

Strategic Report for Romania
EEA and Norwegian Financial Mechanisms 2014-2021
2019

1. Executive summary

In 2018, the process of preparation was finalized for ten of the twelve Programmes to be supported in the 2014-2021 period of the EEA and Norway Grants in Romania, with the related Programme Agreements and Implementation Agreements signed by the second part of the year.

This important development was followed by the first steps in the preparation of implementation undertaken in all Programmes - setting up the management and control systems and working procedures, elaboration and launching of calls for proposals, evaluation and selection of projects and development of predefined projects. Launching events and related communication activities to ensure awareness and visibility of the new Programmes were also conducted.

Progress made in the Education, Research, Justice, Local Development, Culture, Business Development and Energy Programmes are deemed satisfactory and a solid basis for the achievement of the objectives.

The Education Programme, the first to sign the Programme Agreement, is currently registering the highest level of progress, with two rounds of open calls in the five areas of the Programme successfully conducted and 45 projects in implementation.

In total, 28 open calls were conducted in the areas of education, research, children and youth at risk, poverty reduction, business development in green industry innovation, IT&C and Blue Growth, renewable energy production, access to energy, decent work and social dialogue. During 2019, calls in research, Roma culture, local development, Roma inclusion, restoration of cultural monuments and education will be launched.

More efforts are needed when it comes to the preparation of predefined projects and related donor partnership agreements in the Health, Justice, Home Affairs and Local Development Programmes. So far, 17% of the budget allocated to predefined projects has been contracted and 6 project contracts have been signed in Justice and Home Affairs. Other projects in Justice, Home Affairs and Health are in the final stages of elaboration, and are estimated to be contracted by the first half of this year.

The objective of strengthening bilateral relations was also followed-up during this initial period of implementation, by employing the resources made available through the fund for bilateral relations for developing project partnerships between Romanian and Donor States organisations. To this end, Programme Operators organized open calls in all relevant Programmes, as well as dedicated matchmaking events. The cooperation with the Donor Programme Partners and International Partners Organisations was good in all Programmes, as they participated in all aspects of Programme preparation and implementation and in regular Cooperation Committee meetings.

A new website for the EEA and Norway Grants in Romania www.eeagrants.ro was launched by the National Focal Point in December 2018. It features an improved design, new functionalities and structured and relevant information regarding the new Programmes, as well as the results obtained in the previous period of the Grants.

In terms of risks, major delays continued to accumulate in the case of the Environment Programme; progress in the preparation of programming documents was insufficient, mainly due to the lack of capacity of the Programme Operator, but also delays in follow-up actions from the Financial Mechanism Office. A decision on the continuation of the Programme, in agreement with the Donors,

will need to be taken soon, in full accordance with the provisions set up in the EEA and Norway Regulations.

The lengthy preparation of the Active Citizenship Fund also raised concern, as this Programme has a significant allocation and is very much awaited by the civil society in Romania. These two Programmes are not under the direct coordination of Romanian NFP.

A moderate level of risk is also apparent in the case of the Health Programme, due to the issues affecting the capacity of the Programme Operator, as well as its complexity. The National Focal Point will conduct a close monitoring of this Programme.

2. Political, economic and social context

The NFP did not identify any political, economic or social changes or trends that had a significant impact on the implementation of the Grants in Romania in the reporting period.

In general, the social and economic parameters which were taken under consideration during the preparation of the programmes are still valid and measures planned are relevant for the challenges and needs identified.

As noted in the [European Commission's Country Report Romania for 2019](#) and available Eurostat statistics, Romania is still affected by high [poverty and inequality rates](#), although they are on a decreasing trend. Income inequality has declined over the past 2 years but remains one of the highest in the EU. The share of [children living in poverty or social exclusion](#) (4 out of 10) is one of the highest in the EU.

Spending on [education](#) remains one of the lowest in the EU. Low participation in early childhood education hampers the development of cognitive and social skills. Early school leaving remains high, and attainment levels in basic skills are low and not improving. Rural-urban disparities persist and vulnerable groups, including the Roma, continue to have limited access to quality inclusive mainstream education. The quality and labour market relevance of higher education and vocational education and training face challenges, while access to adult learning is limited. The share of young people not in education, employment or training, while on a decreasing path since 2015, remained relatively high in 2017 at 15.2%.

The [healthcare system](#) faces many challenges. Low funding and an inefficient use of public resources limit the effectiveness of the health system. Continued migration has resulted in a sizeable shortage of doctors and nurses.

According to the [2018 OECD Country Health Profile for Romania](#), the health status of Romanians has improved, but life expectancy at birth remains among the lowest in the EU. Although people are living longer, coverage is not universal and socioeconomic inequalities in health persist. Reform of the health system has been constant but frequently ineffective, due in part to a high degree of political instability. Recent reforms have focused on introducing cost-saving measures, and improving access and efficiency.

The EC's 2019 Country Report characterizes Romania's performance in [research and innovation](#) as modest, with public and private spending on research and development being one of the lowest in the EU, resulting in a low quality of the public science base and a low innovative capacity. Links between science and business are underdeveloped, while technology imports are not being substituted by home-grown innovation.

In the [Economist's 2018 Democracy Index](#), Romania recorded a deterioration of the score, along with Slovakia, Hungary and Croatia, among the "flawed democracies" in the region, with discrimination, hate speech and social exclusion still largely affecting Roma, women and persons with disabilities.

Regarding progress towards its national targets under the [Europe 2020 strategy](#), Romania is performing well on employment rates, national greenhouse gas emissions, renewable energy, energy efficiency and tertiary education. R&D investment and early school leaving remain some distance away from their respective targets.

EU funds allocated to Romania amount to EUR 30.8 billion for the 2014-2020 programming period, potentially representing around 2.4 % of GDP annually. As of the end of 2018, around EUR 20.8 billion

was allocated to selected projects. EUR 7.9 billion of the total allocation was paid to Romania. In addition, EUR 1.2 billion was allocated to specific projects on strategic transport networks through the Connecting Europe Facility. Furthermore, Romanian research institutions, innovative firms and individual researchers benefited from other EU funding instruments, notably Horizon 2020.

