

1. Executive summary

All programmes entered the implementation phase, with last Programme Agreement having been concluded: Programme Agreement for the Environment Programme, which was signed on 01.10.2019.

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, development of predefined projects, signing the financing contracts and starting the implementation process 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 and Health Programmes are deemed satisfactory. However, in terms of risks, the unforeseeable circumstances and exceptional situations caused by the COVID-19 pandemic might affect the programmes and their objectives, in terms of changes to the projects implementation schedules or eligibility of expenditure linked to non-execution of activities due to Corona virus situation.

16 open calls were developed and launched in Research, Education, Culture and Local Development Programmes. There are delays in the Home Affairs and Environment Programmes. In the next months, calls in Research, Local Development, Health, Culture and Environment will be launched.

More efforts are needed when it comes to the preparation of remaining predefined projects and related donor partnership agreements in the Health, Justice and Local Development Programmes. So far, 88% of the budget allocated to predefined projects has been contracted and 20 financing contracts have been signed in Health, Justice, Home Affairs and Local Development Programmes.

The Council of Europe informed the Romanian authorities that it that it was no longer in a position to pursue the projects included in the case of 2 Programme Agreements as project promoter. Therefore, under the Justice Programme, a new project of the same allocation (2,000,000 Euro) is under preparation and relates to the information, support and protection of the victims of crime, on the account of the latest developments in the relevant legislation, and which targets especially the victims of Roma ethnicity, so that the condition concerning the Roma allocation of 10% to be respected. The project will be promoted by the Prosecutor Office Attached to the High Court of Cassation and Justice, while the European Union Agency for Fundamental Rights will be approached with the proposition to be project partner.

Regarding the Local Development Programme, the budget (3,000,000 Euro) will be reallocated to the call 5 "*Increased implementation of judgements and case law issued by the European Court of Human Rights (ECHR) and of country specific recommendations on human rights put forward by other bodies of the Council of Europe*". It is envisaged that the whole process (modification of both Programme Agreements) to be finalised in the second semester of 2020.

The NFP's proposal for allocation of the reserve submitted on 28.02.2020 was 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. Following the assessment of the NFP proposal and based on the Donors' midterm assessment of the programmes in Romania, the Donors made some proposals for allocating the reserve which were discussed on 22 June 2020. The final versions of the modified MoUs were received by NFP via Grace at the end of August 2020.

The unforeseeable circumstances and exceptional situations caused by the COVID-19 pandemic will affect the programmes and their objectives, in terms of changes to the bilateral activities, projects implementation schedules or eligibility of expenditure linked to non-execution of activities due to Corona virus situation. Nevertheless, seeing the timeframe of eligibility framework of 30.04.2024 delays encountered are likely to be recovered in the next months.

The cooperation with the Donor Programme Partners and International Partners Organisations was good in all Programmes, as they participated in all aspects of Programme implementation and in regular Cooperation Committees and Selection Committees meetings.

2. Political, economic and social context

The unforeseeable circumstances and exceptional situations caused by the COVID-19 pandemic might affect the programmes and their objectives, in terms of changes to the projects implementation schedules or eligibility of expenditure linked to non-execution of activities due to Corona virus situation. The Programme Operators are aware of the fact that the current situation might have implications on the implementation of the programmes which cannot be currently foreseen and that are strongly dependent on the further developments regarding the Corona virus pandemic. In this respect, the NFP will closely and constantly monitors the impacts on the programmes and the projects. The Programme Operators will instruct accordingly the Project Promoters with regard to the aspects related to the Corona virus situation that need to be taken into account, in order to quickly put in place all possible measures to limit the impact caused by the unforeseeable circumstances, including measures to limit the related costs.

As stated in the European Commission's [Country Report Romania 2020](#), one in three Romanians is at risk of poverty or social exclusion, with vulnerable groups, including the Roma, being the most exposed. Child poverty and educational attainment are closely linked to parents' income.

In-work poverty is among the highest in the EU while social benefits and minimum income are failing to reduce poverty. Despite a rapidly ageing population, active ageing measures are missing. Access to services still faces challenges, deepening the rural-urban divide, regional disparities and inequalities. The potential of the social economy to improve social conditions is insufficiently used.

The integration of the Roma community remains a challenge. Roma people are much more affected by poor housing conditions (World Bank, 2014) ⁽⁴⁹⁾, while discrimination in accessing social housing and forced evictions are still present. The Roma also continue to face obstacles in accessing health services due to lack of identification documents, low coverage of social security, stigma and discrimination. Enrolment of Roma children in education is still below the country's average. Despite some progress, early school leaving is high and educational segregation remains a challenge. The implementation of the National Roma Integration Strategy is lagging behind due to, among other factors, lack of coordination between stakeholders. Several Roma inclusion projects, co- financed by the European Social Fund, are being implemented, but results are not yet visible.

The healthcare system is not effective in improving neither accessibility nor the health of the population. Unmet medical needs have increased, with high urban-rural gaps and low coverage for low income groups and the elderly. Preventive, outpatient and community based care remain under-financed and not covered by sufficiently targeted public policy measures. The health status of the population remains below the EU average. Total healthcare spending is low and focused on inpatient care. Population ageing and migration are putting increasing pressure on the sustainability of the healthcare system. The healthcare system faces multiple challenges. There has been limited progress in improving access to healthcare. Unmet needs for medical examination reported by patients are increasing again. A sustained policy of incentivising healthcare delivered outside of hospital inpatient settings by the National Insurance House may trigger a natural shift towards ambulatory care. The overall policy measures of the health system to facilitate this shift did not improve.

