achieved with differences between National Bilateral allocation managed by NFP and Programmes Bilateral allocation where some Programme Operators were not very active (low level of implementation -approx. 60%) . The experience will be used in the new programming period.

The Fund for bilateral relations at national level:

- had a very good level of implementation with both calls for proposals on all domains and predefined/major activities and an 81% absorption rate;
- Results of the NFP open calls - 91% absorption rate, a total amount spent of approx. EUR 760,000, 92 initiatives financed with 355 persons directly involved in bilateral activities (195 persons from Romania and 160 persons from the Donor States); 216 entities from the Donor States involved in bilateral activities; 12,379 persons participated in the activities organized (festivals, workshops, conferences, etc.).

The representatives of Donor States express the appreciation of Romania's efforts to enhance bilateral relations.

Although the absorption rate for the programme level bilateral funds is more modest, several very good initiatives were supported in all of the programmes. There is hope that the supported activities will have broader and longer-term effects on bilateral relations.

5. Conclusions

The Final Strategic Report can be approved once the necessary revisions are made.

The detailed ex-post Evaluation Report highlighting the results achieved on all Programmes under the EEA and Norway Grants 2009-2014 shall be available in August 2018.

II. 1st Annual Meeting, EEA and Norwegian FMs 2014-2021

1. Opening and status of implementation

In the beginning of the meeting the Donors' representative mentioned that Romania is the pioneer in the new programming period and it is important to take stock of the programming process.

The NFP representative mentioned that the programming process was quite lengthy (of approx. 2 years) and challenging. A lot of effort was put by POs, NFP and FMO into the development of the Concept Notes (CN) for the new Programmes, in order to achieve an acceptable version. Moreover, the submission of the additional information required for Programme Agreements and the drafting of the PAs was also very complicated and lengthy, with some cases where elements of the Concept Notes were modified during the PA drafting phase. The budget format requested in the case of predefined projects was extremely detailed and it required a lot of effort and time to devise it.

The NFP also considers that the reporting on programmes will be very challenging, considering the high number of indicators set for the Programmes, and in many cases additional work will be needed for establishing the indicators baseline values.

Three Programme Agreements have been signed up to now and calls for proposals were launched under the Education, Research and Business Development Programmes. On the 5th of June the Culture programme was signed and the launching of the programme will take place as soon as possible. For the Local development, Justice, and Homme Affairs Programmes, the Donors' approval will be received in the next period, and it is estimated that the Energy Programme will be signed before the summer holidays. With regard to the Environment Programme, the NFP highlighted that the low level of capacity of the PO persists and it generates a high level of risk for the Programme. The situation of the Concept Note for this Programme is not clear, as it was not developed following the same procedure as the rest. The involvement and assistance from the FMO in the elaboration of the Concept Note was significant, but the NFP considers that the results are still not satisfactory.

As a conclusion, with the exception of the Environment Programme, the NFP estimates to have all remaining PAs signed by September 2018.

The representative of the Donors highlighted the following aspects:

- There is a brief, but qualified overview of progress in the simplified strategic report for 2014-2021, despite limited time at NFP disposal to prepare it.
- However, it will be appreciated if the report is updated in order to give more detailed account of the development phase (programme, bilateral fund, etc.). Therefore the SR can be approved only after its resubmission.
- Despite delays, lengthy processes, the programme development phase is coming to an end soon. The Donors' representative expressed satisfaction that Romania is front-runner in this process as well.
- Following the programme development phase the Donors got a very clear picture on what these programmes will aim to achieve. Donor programme and project partners have a clearer understanding of their role in the programme and project implementation.
- The new approach for the programme development will overall reduce risks during the implementation of programmes. Additionally, the number of programme related conditionalities could be reduced.
- There is high awareness of the challenges in the development of certain programmes, in which the Donors have sectorial priorities (e.g. Health, Home Affairs, Environment). NFP is encouraged to prioritise working with these programmes and POs so that they catch up with the other programmes.