In [terms of economic growth](#), GDP growth slowed to an estimated 4% in 2018, compared to the 7% of 2017, but remains one of the highest in the EU. The phenomenon of work force migration continued to affect Romanian society and economy, shortage of qualified staff in the health system and all other sectors of the economy and Romania currently has the lowest unemployment rate in a decade (3.8%).

The EC working paper underlines a noteworthy trend of [wage increases](#), on the backdrop of persistent lack of workforce, mostly due to migration; however, Romanian employees' earnings continuing to remain significantly lower compared to the EU average.

In order to counteract work force migration and lack of personnel in this field, a Government measure was adopted in the beginning of 2019, setting a higher minimum level for [salaries in the construction sector](#) for the period 1 January 2019 - 31 December 2019. Taking into account the proportion of infrastructure costs in Programmes, its [overall impact](#) over the Grants may be considered limited. A more significant influence can appear in Programmes such as Justice, Culture and Local Development, leading to increased budgetary needs in projects with infrastructure components (correctional services, restoration of cultural monuments, etc.). On the other hand, it should also be taken into consideration that the final cost of such measures will be established following public procurement, which, according to our experience in the previous period of the Grants, leads to significant savings/unspent amounts compared to initially estimated budgets. The Programme Operators and NFP will follow this issue and take the necessary measures to ensure the viability of projects and their infrastructure components.

Legislative measures have also been adopted in 2017-2018 for [increasing salaries of staff in the public sector](#), including in the education and health sectors, as well for increasing the minimum wage in the private sector.

3. Effects of the Grants

3.1 Reducing social and economic disparities

The Programmes are in their early stages, with open calls being launched / ongoing or in the selection process.

A limited number of projects have been contracted, most under the Education Programme, which is the most advanced (46 contracts signed in value of € 2,758,481), Justice (4 predefined projects signed in value of €12,344,117) and Home Affairs (2 predefined projects signed in value of €8,500,000) and are currently in implementation.

Thus, the effect of the Grants in terms of reducing social and economic disparities cannot be assessed at this time.

3.2 Strengthening bilateral relations with donor state entities

Considering the early stage in the implementation of the Programmes, progress towards the objective of strengthening bilateral relations can mainly be described in terms of the measures carried out by Programme Operators for supporting the development of donor partnership in projects.

9 calls for proposals for travel support were carried out and a total of 184 travel support initiatives were financed, under 8 Programmes, such as Research, Education, Culture, Energy, Business Development, and Local Development. 5 successful matchmaking seminars were also organized, with good levels of participation from the donor countries (as detailed in section 5).

The first results in terms of donor partnership applications received in open calls are as follows:

- Education - within the first round of calls, 23 out of 46 contracts have partners from the donor countries, with a total budget allocation of €1,696,592.
- Research - 276 applications for collaborative research projects between Romanian and donor states researchers were submitted, 11 being selected within the available budget.

- Business Development - under the open call of 2018, targeting Green Industry Innovation, ICT, and Blue Growth, of the 88 project applications received by the deadline of 01.11.2018, 53 were Donor partnership projects. The majority of project applications submitted under the first call are related to knowledge and technology transfer between Donor State entities and Romanian entities.
- Energy – 26 of 34 applications received under the open call for Renewable Energy are in partnership with Norwegian or Icelandic entities

Also, the development of 4 donor partnership predefined projects was finalized and implementation began under the Justice and Home Affairs Programmes.

At national level, special priority was given to the development and support of bilateral initiatives to be carried out in connection with the [Romanian Presidency of the EU Council](#), with several such events taking place in April-June 2019 (further detailed in section 5). More information on these initiatives will be available in the next period.

As a result of the [matchmaking event on circular economy in Romania](#), organized by Innovation Norway with the Romanian Association of Waste Management in 7-11 May 2018, feasible business opportunities for Norwegian entities within the circular economy in Romania were explored. Also, a waste study report was generated and made available to the public, outlining the findings. This report can be used by both Norwegian and Romanian entities in order to further explore business opportunities in the field of waste and circular economy.

4. Status of Programmes

Ten of the twelve Programmes in the Romanian portfolio began implementation by mid-2018, after an extended process of preparation – it took an average of approx. 20 months from the signing of the Memoranda of Understanding to the signing of Programme Agreements/Programme Implementation Agreements. The preparation of Concept Notes was finalized in an average of approx. 7.3 months, but the subsequent process of Additional Information submission (which involved also the development of predefined projects with detailed budgets) and elaboration and signing of Programme Agreements, proved exceedingly lengthy. In the case of the Active Citizens Funds, the period was of approx. 24.6 months.

We may conclude that the change of the Programme preparation procedure – involving the submission of a Concept Note and then of the information necessary for the elaboration of the Programme Agreement did not lead to an efficient process. Moreover, there were instances when provisions of the CNs were modified during the development of the PA. Considering also that after PA signing additional preparatory activities are needed such as elaboration of management and control system descriptions, open calls and predefined projects, the beginning of actual project implementation is even further postponed, to the detriment of the achievement of results.

Satisfactory levels of progress have been achieved so far in the Education, Justice, Research, Local Development, Business Development, Energy and Culture Programmes. 28 open calls were developed and launched according to the set calendars in most cases, with some delays in the Culture Programme, due to prolonged procedures pertaining to state aid legislation. Also, the evaluation, selection and contracting process in the Business Development Programme is taking longer than initially estimated. An overview of open calls is provided in **Attachment 3**.

17% of the total budget allocated to predefined projects (€122,067,405) has been contracted, with four projects entering implementation in the Justice Programme and two in Home Affairs.

Difficulties in predefined projects development have been registered in the Programmes - Health, Local Development, Home Affairs, as well as Justice, due to both to the complexity of the projects, but also the effort necessary for finalizing (donor) partnership agreements. Also, the elaboration of the projects involving International Organizations (in Local Development and Justice Programme) have a general limited level of development, due to lack of involvement and reaction of these promoters/partners.