Regional disparities in Romania are amongst the highest in the EU. Significant gaps across regions persist in investment, productivity, competitiveness and employment. Addressing them and prioritising investment at a regional level would help increase the country's competitiveness and support long- term growth, development and modernisation.

The country continues to have one of the lowest levels of public and private expenditure on **research and development** in the EU, negatively affecting scientific quality and the diffusion of technology amongst firms. Increasing R&D investment and quality and supporting innovative firms remain important challenges.

Furthermore, consistently low **educational outcomes** and high rates of **early school leaving** also remain. Ensuring

equal opportunities for students from poor households, particularly in rural areas, and the Roma community remains a challenge. The labour market relevance of vocational, training and higher education remains limited and damages job perspectives. The acquisition of basic and digital skills showed no progress, and would benefit from methods to forecast and anticipate future skill needs.

Few steps were taken to increase coverage and quality of social services and education, however effective results are not yet visible. The social reference index, used as a basis for most social benefits, has not been updated since its introduction in 2008. Social dialogue remains largely formalistic and modification of the legal framework stalled for a number of years. Even though no objective mechanism is yet in place, the minimum wage increase of January 2020 was based on certain economic indicators such as inflation or labour productivity. The implementation of the minimum inclusion income law, adopted in 2016, continues to be repeatedly postponed, thus no progress was recorded on this front.

The implementation of **the national public procurement strategy** is progressing. The new e- procurement system (i.e. SICAP) has laid the foundation for more transparency in the procurement process. Accurate maintenance and a further fine-tuning of its functionalities are essential for ensuring a continuous and full exploitation of the system. The adoption of an ambitious professionalization plan is in line with the objectives of the National Public Procurement Strategy. However, duly prioritizing and effectively addressing the main shortcomings of the public procurement system, including with respect to promoting green and socially responsible procurement, will be crucial for the successful implementation of the strategy set to start in 2020.

Real GDP growth is set to decelerate to 3.8% in 2020 and to 3.5% in 2021, with consumer spending as the main driver of growth. Net exports are forecast to remain a drag on growth, but slightly less so than in 2019. Lastly, the contribution of investment is expected to stay positive, albeit at lower levels, over the coming years, supported by construction and acceleration in the absorption of EU funds.

3. Effects of the Grants

3.1 Reducing social and economic disparities

The Programmes are in their early stages of 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

The progress in implementation of the bilateral fund allocated to the following Programmes registered a very good level of progress within open calls and other types of initiatives: Education, Justice and Research with more than 60% spent - Culture with 51% spent - Local Development about 31% spent. 3 programmes (Home Affairs, Health and Environment) registered minimal progress, with 0%-10% spent.

Research

- launched a new Call for Mobility Grants in August 2019, having as goal to facilitate establishment of partnerships between researchers from the Norway and Romania in order to submit a collaborative research proposal funded under Norwegian Financial Mechanism 2014-2021. A number of 66 of applications have been submitted and 58 contracts have been signed. A total number of 22 Romanian mobility grantees applied in the Call for Norway Grants 2019.
- As part of bilateral funds, the initiative Romanian participation in the European Research Infrastructure Consortium for the European Social Survey (ESS ERIC) with a view to provide data for policy and research, and to stimulate the research environment in Romania and to improve Romanian participation in the European Research Area and in the EU framework programmes for research and innovation, is financial supported with € 249,502. The Romanian partner - PP involved is RODA (the Romanian Social Data Archive) and the Norwegian partner is NSD (Norsk senter for forskningsdata AS).

Health

P.O. financed 2 bilateral initiatives as follow:

- "Development of a partnership and planning of predefined project no 7 „Support for the Development of Community Mental services for children and adolescents”, partners: Norwegian University of Science and

Technology-The Regional academic community for autism, ADHD, Tourette's syndrome and narcolepsy (RFM) and The National Centre for Mental Health and Anti-Drug Action / Romania, budget: € 2,182.89;

- "Exchange of good practices among decision makers and specialists in cardiovascular disease registries", partners: Ministry of Health, Romania and Norwegian Institute of Public Health, budget: € 17,700;
- The two bilateral initiative have been submitted to Grace IT system.

Local Development

- launched (in January 2019) a continuous call for bilateral initiatives (Call 1), focused on the search for partners for donor partnership projects, development of such partnerships and preparation of applications for donor partnership project). Call information is available in Grace. By August 31, 2020, 11 bilateral initiatives were contracted and implemented under this call. As result of implementing the bilateral initiatives financed, 42 persons from Romania and 36 from Norway participated at the bilateral meetings, finalized with 11 project proposals and 11 project partnerships drafted. The overall value of the grants provided to the 11 beneficiaries is about 41,165 EUR. All the bilateral initiatives financed under the Call 1 were submitted in Grace;
- launched (in July 2020) a continuous call for bilateral initiatives (Call 2) aiming to facilitate the exchange of knowledge/ expertise in the Programme areas. Call information is available in Grace. No requests have been submitted under this call so far;
- organized (in 2019) 3 matchmaking seminars, for the calls Inclusive Education for Children and Youth at Risk, Local Development and Increased Roma Inclusion and Empowerment, attended by relevant entities from Donor States (7 Norwegian entities participated at the match-making seminar for the call Inclusive Education, 5 Norwegian entities attended the match-making seminar for the call Local Development and representatives of 5 Norwegian entities and of 2 entities from Liechtenstein participated at the match-making seminar for the call on Roma Inclusion);
- promoted the Programme opportunities in the Donor States, so as to attract potential project promoters and partners for donor partnership projects. In this respect, during 2019 PO attended meetings with different stakeholders from Liechtenstein and Iceland, and participated at an informative event organized by KS in Oslo, Norway. As a result, 2 entities from Liechtenstein and 4 entities from Norway participating to the information events attended the two matchmaking events organized in Romania, in September 2019, for the calls Local Development and Increased Roma Inclusion and Empowerment;
- Overall, by August 31, 2020 the amount disbursed from the Programme's Bilateral Fund was about € 109,100, representing about 31% of the total amount of the bilateral funds allocated to the Programme (€ 350,000).
- The supported bilateral initiatives which received a grant over € 3,000 where submitted in Grace.