- The inclusion of Roma continues to be high on the Donors' agenda. Special attention will be devoted for the achievement of the 10% Roma inclusion target in the six concerned programmes. This shall be monitored in implementation and regularly reported on, including in the Strategic Report.
- The donors would also welcome the continuation of the Roma roundtable discussions following the practice established in 09-14 mechanisms. In addition, there are high hopes that the Local Development and Civil Society programmes to deliver good results in terms of poverty reduction and Roma inclusion.
- The donors consider the involvement of international organizations in the programmes and projects as a strategic investment. These institutions have core competences in areas that are important for the Donors. But the final aim is to transfer competences towards Romanian institutions, in order to help Romania further align with international standards and commitments.

3. Bilateral cooperation

The NFP representatives mentioned that the new system of implementation of the Bilateral Fund is more complicated than for the 09-14 period. The NFP has the responsibility of successfully implementing the Fund and developing and carrying out the Work Plan, but the approved Work Plan did not include the NFP's proposals.

Based on the previous experience, the NFP strongly supported continuing with the same approach, of combining a broad open call with predefined activities.

The open call allows access to a part of the very large fund to applicants from the "open market", who are really invested and interested in carrying out activities. Instead, all the funds are now blocked, waiting for "predefined initiatives" to appear. One notable exception - Innovation Norway, with the NFP collaborated before, and who have potential of developing good bilateral initiatives.

The NFP noted the very low level of involvement of the Romanian Ministry of Foreign Affairs in the JCFB and also in developing EU Presidency initiatives from the Romanian side.

In addition, allocating fixed amounts of bilateral funds to all Programmes proved inefficient during 09-14 (only 60% implementation rate). However, this approach was kept in the new period.

Moreover, the new system is more complicated, adding the NFP in the system of reporting and disbursing bilateral funds to Programmes, instead of funds going directly to the POs (as it was under 09-14).

The Donors' representatives are aware of the challenges of the new management approach of the bilateral fund. The donor programme partners very actively contributed to shaping the new programmes and the opportunity of using the bilateral fund allocations at an early stage is highly appreciated.

High expectations for the upcoming Romanian EU Council Presidency in terms of jointly implemented initiatives of common interest are encouraged to be addressed.

The donors look forward to continue the good dialogue in the JCBF. Furthermore, they emphasized that the Donors do not oppose calls as such, but underlined that any call should be thematically focused and with a clear deadline.

4. Progress in setting up the 14-21 FMs

The NFP representative made a presentation of the main general issues regarding the implementation of the FM's:

- The Management and Control System description at national level was submitted on 25 May 2017 and approved on 15 February 2018, while the Management and Control System descriptions at programme level are under preparation and auditing by AA is ongoing for approved Programmes;
- Following consultation with the FMO, the NFP issued the Rules for the application of lump sums under the Bilateral Fund, by Minister's Order;

- The Communication Strategy has been approved by the Donors with several comments. The NFP will address these comments in the revised strategy. The implementation of the CS has already started (the tender for the new website on EEA and Norway Grants is launched).
- The Donors consider that the Romanian EU Presidency is an opportunity for Communication activities.
- A quantitative public opinion survey on the awareness of the Grants was contracted by the NFP and carried out in November 2017 - January 2018. It was used both for measuring results achieved, as well as baseline study for the 14-21 Communication Strategy. The main conclusions: The EEA and Norway Grants are mentioned by 18.7% of respondents spontaneously, responding to questions related to the types of European funds known to respondents. It increased with 16.7% at national level, from 2% to 18.7%.

The Donors asked the NFP to focus on risk monitoring in the programme evolutions and employ the mitigating measures according to the SR.

Moreover, the donors' representative expressed high credit for all the work that was put into setting up the new mechanisms and the development of programmes in Romania. As in case of the MoUs negotiations, Romania is again among the front runners. This is a good trend which has to be kept.

Regarding the Communication Strategy, this has been approved by the Donors with several comments. NFP was asked to address these comments in the revised strategy.

5. Conclusions and closing remarks

For the new period, Romania made significant progress and most of the programmes are ready to start the implementation.

The Donors' representative reiterated that the main challenges presented by NFP regarding the new mechanisms are very important given the fact Romania was the first country which signed the MoUs and start the next programming phase.

The agenda and list of participants of the meeting are attached.