Persistent lack of capacity of the designated Programme Operator lead to the significant delays in finalizing a Programme Agreement for the Environment Programme, and the viability of this Programme is doubtful.

A brief description of status of each Programme is presented below.

Research

The preparation of the Programme was finalized earlier than most, the Programmes Agreement was signed on 15.01.2018 and the open calls foreseen under the Programme were conducted according to the planned calendar – one main open call for Collaborative Research Projects and one call under small grant scheme

The PO ensured a wide dissemination of the information about launching the EEA Grants Call for proposals 2018 – Collaborative Research Projects, including through an info-day/Programme launching event, organized in June 2018, in Bucharest with 215 Romanian participants and 110 online participants from Donor States and Romania.

The open call on Collaborative Research Projects under the EEA Grants was launched on 18.04.2018, with a budget of €16,312,500 and closed on 14.09.2018. The call was very successful, with 276 applications received, 273 eligible. The evaluation and selection process was concluded in March 2019 - 11 applications were proposed for financing, within the available budget.

The small grant scheme dedicated to improving the participation of Romanian research in the competitions organized by the European Research Council was launched on 10.01.2019 and will remain open until 01.08.2019.

In parallel, the description of the management and control system received the unqualified opinion from the AA and was approved by the NFP on 6 September 2018.

Education

This Programme is the most advanced, it was the first to be approved and signed, at the end of 2017 and the level of progress achieved so far is very good, with all activities foreseen being conducted as planned.

2 rounds of the 5 open calls of the Programme have been conducted in end 2017-2018. 45 projects have been contracted under round 1 and started implementation in September-October 2018. All calls have seen a very good level of participation with a large number of applications received and a maximum level of contracting, with the exception of the vocational education and training (VET) area.

All the projects selected under the 1st round of calls began implementation in September-October 2018 and the evaluation and selection process for round 2 of the calls on “Mobility in higher education” and “Cooperation in higher education” launched in the second half of 2018, is currently in the final stages.

The description of the management and control system was approved by the NFP in 14.08.2018.

A lower level of interest was observed in the area of VET, with only a third of available budget being contracted and only 4 applications selected under round 1. The PO and Norwegian DPP (DIKU) undertook several measures to promote bilateral partnership in this field. Following the study visit of the PO in Norway (19-23.11.2017), an agreement was established with the Nordland Educational Department, resulting in an internship of a Norwegian student carried out in the period April-June 2018, who identified potential partners in Norway according to the specific requests of the Romanian applicants and provided relevant contact information on VET schools, Educational Departments and NGOs. Furthermore, a contact seminar for VET applicants was organised in Bucharest, on 19-21.09.2018, with the support of the Norwegian DPP (DIKU). The results of these measures will be seen after the 2nd round of the call, to be finalized in May 2019.

The most important tool to ensure the visibility of the Programme is the bilingual website www.eea4edu.ro, containing dedicated pages for each year of the Programme and with different chapters related to: the Calls, the Guidelines for Applicants, the selection results, the contractual and reporting documents, the legal framework documents; news, information on results, impact, achievements of the financed projects will be uploaded when available. Besides the website, there is the Facebook page of the Programme and there were organised several events, described in the relevant annex, out of which the most important was the launching conference. The best indicator showing the success of the promotion strategy is the big number of applications received.

Local Development

The preparation of the Programme ended in mid-2018, with the submission of additional information on 02.04.2018 and signing of the Programme Agreement on 19.06.2018. By the end of 2018, the PO developed and approved all the procedures to be used within the programme and developed the management and control systems, which was submitted to the Audit Authority, in November 2018. The description was approved by the NFP in April 2019.

Formally, the Programme was launched on 13 September 2018, with the opening conference held in Bucharest. More than 115 representatives of central and local public authorities, civil society, as well as guests from Norway and the Council of Europe, participated at the event, alongside the PO team. The event was attended by Her Excellency Ambassador of the Kingdom of Norway to Romania and the State Secretary within the Ministry of European Funds.

3 calls of approximately €30 million were developed and launched by end of 2018/early 2019:

- Inclusive Education for Children and Youth at Risk (€ 8,581,978) 12.12.2018-28.05.2019
- Poverty reduction (restricted call) (€ 20,000,000) 06.12.2018-08.05.2019
- Small grants scheme Access to financing (€ 1,000,0000) 05.02.2019-24.04.2019

No projects were contracted in 2018 and the beginning of 2019, as a result, no progress can be documented in terms of achieving the expected outcomes.

A modification to the PA was proposed in February 2019 and signed on 19.03.2019, in order to include an exception from the art. 8.6(b) of the Regulation for the restricted call and increase, in duly justified cases, the threshold for purchasing of land/buildings up to 50% of total eligible expenditures of the project. The call was extended in order to allow the applicants to develop projects in light of the new provisions.

In February 2019, a successful match-making seminar was organized with support of the DPP, in Bucharest, for the call "Inclusive Education for Children and Youth in Risk. It gathered 11 Norwegian and 37 Romanian participants from organizations interested in bilateral cooperation with the purpose of establishing partnerships for inclusive education projects. The open call was extended in order to let more time for the development of partnerships following the seminar.

An information seminar was organized in December, in Bucharest, for the eligible Project Promoters under the restricted call.

The 4 predefined projects under the Programme (€13,747,088) are in different stages of development:

- PDP 1 "Sustainable social and education integration through sport activities" (the National University for Physical Education and Sports UNEFS) - was submitted at the end of 2018 to the PO and is currently under appraisal. Some improvements are needed mainly on budget and activities related issues. This project is expected to be contracted within the next months;
- PDP3 "Improving access and quality of services to citizens" (ACoR) – it is in the final stages of development;
- PDPs 2 "INCLUDE - Inclusion of children and young at risk in Romania" (CoE) and 4 "Capacity building in the field of public governance (SGG)" are under development.

Promotion measures were taken, in order to reach to the potential applicants. PO used all relevant channels to promote the launched calls for project proposals, as well as the Programme and the EEA and Norway Grants. In this respect, three written press releases have been published, on the launch of the Programme, the launch of the "Poverty Reduction" call and the launch of the "Inclusive education for children and youth at risk" call.