Education

- financed 4 applications for Preparatory visits in higher education field, focused on the development of the cooperation between Romania and Donor states institutions. In total, from the start of the PO financed 24 preparatory visits in Donor states institutions, for all education and training fields, supporting participation in contact seminars as well.
- Another result in the field of bilateral relations was the participation of the PO and 3 Romanian universities at the International Staff Week that focused on EEA and Norway Grants at UiT- The Arctic University of Norway. PO delivered a presentation on the opportunities offered by the ESAYEP programme regarding the cooperation between Norway and Romania, entitled "EEA / Norway grants 2014 – 2021: Cooperation in Higher Education - the Romanian Perspective ". The visit offered the opportunity to discuss with UiT representatives about the specific of Romanian universities and for networking among universities representatives, in order to identify new collaboration opportunities for the future.
- PO organised jointly with the European Wergeland Centre (Oslo) the follow-up meeting "Building democratic School Culture" (20 participants, Bucharest, 23-24.05.2019,) with the Romanian participants at the course provided by the Centre (coming from the projects of 2018 Call – 1st round), in order to identify the impact of the knowledge gained by the participants during the course and to better tailor the next course to the needs of the Romanian educational experts. Two of the initiatives (educational courses and materials elaborated) presented by participants during the meeting, were selected by the Centre and posted on their website as an example at European level.

- As NewSchool (Oslo) was another course provider chosen by a large number of Romanian educational experts, the PO organised jointly with NewSchool the follow-up meeting “Teacher as a Change Agent” (44 participants, Bucharest, 16-18.10.2019) with the former participants at the courses (coming from the projects of 2018 Call – 1st round).
- In VET field 4 projects ended in 2019 benefited strongly from the sharing of experiences and knowledge with the Donor States partners which organized the study visits, as one could see from the results of outcome 4 described above. The bilateral cooperation continued after the study visit, as it was mentioned in the final reports, through online collaboration.

Culture

- During the first months of 2019 the PO made payments to the bilateral initiatives contracted during 2018 (41 contracts selected under the call open between July 2nd – November 9th 2018), based on the analysis of travel reports submitted by the applicants.
- Afterwards, considering the date planned for the launch of call for projects no. 1 - *Monuments restored and revitalized*, the PO decided, together with the DPPs, to launch a call for bilateral initiatives aiming at supporting the development of future partnership projects that could be afterward submitted within the call for monuments restored. The call was open between June 5th – September 13th 2019 with an allocated budget of €45,000. By September 13th 2019, the PO received and financed 3 bilateral initiatives involving as partner or applicant 3 organizations from Norway.
- On February 20, 2020, the PO launched a call aimed at supporting partnerships between entities from Romania and the Donor States with the purpose of preparing projects that could be submitted under the call no. 5 - Cultural entrepreneurship enhanced & larger audience developed, as well as for the call no. 7 - Roma cultural initiatives developed. The deadline for bilateral initiatives submission was extended until September 30th 2020. The total allocation for this call is 50.000 Eur and up to date 4 applications received funding for bilateral actions. Until now, the PO or applicants did not encounter any challenges related to disbursements, however some activities had to be delayed due to the travel restrictions caused by the pandemics.
- the PO organized in closed cooperation with the DPPs the meeting of POs in cultural programmes financed under EEA Grants. The event took place between September 24 - 26th 2019 in Tulcea and gathered 60 representatives of POs in cultural programmes, DPPs, NFC and FMO.
- The supported bilateral initiatives which received a grant over 3.000 Eur where submitted in Grace.
- RO-Culture Bilateral Fund had an initial budget amounting to 250.000 Eur. In August 2019 the PO requested a supplementation of the budget for bilateral relations with 70.000 Eur. The request was approved by the National Focal Point.
- Overall, by August 31, 2020 € 163.038 were spent from the bilateral fund. The remaining budget is allocated under the open call for bilateral initiatives and for the future actions planned in cooperation with the DPPs, such as: organization of a major bilateral event after travel restrictions are suspended, supporting artistic residencies and a potential future call aimed to support organizations affected by the pandemics.

Justice

- Following the launch of the call for proposals, in 2018, funded by the bilateral fund at programme level, 5 project applications were submitted and approved in 2019 by the Cooperation Committee, for which financing contracts were concluded. Four of these projects involve cooperation with donor programme partners (e.g. Norwegian Ministry of Justice and Public Security, Norwegian Correctional Service, Norwegian Courts Administration) and envisage activities such as:
 - o organisation of two *high level international conferences* held under the Romanian Presidency of the EU Council in the field of domestic and gender based violence, with the participation of experts from Romania, Norway, Spain, Portugal, Iceland and from other EU Member States receiving EEA/ Norway Grants assistance as well as in the field of correctional services, tackling the issues of radicalization and prison overcrowding (already carried out in 2019).
 - o participation of project promoters representatives (e.g. National Administration of Penitentiaries, National Agency for Men and Women Equality, Superior Council of Magistracy) to *conferences, study*

visits and working meetings in order to support the implementation of 4 predefined projects financed under the Norwegian Financial Mechanism 2014-2021 (“Correctional”, “4-NORM”-ality, Supporting the implementation of the Istanbul Convention” and “Judicial Training and Capacity building”).