Health

Following the signing of Programme Agreement on 12.07.2018, the PO focused on the development of the 8 predefined projects included in the Programme, as well as the set-up of the PO structure and

internal management system. The process is registering some delays, due to the high complexity of the projects and the time needed for agreeing the partnership agreements with the project partners.

The PO team was partially appointed on 22nd of October 2018 and new members were nominated in February 2019. Currently, the PO team has 16 members. The description of the management and control systems and working procedures have been developed and approved at the level of the Ministry of Health and sent to the Audit Authority in order to carry out audit for the assessment of the conformity.

Concerning the development of the predefined projects, 3 projects (PDP2 – cancer screening, PDP4 - left ventricular remodelling register and PDP6 – pediatric oncology) are agreed with the DPPs and FMC and in contractual stage, expected to be signed in April 2019, while the other 5 projects are under development:

[PDP1 Strengthening the National Network of Primary Health Care Providers](#) - the project proposal was sent to PO for analysis on 15.02.2019. It is expected that the grant to the project will be confirmed by May 2019 and the project contract will be concluded in May-June 2019.

[PDP2 Organized Screening for Cancers \(CEDICROM 2\)](#) - the project was positively evaluated by PO in December 2018 and is expected to be contracted in April 2019.

[PDP3 Single healthcare professionals' registry](#) - the project proposal is under revision and expected to be sent for analysis to DPPs and FMO in the next period.

[PDP4 Register for tracking left ventricular remodelling](#) - the project was positively evaluated by the PO in March 2019 and expected to be contracted in April 2019.

[PDP5 Strengthening TB control in Romania](#): in 2018 and beginning of 2019, there were several rounds of comments between PP, PO and NFP. The project was formally sent for analysis to DPPs at the beginning of March 2019 and some comments were received by the PO. The documents are under revision and it is expected that the project grant will be confirmed in May 2019 and signed by July 2019.

[PDP6 Increase performance regarding diagnosis and treatment of cancers in children](#) - the project was positively evaluated by PO in February 2019 and is expected to be contracted in April 2019.

[PDP7 Community Mental services for children and adolescents](#) - following the seminar organized in December 2017 in Oslo by PO and DPPs for facilitating the creation of partnerships, Norwegian Regional Centre for Child and Youth Mental Health and Child Welfare (RKBU) agreed to become partner for implementing the project. The partnership was confirmed in May 2018. The issue concerning this project is related to the Incredible Years component implemented in partnership with Regional Centre for Child and Youth Mental Health and Child Welfare (RKBU). The owner of the IY programme cannot deliver the materials for this component in the timeframe of the project (3 years). Currently, the PP and DPPs are searching for other alternatives, maybe also a new partnership. This new development requires an addendum to PA when the new project fiche will be accepted by DPPs and FMC.

[PDP8 Antimicrobial resistance \(AMR\) and healthcare associated infections \(HAI\)](#) - In 2018 and beginning of 2019, there were several rounds of comments between PP, PO and NFP. The project is currently under revision on PP side and will be formally sent for analysis to DPPs.

The process of development of the [open calls](#) has not started, as the PO focused on finalizing the predefined projects, as well as the development of the management and control system. Preparation activities will begin within the next months and launching is estimated by the end of 2019 (open call and SGS2) and 2020 (SGS 1).

Culture

Although the concept note was approved in May 2017 and the additional information was sent on 16.10.2017, the Programme development was only finalized on 5 June 2018, with the signing of the Programme Agreement. The Programme launch event was organized on 20 June 2018, with the participation of 200 cultural operators from Romania (NGOs, public authorities, public cultural institutions, education institutions etc.).

which is one of the main tools for promoting this funding opportunity. The website (www.ro-cultura.ro/en) is bilingual and constantly updated with relevant information regarding the planned events and the calls for projects. In order to ensure a greater impact and larger visibility of this funding opportunity, the PO also developed a Facebook page dedicated to the Programme, which represents not only a promotion instrument, but also a tool to facilitate the bilateral partnerships between cultural operators from Romania and the Donor States.

As indicated in the Concept Note the tender documentation for purchasing the electronic management system for projects online submission and management of the grants was prepared. The public procurement was carried out between December 2017 – July 2018 when the service provider started to develop the software. Technical meetings and extensive communication were carried out in order to explain to the service provider all the required details of the system, so that the application is user friendly and efficient.

In order to comply with the provisions of art. 8.16 in Regulation, the PO developed a state aid scheme to be applied to all projects financed under the call for projects aiming at Monuments restored and revitalized. Furthermore, in order to comply with national legislation, one de minimis scheme was developed for projects which will be selected under the 3 calls for projects planned under Outcome 2 - Cultural entrepreneurship enhanced & Larger audience developed. Given the fact that the state aid scheme and the minimis scheme are exempted from the notification obligation to the European Commission, the PO initiated in August 2018 the preliminary consultation with the Romanian Competition Council, which is the national authority responsible for approving these funding schemes. A request for clarification to DG Competition – European Commission was also necessary, on the practical implementation of the criteria set out in Article 2 par. 18 of Regulation No 651/2011, in order for the State aid scheme to be finalized.

The documentation for 3 open calls was developed and made available for public consultation on the Programme website, as follows:

- no. 1 Restoration and revitalization of cultural monuments: 4-21 Oct 2018.
- no. 2 Innovative cultural exhibitions with restored cultural objects: 23 Aug - 16 Sept 2018
- no. 4 Cultural entrepreneurship enhanced & larger audience: 18 Sept -7 Oct 2018

Starting with January 2019, 5 information seminars were organized in the main regions of Romania, to promote the open calls.

The open call no. 2 *Innovative cultural exhibitions with restored cultural objects* (€1,285,000) was launched on 01.02.2019 to be open until 03.05.2019.

The open call no.4 *Cultural entrepreneurship enhanced & larger audience* was approved by NFP on 28.02.2019 and shall be published on 15.04.2019, once the minimis scheme will be published in the Romanian Official Journal.