- As regards the financial allocation, the amount of 558.000 euro available at the end of 2018 was supplemented by the JCBF, during 2019, by 121.000 euro in order to finance bilateral initiatives submitted by Romanian and Norwegian institutions and approved by the Cooperation Committee.
- Out of the total 9 bilateral initiatives for which financing contracts were concluded in 2018 (4 contracts) and 2019 (5 contracts), 2 were finalised in 2018, 4 were finalised in 2019, 1 in 2020, while 2 bilateral initiatives are on-going. The expenditures for 7 out of the 7 completed initiatives were authorised by the PO until the 24.03.2020. No problems were encountered in terms of funds absorption, bilateral initiatives being submitted on a regular basis by the PO within the open call for proposals. The submission of the bilateral initiatives in Grace is on-going.

In conclusion, the progress achieved in implementation varies between Programmes, with some registering very good rates (Justice, Culture, Research and Education), while some are lagging behind (Environment, Health, Home Affairs). In 2020, due to COVID 19 pandemic, Programme Operators estimates for 2020/2021 significant delays in preparation and implementation of bilateral initiatives.

4. Status of Programmes

The Programmes in the Romanian Portfolio are under implementation. Satisfactory levels of progress have been achieved so far in the Education, Justice, Research, Local Development, Health and Culture Programmes.

16 open calls were developed and launched in Research, Education, Culture and Local Development Programmes. There are some delays in the Home Affairs, Health and Environment Programmes. In the next months, calls in Health, Local Development and the Environment will be launched.

88% of the budget allocated to predefined projects has been contracted and 20 financing contracts have been signed in Health, Justice, Home Affairs and Local Development Programmes.

The programme with high risk in implementation remains the Environment Programmes due to its lack of capacity of the designated Programme Operator. Significant delays were encountered in finalizing the Programme Agreement (signed on 01.10.2019).

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

Research

The Programme supports the outcome enhanced performance of Romanian research internationally by way of two calls for proposals and one Small Grant Scheme (SGS). The Programme Agreement was approved in January 2018 and amended in September 2019. Following the reallocation of MoUs reserve and modification of both Memoranda of Understanding the Research Programme budget increases from 47.058.824 euro to 55.529.412 euro (47.200.000 euro total grant contribution and 8.329.412 euro program co-financing).

After the Programme Agreement will be modified, the entire reallocated budget will be used for the projects from reserve lists, from both calls for proposals (EEA Grants Call for CRPs 2018 and NO Grants Call for CRPs 2019); it is estimated that the contracts will be signed in October – November 2020.

The relevant aspects of the Programme are presented below:

- EEA Grants - Call for proposals 2018 – status of implementation

Evaluation and selection process:

After the evaluation and selection process completion, 11 projects were selected to receive funds within the Programme (16.130.885 euro). One project addressed **Roma population** has been funded: Budget: 1.479.433 euro.

Consortia component statistics within the contracted projects:

25 research organisations (16 from Romania, 8 research organizations from Norway), one SME from Romania and one partner from France (this project partner is not financed from EEA funds). The consortia comprised the research teams from Romanian and Norway (as Donor States). No project involved research teams from Iceland has been financed.

Contracting and negotiation phase:

The negotiation phase was organised in April 2019 and had 2 rounds of meetings between Program Operator and PP/partners representatives. The main objectives of the negotiation meetings were: to present the overall set of rules and regulations of the Mechanisms and of the Research Program particularities; to receive an overview of each project from the Principal Investigator (No modification in terms of projects and initially approved budget have been made); to introduce to each PP the projects' officers from PO; to present the main aspects related to the implementation of the selected projects (financial general aspects and cash flow, exchange rate, eligible costs, audits, annual/final reports, monitoring/verification steps, the Implementation Guide for PP and partners within CRP-Communication Manual for beneficiaries, modification in contracts, structure of Romanian teams). After the end of the negotiation phase, between May and July 2019, PO started the contracting phase, practically signing the contracts with all the 11 projects selected for funding.

Support to project implementation: In fulfilling its role of Programme Operator, UEFISCDI provided all the support to Project Promoter in starting the implementation of financed projects: organised implementation meetings in order to pass to the PPs important information related to project implementation; ensured the cash flow to all the PPs, providing advanced payments (part of the project budget -public funding calculated so as to cover the estimated expenses for the first implementation year of the project).

The **advanced payments** have been made based on the advance payment request of the PP on behalf of the partners (a document generated by the contracting online platform <https://uefiscdi-direct.ro/EVoC>), in a total amount of: **13.764.909,20 lei/ 2.896.222 euro** (11.700.172,80 lei representing 85% grant and 2.064.736,36 lei representing 15% co-financing from state budget).

According to the contract, the PPs made the advanced payments to their partners in due time and informed PO accordingly.

For the projects contracted, the requested project level information was recorded in GRACE.