The launching of the open calls incurred some delays compared to the planned calendar, due to proceedings necessary for ensuring the compliance of the measures supported with state aid legislation.

One of the first preparatory steps taken by the PO was the development of the Programme website,

Justice

The Programme preparation ended in mid-2018, with the additional information sent on 12.04.2018 and the Programme Agreement signed on 19.06.2018. The launching conference was organized on 16 November 2018.

The implementation of the Programme is quite advanced and registers a good level of progress, with 4 of the 7 predefined projects being contracted and under-way:

- PDP1 - [Judicial Training and Capacity Building](#) (€ 4,100,000) on 28.02.2019
- PDP4 - [“CHILD”](#) (€ 1,494,117) on 28.12.2018
- PDP5 - [Implementation of the Istanbul Convention in Romania](#) (€2,500,000) on 29.01.2019
- PDP6 - [Fighting Criminality and Corruption](#) (€4,250,000) on 27.11.2018

Advance payments were disbursed to the projects in amount of €820,522.

The remaining 3 projects are in various stages of development and appraisal, [PDP2 - Correctional](#) and [PDP 3 - Normality](#) estimated to be concluded in the first quarter of 2019 and PDP7 Access to Justice in the second semester of 2019, as it is affected by a pre-eligibility condition.

Home Affairs

Following the signing of the Programme Agreement on 19 June 2018, the further development of the 5 predefined projects included in the Programme, between project promoters and the donor project partners was carried out during 2018 and beginning of 2019. This process was prolonged due to discussions necessary for setting the details of the partnerships with the Norwegian institutions involved.

All predefined projects were designed to be implemented in partnership with entities from the Donor State and during 2018 and beginning of 2019 the Project Promoters and their Donor project partners started to prepare the proposals. Several meetings took place and there was an intense electronic correspondence between the Project Promoters and the Donor project partners, benefiting from Programme Operator's and Donor Programme Partners' support.

In November 2018, the final project proposals were submitted and the PO started the evaluation process for the following projects

- [PDP1 Improving Asylum and Migration System](#) (€5,000,000);
- [PDP4 Improving disaster risk resilience by enhanced preparedness for search and rescue and bomb removal](#) (€ 5,000,000);
- [PDP5 Enhancement of nuclear safety and security in Romania](#) (€ 3,500,000)

The evaluation process was completed in December 2018 for PDP1 and PDP5 and the financing contracts were signed at the end of January 2019.

In the case of PDP4, the assessment was postponed due to uncertainty in the involvement of the Norwegian project partner (DSB). This issue was clarified in March 2019 and the project is estimated to be contracted in the following month.

For [PDP2 International police cooperation and combating crime](#) (€ 8,941,177) and [PDP 3 Combatting hate crimes and violent extremism, particularly against Roma](#) (€ 2,823,529) the process of defining the collaboration with the Norwegian partners was extensive and it is still on-going.

There was no development on the open calls foreseen in the Programme. As the calls are complementary with the projects, they will be organized after the starting of the activities and the assessment of the first results of the projects, in 2020.

The structure of the Programme Operator was approved in the second half of 2018 and the description of the management and control system was approved in April 2019.

Business Development

The Programme preparation period was prolonged, with the concept note preparation started in November 2016, the approval received on 1 September 2017 and ended with the signing of the Programme Implementation Agreement by both parties on 16 May 2018. The Programme has been officially launched by Innovation Norway on 24 May 2018, in Bucharest. The 1st Call for project proposals has been prepared by the Fund Operator and the official documents for the Call were published on Programme website on 24 May 2018: Call text, project application template and its mandatory annexes, essential reading (assessment methodology, standard terms and conditions, glossary of terms etc.).

The Call targeted all 3 focus areas of the Programme: Green Industry Innovation, ICT, Blue Growth. By the deadline of 1 November 2018, 88 project applications had been received. The total accumulated amount of submitted project budgets is €122,387,030. The grants applied for is more than EUR 74,861,013, which is around 2.8 times the available funding (€21,083,334). The evaluation and selection process is currently ongoing estimated to be concluded in April.

Energy

The Programme Implementation agreement was signed by both parties on 20.08.2018. 6 of the 11 open calls and small grant schemes included in the Programme have been developed and launched.

3 open calls for individual projects and 1 small grant scheme for renewable energy production were launched on 16.10.2018, followed by a second small grant scheme on Initial energy audits on 20.02.2019 and open call no. 6 - Increased access to electricity on 21.03.2019.

By the deadline of 14 March 2019 for calls 1 and 3, 37 project applications had been received. The evaluation and selection process is currently ongoing.

Decent Work

Concept note preparations started in spring 2017 and ended with the approval received from Financial Mechanism Office in February 2018. The Programme Implementation Agreement was signed by both parties end June 2018. The Programme covers 13 Beneficiary States, and launching events were organised in ten countries during September and October 2018. For Romania, the programme was launched by Innovation Norway, on 19 September 2018, in Bucharest.

The first Call for project proposals, together with official documents, was published on the programme website on 31 October 2018 with a common deadline for all the Beneficiary States on 7 February 2019. The Call for Romania targeted all three outcomes: Outcome 1: Improved social dialogue and cooperation, Outcome 2: Enhanced implementation of the decent work agenda (fair and decent working conditions), and, Outcome 3: Facilitated access to employment.

A total of 61 project applications were received from the ten participating countries, out of which six projects from Romania applying for a total amount of EUR 1.46 million, which is less than the available budget of €2.2 million. The applications are currently being assessed by Innovation Norway and the aim is to sign project contracts before the summer. A second call for proposals will be published later this year.

Environment

There are significant delays in the conclusion of the Programme Agreement and major risks concerning the continuation of this Programme.

The Concept Note was approved on 27.08.2018 and the additional information necessary for the conclusion of the Programme Agreement was sent by the PO on 02.11.2018. No other development can be reported.

Active Citizenship Fund

There are significant delays in the conclusion of the Programme Implementation Agreement and the starting of this much awaited Programme.

The procedure for the selection of the Fund Operator was finalized on 23.04.2018 - the Consortium between the Civil Society Development Foundation, Romanian Environmental Partnership Foundation, Resource Centre for Roma Communities, PACT Foundation and Frivillighet Norge (The Association of NGOs in Norway) has been appointed by the FMO as Fund Operator.

On July 3, 2018 in Bucharest, a stakeholder consultation, gathering 38 representatives of civil society stakeholders in Romania, was organized jointly by the FMO and the Fund Operator, to introduce the Active Citizens Fund in Romania, provide feedback to the design of the Fund, discuss the main challenges in civil society in Romania of relevance to the programme and how to address these challenges through the Fund. This workshop was preceded by an online consultation, carried out from 13/06/2018 to 29/06/2018.

After this consultation, the FO and the FMO worked together to best integrate the inputs from the consultation and the survey into the required Programme documents that the FO submitted to the FMO and the donors – a results framework and a concept note.

The approval of the concept note (submitted by FO on October 23, 2018 and further clarified until November 13, 2018) was received from donors on January 21, 2019 together with a series of comments

and requirements to be taken into consideration when developing the next type of documents (such as Request for supplementary information and Implementation plan).

The FO submitted to FMO the revised versions of Annex I and II to PIA and also of the Implementation Plan on April 10, 2019. The signing of the PIA is expected to take place until May, 15 2019.

Special concerns and conditions

The detailed information on each MoU special concern and Programme Agreement condition are presented in the Annual Programme Reports.

The fulfilment of the special concerns in the MoUs has been ensured, by the POs, NFP and FMO, in the Programme preparation phase, while the large number of different conditions set in the Programme Agreements – related to pre-eligibility of predefined projects, set-up of baseline values for indicators, or requirements concerning the maximum level of hard measures in Programmes, ex-ante verification of public procurement and treatment of excepted equipment, etc. – are, and will be, followed-up / monitored during implementation.

In particular, the special concern and conditions in the relevant Programmes related to the **improvement of the condition of Roma people** is detailed in **Attachment 2**.

5. Status of bilateral funds

Functioning of the JCBF

The Joint Committee for the Bilateral Funds (JCBF) has been established since 20.02.2017, with a first meeting being organized on 27.09.2017. The Work Plan for the Bilateral Fund has been approved on 02.04.2018.

The activity of the JCBF effectively started in the second half of 2018 and beginning of 2019, with a number of initiatives being developed, proposed and efficiently approved through written procedure.

A very constructive second meeting took place on 1 March 2019, where a report on the current status of the BF was made and the bilateral initiatives under assessment were discussed, as well as additional clarifications on the functioning of the Committee.

Use of the fund for bilateral relations at national level

The funds were used for supporting predefined bilateral initiatives according to the approved Work Plan and decisions of the JCBF.

The level of financial implementation of the fund at national level was quite limited in 2018, with only one initiative implemented: Matchmaking event on circular economy in Romania organized by Innovation Norway with the Romanian Association of Waste Management as Partner, was developed, contracted, carried out and paid in 2018 (€29,074).

Another initiative included in the approved Work Plan, Labor issues – “Working together” (€300,000) has been developed by the Romanian Labor Inspection and its Partner, the Norwegian Labor Inspection, during 2018 and it was contracted in February 2019 and an advance was paid. The initiative is foreseen to take place until 2021.

In accordance with the WP’s priority concerning the Romanian Presidency of the EU Council (RO PRES), the following bilateral initiatives were developed:

- High level conference, implemented by the National Agency for Equal Opportunities between Women and Men (Romania) together with the Norwegian Ministry of Justice and Public Security (NMoJ), on the standards of the Council of Europe Convention on Preventing and Combating Violence against Women and Domestic Violence (Istanbul Convention) (4-6 June 2019). The Justice Programme applied for increased funding from the bilateral fund in order to be able to arrange the conference, based on expression of interest from the PO.
- An international conference organized by the National Administration of Penitentiaries, titled “Contemporary challenges in European prison systems-preventing the phenomenon of radicalization

and reducing overcrowding in prisons” took place in 1-4 April 2019 (the initiative was implemented within the bilateral funds at the level of the Justice Programme).

- Conference back to back with the informal meeting of the Environmental Council, on the subject of marine litter titled `How do we tackle plastic pollution in Europe?', to be organized by Innovation Norway with the Norwegian Ministry of Climate and Environment Agency, the Romanian Ministry of Environment, the Norwegian Environment Agency and the International Union for Conservation of Nature (IUCN) (20-21 May 2019)
- Conference on the aspiration of youth in the Western Balkans, organized by the Romanian Ministry of Foreign Affairs cooperation with the Norwegian Ministry of Foreign Affairs (May 2019)
- Conference on renewable energy and carbon capture – event with an estimated budget of €37,000, to be organized in June 2019 by Innovation Norway in partnership with the Norwegian Ministry for Petroleum and Energy, Romanian Ministry of Energy and NVE (DPP under the RO-Energy Programme).

Additional initiatives to the WP were assessed and approved during 2018-2019 by the JCBF:

- RODA ESS ERIC – a bilateral initiative consisting of a social research study, developed by the Romanian Social Data Archive (RODA) in partnership with the NSD - Norwegian Centre for Research Data (Norway). Following discussions with the FMO, it was proposed to be financed under the Bilateral Fund of the Romanian Research Programme. The related “Expression of interest” for €250,000 from the Programme Operator was approved by the JCBF on 20.03.2019.

Use of the funds for bilateral relation at Programme level

Research

- A call for travel support was opened in April – September 2018 and the total budget was €70,000. Number of submitted proposals was 81 and number of payments was 60 (with a total amount €68,739). Taking into consideration the scope of the calls, Approx. 60% of the granted researchers in the Mobility Call are involved in submitted applications in the EEA Call 2018.
- The PO organized in June 2018 a dedicated workshop for the Carbon Capture and Storage (CCS) Topic. The discussions focused on the experience of Romanian and Norwegian researchers in EU – funded CCS projects such as ACT – „Accelerating CCS Technologies” but also on the opportunities they have to develop new projects in the competition associated with EEA and Norway Grants. The total payments for this event was €5,683 and 62 persons participated (3 from No and 1 expert in CCS from Czech Republic), and from Romania representatives from 5 universities, 15 research institutes, 8 companies and 4 agencies/ministries were present at the event.