Monitoring of projects: after the contracting period ended, the PO developed the reporting platform dedicated to projects financed through the EEA call- <https://uefiscdi-direct.ro/EVoC>. At the end of February 2020, all PIs submitted the annual reports in the monitoring online platform <https://uefiscdi-direct.ro/EVoC> containing the Technical Report and the Financial Report. Until the present date, the PO finalised the compliance-based verification (see monitoring plan attached to the annual report) for all the projects.

Taking into consideration the restriction of mobility at national level and interaction between people, the on-site verification will be postponed to a date that will be determined by the evolution of COVID-19.

Starting with January 2020, in order to develop the online monitoring platform and to clarify aspects related to the monitoring of annual reports, at level of PO have been organised 7 internal technical meetings, conducted in principal by the financial coordinator of the programme.

➤ **NO Grants – Call for proposals 2019 – status of implementation:**

The second call for Collaborative Research Projects has been launched on 10th of September 2019, with the deadline for submission of applications on 16th of December 2019. A total number of 285 project proposals have been submitted out of which **280 proposals have been declared eligible**: 28 Energy; 79 Environment; 50 Health; 45 SSH, including gender studies and social inclusion studies, 45 ICT, 33 Biotechnology.

10 project proposals addressing the main key topic: “Roma inclusion and empowerment” have been submitted (one proposal under “Health” main thematic area and 9 proposals under “SSH”).

Initially, the deadline for finalisation of *individual evaluation phase* was 31st of March 2020 and the panel meeting foreseen in the last week of April 2020. Taking into consideration the extreme situation occurred at international level due to COVID-19, part of the experts used in the evaluation requested a new deadline. Thus, the *consensus step* and *panel meetings* have been postponed, as well. Also, we noticed that some of the experts withdrawn from the process (personal reasons) and they have been replaced. Taking into consideration the restriction of mobility at international level, the panels and the PC meeting have been organized online (via skype or other available system).

Panel meetings: In the period 11-29 of May 2020, the PO has organized 6 online panel meetings, one for each thematic area. According to the Guide for evaluators, for the projects with consensus reached (voted “agree” by all experts) but having failed one or more thresholds, the Consensus Report became the Final Report. The projects in question were not involved in the panel discussions. 143 experts have been present in the panel meetings: rapporteurs, experts with vote disagree or other experts involved in evaluation of a certain project; 211 projects have been discussed in total. As a result of panel meetings, there have been elaborated Final Reports for all projects analysed (by the reporter or by other expert present in the panel meeting), the ranking list for each thematic area.

Consortia component statistics within the contracted projects:

64 research organisations (40 from Romania, 24 research organizations from Norway), 3 SMEs from Romania and 2 SMEs from Norway and 2 big enterprises from Romania.

Negotiation and contracting phase:

During July (6 and 8 of July) the PO organised the first negotiation meetings with representatives from Project Promoters (PIs and the persons responsible for administrative and financial management). The project officers from OP have been presented for each project. During the period 13-24 of July there have been scheduled the negotiation with each PP, for clarifications (budget breakdown, human resource lists, indicators, other relevant information, Partnership Agreement). In July the IT department developed the online contracting platform (new module for projects funded under NO Grants). Starting with 4th of August, the PO sent the financial letters to all PIs containing the following information: approved budget in euro/equivalent in lei using the exchange rate inforeuro in August 2020. At the end of August, all the contracts have been uploaded in the contracting platform and have been signed.

Small Grant Scheme (SGS-ERC) – status of implementation

The single applicant in the first call launched in 2019 did not sign the contract yet. In April, the applicant addressed to PO a request related the prolongation of availability of project for 2021 and the PO agreed on that. The project will start when the international situation allows this.

Given the restriction of mobility at European level, the **SGS-ERC Call** scheduled for 2020 was not launched. Having in mind the uncertain situation determined by covid-19, the PO suggested a change in Programme Agreement related the using of part of money allocated to this SGS-ERC scheme (2.450.000 euro) to be moved for recommended projects from funding from reserve list under NO Grants call 2019. The proposal for modification of PA has been agreed by Donor Program Partner (DPP – Research Council of Norway) and FMO (via email). The modification of the Programme Agreement including the reserve received from the 2020 allocation from MOUs will be formalised by PNC to FMO in Q4 2020.

Planned measures on 10% Roma objective

Following the second open call conducted under the Programme - collaborative research projects (The Norway Grants 2019) in the period 10.09-16.12.2019, 10 project proposals addressing this main key topic have been submitted (one proposal under “Health” main thematic area and 9 proposals under “Social Sciences and humanities, including gender studies and social inclusion studies”). All these 10 proposals have been declared eligible and have been assessed.

Following the evaluation process and PC meeting, there are 2 funded projects addressed Roma inclusion and empowerment _ key topic:

1. “Precarious labor and peripheral housing. The socio-economic practices of Romanian Roma in the context of changing industrial relations and uneven territorial development” (UNIVERSITATEA BABES BOLYAI, Cluj Napoca); 1.163.986 euro (SSH thematic area)
2. “A support tool model for decision making to reduce the health risk associated with the uncontrolled water and food sources in rural Roma communities in Transylvania” (UNIVERSITATEA BABES BOLYAI, Cluj Napoca); 1.163.990 euro (Health thematic area).