Education

- The main objectives of the call for travel support/preparatory visits was to enhance collaboration between Romanian and DS institutions in order to conclude new agreements for higher educations and develop new partnerships. The call was launched on November 2017 and the number of applications received was 38 (20 contracts signed and the payments were made with a total amount of €32,213). Results/indicators achieved: 11 representatives of RO institutions going to No and 5 to IC, 4 representatives of NO institutions and 1 from IC/IS came to RO, and 4 projects were already submitted for the 1st call of School education and VET fields.
- PO did not have a sufficient number of applications under the 1st round, so they focused to this issue and with help from NO DPP (DIKU) a contact seminar in Bucharest (19.09-22.09.2018) was organised. At this event 25 NO participants representing VET schools and local authorities together with more than 25 RO participants from similar institutions worked together for a deeper understanding of the VET systems in RO in NO.

Local Development

- The main objectives of the call for travel support is to identify partners for donor partnership projects, the development of such partnerships and the preparation of an application for a donor partnership project to be submitted under the open calls. Eligible applicants may apply for funding

under the call from January 21, 2019. The call will be continuous and will be closed on June 5, 2020 and the total amount allocated for financing the bilateral initiatives submitted within the call is €50,000.

- The PO financed 2 bilateral initiatives implemented by the PPs of the predefined projects with partners from Norway having as main objectives to facilitate the development of the application form and of the project partnership to be able to submit the pre-defined projects by the end of 2018. The activities were organised in Oslo and were attended by 8 RO participants and 14 NO participants.
- In February 2019, a successful match-making seminar was organized under the Local Development Programme with support of the DPP - KS, for the call "Inclusive Education for Children and Youth in Risk". By bringing together 48 participants, representing Norwegian and Romanian organizations interested in bilateral cooperation, the event allowed, in a friendly set-up, the establishment of partnership for inclusive education projects submission under the Local Development Programme. More specifically, the 11 Norwegian participants together with the 37 Romanian participants were informed on the financing conditions of the "Inclusive education for children and youth in risk" call for proposals and on the opportunities of cooperation through the Bilateral Funds under the Programme.

Culture

- The main objective of the call for travel support was to support project partner search prior to preparation of a project application and partnerships in Cultural/Cultural Heritage field. The call was opened in July – November 2018 and the total budget was €100,000. Since the date of the launch 52 cultural operators submitted for bilateral applications and 41 grants contracts was concluded.
- 2 PO representatives attended the EEA Grants launching event organized in Oslo between 27-31 May 2018 and 3 representatives attended the Seminar for Programme Operators organized in Oslo by Art Council Norway between 17-18 October 2018.
- A very successful two-day match-making seminar took place, on 12-13 September 2018, at Stirbey Palace in Bucharest. The event gathered over 110 cultural operators from Romania, Iceland and Norway, together with representatives of the Programme Operator, Programme partners – Arts Council Norway and the Norwegian Directorate for Cultural Heritage.

Justice

- The call for proposals was launched on 23 August 2018 with initial budget €220.000 and increased with additional bilateral funds for Programmes from NFP allocation (€308.000). 4 contracts were signed with: National Probation Directorate, Superior Council of Magistracy, National Administration of Penitentiaries and National Agency for Equality between Men and Women.

Business Development

- During July 2017-October 2018, two calls for Travel Support were open in order to encourage the establishment of project partnerships which might have targeted to develop a future project within the 1st Call for project proposals. Under the 1st Call for Travel Support, 59 applications were received, out of which 23 requests were approved and paid. As for the 2nd Call for Travel Support, 20 applications were received by the Fund Operator and 10 requests approved. The total allocated budget for travel support is €100.000 and half of the budget has been spent so far.
- Matchmaking events - In 2016, 2017 and 2018, such events were organised in Oslo. Romanian participants attended the events in 2016 and 2017.
- Partnership profile database - Innovation Norway has also established an online form where companies and research institutes can submit their partnership proposals, which will be made available to the public on the EEA and Norway Grants Website. In 2018, the partnership database contained 36 profiles from Norwegian entities, 4 from Icelandic entities and 52 from Romania.

Energy

- The call for travel support was launched on 09 November 2017 and the objective is to facilitate establishment of bilateral partnerships between the Donor States and Romania, with the intent to prepare joint project applications for the upcoming call(s) under the Programme and the total budget is €100,000. Since the date of the launch 62 applications received and 25 was signed and paid.
- The PO organized two networking meetings on 8 Nov 2017 and 24 Oct 2018. The networking meetings were attended by 22 entities/companies from Norway and 11 entities/companies from Iceland, with a total number of participants from RO, NO and IS of 130.

In **conclusion**, the bilateral fund was generally used to its full potential by the Programme Operators at this stage of implementation, creating opportunities for achieving results in strengthening bilateral relations, through the development of partnership projects and strengthening collaboration between partners in predefined projects.

The financial implementation status of the Bilateral Fund is presented in **Attachment 2**.

6. Management and implementation

a. Management and control systems (MCS)

The description of the **management and control system at national level**, accompanied by the audit opinion, was submitted to the FMO on 25 May 2017. Following comments received from the FMO on 11 July 2017, a revised version was submitted on 31 July 2017. A revision of the audit opinion was also necessary, which was submitted by the Audit Authority in January 2018. The confirmation regarding the compliance of the MCS description with the minimum requirements was issued by the FMO on 15 February 2018.

All the recommendations issued by the AA in the audit report related to the MCS opinion were addressed by the NFP and implemented.

No changes have occurred in relation to the national level MCS and no significant changes have been made or are envisaged in the setup or staffing of the national authorities involved in the EEA and Norway Grants.

In early 2019, through GEO 114/2018 adopted by the Government, the process of ex-ante verification of public procurement procedures was changed – transferring the responsibility for this verification, in the case of procurements under “European Funds” programmes, from the National Public Procurement Agency to the Managing Authorities. This measure could have also affected the way ex-ante control of procurement procedures was performed in the EEA and Norway Grants programmes and projects, as the NPPA no longer had the legal basis for carrying it out in the case of all external funds.

However, in March 2019, a modification of this act was adopted, eliminating this measure and allowing the NPPA to continue to perform ex-ante control, according to the procedure provided by the legislation, at the request of contracting authorities. The NFP and Programme Operators shall ensure that procurement procedures under programmes and projects are subject to the ex-ante control procedure as provided by the national legislation, in line with the provision of the Programme Agreements. Thus, there is no impact of this legislative change over the management and control system established.

The **MCS description at the level of Programme Operators** was approved by the NFP, following the positive opinions issued by the AA, as follows:

- Research – 06 September 2018
- Education – 14 August 2018
- Local Development – 02 April 2019
- Home Affairs – 02 April 2019

b. Complaints

No complaints have been received by the National Focal Point.

c. Irregularities

No irregularities have been identified in the reporting period.

d. Audit

In the reporting period, the Audit Authority carried out audits for the assessment of the conformity of the management and control system descriptions at Programme level and issued the related unqualified audit opinions, as follows:

- Education - the audit mission was carried out in April-May 2018 and the audit report and opinion were issued on 22.06.2018
- Research - the audit mission was carried out in May-June 2018 and the audit report and opinion were issued on 26.07.2018
- Local Development - the audit mission was carried out in December 2018-January 2019 and the audit report and opinion were issued on 26.03.2019
- Home Affairs - the audit mission was carried out in November 2018-March 2019 and the audit report and opinion were issued on 05.03.2019
- Justice - the audit mission was carried out in February-March 2019 and the related audit report and opinion will be issued by the end of April.

The recommendations formulated were mainly related to the modification or supplementing of the procedural framework and they were largely implemented by the audited structures. The implementation of any outstanding recommendations will be followed up by the AA.

7. Communication

In 2018, the NFP developed and launched a new website for the EEA and Norway Grants in Romania – the development process began on 01 October and was finalized on 15 December. The site features new design elements and new functionalities such as an interactive section for calls for proposals, structured information on programmes and projects, graphical presentation of the results, contact information, news, relevant documents and accessibility tools for people with disabilities. The website also includes information on the results of the 2009-2014 period.

During the reporting period, the main communication tools used by the NFP have been the [eeagrants.ro website](http://eeagrants.ro), as well as the [Facebook](#) account of the EEA and Norway Grants in Romania.

The new website and the “Granturi SEE&norvegiene” Facebook account were employed to provide information on the new programming period and distribute news on important events, such as signing of Programme Agreements, Programme launching events and calls for proposals.

The new website was constantly updated with information and press releases with the occasion of relevant events in Programmes - 14 articles since the launch of the new website (150 articles in total).

In the 4 months since the launch, the website was accessed by 11,826 users (18.377 sessions). Overall, the website has gathered the following results:

- page views: 83.441
- number of pages/session: 4,54 pages
- avg. session duration: 03:15 min

The dedicated Facebook page „Granturi SEE & Norvegiene”, launched in May 2016, was constantly updated with postings on relevant news, events, information on calls for proposals and photographs related to programmes and projects, achieving the following results:

- 2257 followers
- 2121 likes to posts

- The most viewed posts: the launching of 3 new calls for the Education Programme with 17,7 views (published on 16.02.2018) and Calls of Electrification of households with 10,7 views (published on 21.03.2019)

In 2018, 45 new posts were published on Facebook and other 14 posts in 2019.

Through the communication group established with Programme Operators, relevant news and events on the Programmes are timely distributed and published also on the NFP website.

The NFP also participated in the launching events organized for Programmes in 2018 - Research, Education, Culture, Energy, Business Development, Justice, Local Development and ensured their visibility through press releases and publication on Facebook and the website.

In the next 12 months, the NFP will continue to actively promote the EEA and Norway Grants, through the website, Facebook and press releases.

8. Monitoring and evaluation

a. Monitoring

The NFP has constantly followed and assisted in the preparatory activities performed by POs – development and approval of management and controls systems, as well as related working procedures, assessing open calls, fulfillment of PA conditions and any necessary PA modifications, preparation of predefined projects, participation in Cooperation Committee meetings, etc.

In the next period, the NFP will ensure the permanent monitoring of programmes through quarterly progress reports, annual programme reports, technical meetings with POs, participating at the meetings of the Cooperation Committees and of the Selection Committees as observers, as well as permanent contact with POs in order to be able to take corrective measures where needed. Quarterly programme reports submitted by the POs constitutes the basis for the monitoring by the NFP and each programme officer within the NFP performs an analysis of the reports. In the next period, the NFP also will perform on-the-spot monitoring visits at the level of POs. Monitoring visits will be also organised at the level of the financed projects.

The NFP keeps updated information on the following topics, based on reports from POs: payments made/authorized by POs (monthly), information and communication requirements, information regarding the objective of improvement of the situation for the Roma population, etc.

b. Evaluation

No reviews or evaluations have been carried out or planned for the reporting period. As 2019 is the first year of implementation for most Programmes, evaluations are not suitable at this stage. For the next reporting period, NFP, in consultation also with the Programme Operators, will present an evaluation plan in the Strategic Report. The evaluations will have a control function to assess the quality of Programmes and determine whether grants provided are corresponding to results achieved and they will be carried out as required in Chapter 10 of the Regulations.

The NFP's proposal for allocation of the reserve and any possible reallocations among Programmes, to be undertaken by the end of 2020, shall be made based on the analysis of progress achieved so far, financing needs in the Programmes/Programme areas, level of interest registered in the open calls already carried out, implementation and absorption capacity, as well as consultation with the relevant Programme Operators.

9. Issues for the annual meeting

The following issues are proposed to be subject of discussion at the next annual meeting:

- The situation of the Environment Programme - the significant delay in the signing of the Programme Agreement.
- Preparation for the reallocation of the reserve and other reallocations within Programmes.
- Decision on open call under the Bilateral Fund.