Education

After the former phase 2009-2014, in which the Romanian programme covered only the university field, the Programme Operator decided, together with the Donor Programme Partners and after a broad stakeholders consultation, to extend the areas of intervention towards other sectors of education and training; thus, the actual programme covers the following fields: universities, school education, vocational education and training and inclusion of Roma pupils in schools. 82 students and 109 teaching and non-teaching staff were involved in mobility activities (outgoing or incoming) during the mobility projects in higher education approved for the 1-st call. In conjunction to this it is worth to mention that over 96% of staff involved in mobilities (both outgoing and incoming) declared that they had improved their skills /competences in their field. Within the reporting period, 13 projects in the field of school education were finalised (4 are still in the implementing phase). In these projects, in total, 118 educational experts (school inspectors, teacher trainers, counselors) from County Schools Inspectorates, Teacher Training Houses and County Centres for Resources and Educational Assistance have participated at training courses in Donor States. 79.59% of participants declared that they have improved skills/ competencies in the field of their service provision or in the areas of democracy, human rights and social inclusion, so that they could further support the Romanian schools in increasing the quality of education provided;

➤ For VET field, 4 projects approved under the Call 2018, Round 1 were finalized. During the implementation of these projects, 38 persons participated at study visits at Norwegian institutions; 96.42% of the VET schools staff,

respectively 100% of the companies staff participating at these visits declared better skills/ competencies as a result of the projects. The total number of Locally Developed Curricula designed by the schools and companies together in these projects is 27, higher by 7 than the target set for the whole programme (by 2024);

➤ The five Roma projects approved in 1-st round of 2018 were implemented in 7 out of 42 counties in Romania (Salaj, Cluj, Bistrita-Nasaud, Alba, Sibiu, Gorj, Dolj) and reached 27 local schools. The projects aim at providing training on inclusiveness and multicultural environment for 357 teachers; also, 39 new local curricula and teaching materials are foreseen to be developed and 454 parents (out of whom a minimum of 40% of Roma parents) should be involved in joint (Roma and nonRoma participants) activities on discrimination. 1200 pupils (out of whom a minimum of 40% of Roma pupils) are focused on to participate in joint (Roma-nonRoma) activities on inclusion.

The Programme succeeded to ensure the conformity with the specific concerns mentioned in the Memorandum of understanding, by addressing all types of projects, target groups and topics that are included in the Memorandum.

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. Also, the webpage contains a new section (developed in 2019) with description of the financed projects and their results. Besides the website, there is the Facebook page of the Programme and there were organised several sessions on EEA grants opportunities within large events of the Programme Operator, out of which the 2 annual valorisation conferences for all the programmes implemented (300 participants in total) are the most significant. The monthly e-newsletter of the Programme Operator, called ANews, contains in each issue testimonials or success stories of EEA granted projects (the archive of the newsletters could be found at: <https://www.anpcdefp.ro/buletin-informativ-anpcdefp>).

Among the most important results achieved during the reporting period:

- ✓ Outcome 1 „Improved skills and competences of students and staff in Higher Education (HE)”:
 - Call 2018: 18 mobility projects are being implemented. In the reporting period, the RO PO assessed all 18 interim reports of those projects;
 - Call 2019: the grant agreements for all 11 mobility projects approved were signed by the Project Promoters and the PO;
- ✓ Outcome 2 „ Strengthened institutional cooperation in the HE area, based on common needs”
 - Call 2018 (round 1): 1 cooperation project in higher education submitted the final report to the PO. This was assessed. The rest of 4 projects are still in the implementation phase;
 - Call 2018 (round 2): all 5 cooperation projects in higher education are in the implementation phase;
 - Call 2019: from 13 applications for cooperation projects in higher education assessed PO financed 5 projects. Until 31.08.2020 all grant agreements were signed with Project Promoters;
- Outcome 3 „Improved skills and competences of educational experts”
 - Call 2018 (round 1): out of 17 projects approved, 14 projects were finalised and 3 projects are still in the implementation phase;
 - Call 2018 (round 2): 11 projects are in the implementation phase. For 7 projects the PO received and assessed the interim reports.
 - Call 2019: the initial deadline set for 05.05.2020 was postponed until 01.10.2020 (due to current situation caused by COVID-19).
- Outcome 4 „Improved quality of work-based learning”
 - Call 2018 (round 2): all of the 3 projects approved are in the implementation phase;
 - Call 2019: the initial deadline set for 04.05.2020 for cooperation projects was postponed until 01.10.2020 and the deadline set for 18.05.2020 for national projects was postponed for 15.10.2020 (due to current situation caused by COVID-19).
- Outcome 5 „Increased institutional capacity of schools to ensure an effective inclusion of Roma children”:

- Call 2018(round 1): form 5 projects implemented, 3 projects submitted the final reports to PO for assessment and 2 are in the implementation phase; From 3 final reports received, 1 was finalised and 2 are still in the assessment phase;
- Call 2018 (round 2): 1 approved project is still in the implementation phase;
- Call 2019: the initial deadline set for 05.05.2020 was postponed until 01.10.2020 (due to current situation caused by COVID-19).

Related to the challenges the Programme Operator faced about the effects of COVID-19 (eg.: mobilities and activities were cancelled), many of the Project Promoters extended their projects implementation periods, up to 12 months. Due to this fact, excepting the case of cooperation projects in higher education(where the activities are more flexible than in other types of projects), the Programme Operator considers that this situation could cause the uselessness of the next Call. The Programme Operator intends to make in the next period an analyse among the Project Promoters and taking into account the results of the 3-rd Call (with deadline at 01.10.2020) it will be decided the opportunity of launching the 4-th Call.

Planned measures on 10% Roma objective

- Round 1: From 3 final reports submitted, 1 was finalized and 2 are in the assessment phase. 2 projects are still in the implementation phase.
- Round 2: only 1 project was submitted and approved. The project is in implementation.
- Round 3: call 2019 was launched on 06.12.2019 with a budget of 506757.80 Euro (including the uncontracted amount from 1-st and 2-nd round). The initial deadline was: 05.05.2020, but due to COVID-19 pandemia situation was postponed until 01.10.2020.

Local Development

The Local Development Programme fully started in 2019, when a number of 5 calls for project proposals in areas such as inclusive education for children and youth at risk (one call), poverty reduction (one call), local development (two calls, of which one under a small grant scheme) and Roma inclusion (one call) were open, making available to the interested parties funds in a total value of more than 55 million euros. Until the end of August 2020, the following calls have been launched:

No	Call	Launching date	Deadline for projects submission	No of received projects
1	Call no. 3 "Poverty Reduction"	December 06, 2018	May 08, 2019	7
2	Call no. 2 "Inclusive Education for Children and Youth in Risk"	December 12, 2018	May 28, 2019	117
3	Small grants scheme "Access to Funding"	February 05, 2019	April 24, 2019	11
3.1	Small grants scheme "Access to Funding" 2020	April 07, 2020	July 27, 2020	35
4	Call no. 4 "Local Development"	September 10, 2019	February 25, 2020	101
5	Call no. 1 "Enhancing Roma Inclusion and Empowerment"	September 11, 2019	January 30, 2020	32

For each call (except for the restricted call), PO organised consultations meetings with relevant stakeholders (individual or group meetings). The conclusions of the consultation meetings were taken into consideration by PO when preparing the specific documents.

➤ Pre-defined projects:

- So far 2 predefined projects were received (UNEF5 and ACOR) and received positive appraisal; currently are under implementation.
- The predefined project promoted by the Council of Europe was cancelled at the PP request. The amount allocated for this project will be reallocated (3,000,000 Euro) to the call " *Increased implementation of judgements and case law issued by the European Court of Human Rights (ECHR)*

and of country specific recommendations on human rights put forward by other bodies of the Council of Europe” through the next addendum to the PA.

- The predefined project promoted by the General Secretariat of the Government of Romania (GSG) is ready to be submitted and will be received by PO at the beginning of September 2020, according to PP and shall be subject of Programme modification.
- Call no 3 (restricted call) “Poverty reduction”: out of 7 projects received, 3 projects are rejected, 3 approved and 1 project is still in CS analysis (PP have to meet certain conditions before – e.g., reviewing the budget, improving the technical consistency of project, demonstrating not overlapping activities with other initiatives in the field, in the targeted communities etc.).
- Call no. 2 "Inclusive education for children and young people at risk": out of the 117 projects received, after formal verification, a number of 75 projects were admitted for content evaluation. The PO’s Steering Committee approved conditionally for financing 7 projects (total grant 8,050,901.03 Euro) and 12 projects on the reserve list). Other 56 projects were rejected (including as a result of the exhaustion of allocated funds).
- Call no. 1 “Increasing Roma Inclusion and Empowering”: out of 32 projects submitted, following formal evaluation, 22 were admitted for content evaluation. 12 projects met the minimum requirements to be considered for funding and came to the attention of the Selection Committee that recommended to the PO approval of the 12 projects (total grant 8,302,117 Euro). The approval process is in progress.
- Call no. 4 “Local Development”: 101 projects were submitted and are currently evaluated by the independent evaluation experts selected and contracted by PO. After formal verification, a number of 58 projects were admitted for content evaluation (of which two after the admission of the appeals). It is estimated that this evaluation is finalised beginning of October 2020 when Selection Committee could be organised.

By now, 12 projects were contracted:

- Restricted call (no 3) “Poverty Reduction”:
 - 2 projects are contracted under implementation, PPs are ADI ZMC and Salvation Army, the total value of the projects is 26,358,495.98 lei (5,508,567.59 Euro),
 - The 3rd approved project, submitted by UNICEF, is under contracting phase - contract is still under negotiation (currently FMO feedback awaited);
- Small grant scheme “Access to Financing (SGS2)”: 8 contracted, all of them finalised implementation by end of august 2020 - the total value of the projects is 944,268.93 lei (197,471.72 Euro).
- 2 predefined projects are contracted and under implementation, preparing consistent interventions in the fields of education and good governance:
 - PNP001 promoted by the National University of Physical Education and Sport (UNEFES) - started in June, 2019. The launching conference was organised in September 9th, 2019. The contracted amount is equivalent of 4,373,581 Euro. An advance payment and a first intermediate payment were paid, amounting 11,280,394.00 Lei /~2, 350,082.00 Euro.
 - PNP002 promoted by the Association of Communes in Romania (ACoR) – started in October, 2019. The project’s launching conference was organised in February 19th, 2020. The contracted amount is equivalent of 3,277,088 Euro. The PO released the and the first intermediate payment, the total amount released being 5,730,000 Lei /~1, 215,940.95 Euro.

Under call no. 2 “Inclusive education for children and youth at risk”, during next months (September & October 2020), PO will contract the first 7 approved projects. Bearing in mind the additional allocation of funds (3.9 MEuro from Norwegian funds), the total available amount for this call is going to be 12,940,801 euro, that will allow contracting a total of minimum 12 projects for this call. The information regarding the contracted projects (PLI) and the calls data were registered in GRACE.

The programme has no problem in absorbing funds. On the contrary, the large number of applications received in the call 2 (117) and call 4 “Local Development” (101) shows the big interest of the stakeholders for the program and makes the OP unable to support all the projects that will fulfil the financing conditions, considering the amount allocated. The relaunch of the small grant scheme benefited from a larger participation than on the first attempt (35 applications were received vs. 11). On the other hand, the PO is considering the relaunch the call no. 1 “Enhancing Roma Inclusion and Empowerment” for 2021 in order to contract all the allocated funds to this call since the projects that are going to be approved cover a percentage of maximum 52% of the available amount.

Also, for some of the projects under implementation, the restrictions caused by the COVID-19 crisis resulted in postponement of some activities (especially the ones involving target groups) and, as a consequence, in lower need for funds. PO was in the position to release smaller tranches than planned. However, this situation will change as soon as projects find alternative solutions or the pandemic decreases in intensity. Two addenda to the PA were approved during 2019. In 2020, until end of August 2020, no new addenda to the Programme Agreement (PA) were signed. Following the CC consultation, PO proposed some modifications, which takes into account the reallocation of CoE project’s available funding, eliminate the corresponding indicators for this project, include some additional changes for the human rights call, reallocation of additional funds (3.9 MEuro) for call no 2, modification of the budget as a result of the additional allocation of funds through MoUs modification occurred in 2020.

In line with the specific concern included in the MoU for EEA Financial Mechanism 2014-2021 (establishing a minimum allocation of €15 million to programme area Roma Inclusion and Empowerment), PO addressed this by designing an intervention targeting 2 levels of projects, small projects for local PPs (small grant scheme “Priority interventions” - €1,647,059) and big, regional/ county projects for more systemic interventions (the call for project proposals “Roma inclusion” - €16,000,000). In the process of developing the call documents, PO organised for the „Roma inclusion,, call consultations with relevant stakeholders (especially large and small Roma organisations across Romania) in order to analyse the need and the way to establish thematic funding streams. The consultations took place during 2019 both through face-to-face meetings and by applying questionnaires by the PO. The data obtained were used in designing the appeal documents.

There are no evaluations planned under the Programme (so far).

Health

During 2019 and 2020, the Programme Operator was focused on developing the predefined projects, open call, grant schemes and was keen to establish the methodological framework for the implementation of the programme in order to fully comply with the provisions of the legal framework. Up to 31 August 2020, 7 predefined projects were agreed with the Donor States and contracted (PDP 1, 2, 4, 5, 6, 7 and 8). From 7 predefined projects, 6 are under implementation (PDP 2, 4, 5, 6, 7 and 8) and 1 (PDP1) was suspended until September 2020. The last project (PDP 3) is still under development and most likely it will be agreed until the end of the 2020:

- PDP1 Strengthening the National Network of Primary Health Care Providers to improve the Health Status of the Population, children and adults (including vulnerable population). The grant was confirmed by FMC in 26 June 2019. The project encountered several delays in the contracting period especially concerning the signing of the Partnership Agreement with WHO, which was solved in March 2020. Also, the project description was slightly revised in order to prevent double financing and to update some indicator, respectively one of the target county (Bacau) was changed with other county (Suceava) in order to avoid a possible double financing with a project of UNICEF within Local Development Programme and also to remove, by the Amendment no. 4 to the Programme Agreement signed on 21st of January 2020, the indicator for 84 new jobs created as it is no longer relevant, in line with the new FMO definition of the “jobs created”. The financing contract was signed in on 13th of May 2020 but it was suspended until September due to the COVID 19 pandemic.
- PDP2 Strengthening at National Level the Capacity of the Romanian Health Sector to Implement Organized Screening for Cancers Amenable to Cost-Effective Early Detection Interventions (CEDICROM 2): The financing contract was signed on 28th of June 2019. Some specific activities were postponed or delayed due to the COVID-19 pandemic.

- PDP 3 Development of the single healthcare professional's registry: the project was developed in 2018, by the Ministry of Health- Human Resources Centre for Public Health as project promotor. No major progress was registered in 2019 mainly due to the lack of capacity of the Centre for Human Resources in Public Health. In February-March 2020 after discussion with DPPs and FMO, the Ministry of Health took the decision to change the Project Promotor. The new proposal for the Project Promotor is the National Institute of Public Health. The Centre for Human Resources in Public Health will be proposed as project partner. Most likely, the new revised project will be sent to the Donors in a few months.
- PDP 4 Creating a register to track left ventricular remodelling result of acute myocardial infarction in order to prevent cardiac failure: The financing contract was signed on 28th of August 2019. On 25th November 2019, the project was formally launched within a press conference (<http://www.ro-sanatate.ms.ro/index.php/en/events/67-press-release-2>);
- PDP 5 Strengthening the TB control in Romania through implementation of the WHO END TB Strategy 2016-2020. The financing contract was signed in 29 April 2020.
- PDP 6 Increase performance regarding diagnosis and treatment of cancers in children by improving technical equipment, purchase of modern devices, medical personnel training and development of guidelines. The financing contract was signed on 24th of July 2019. On 31st of October 2019, the project was formally launched within a press conference (<http://www.ro-sanatate.ms.ro/index.php/en/events/63-launching-conference-of-the-predefined-project-no-6-regarding-the-diagnostic-and-treatment-of-children-with-cancer>). The development of the guideline was delayed due to the COVID 19 and some study visits were cancelled, but it is expected that the guidelines to be finalized in 2020. Depending of the evolution of the COVID-19 pandemic, it is possible that some specific activities to be delayed;
- PDP 7 Support for the Development of 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 project partner. The partnership was confirmed in May 2018 but due to the fact that the parenting component who was the task of Norwegian partner cannot be implemented in the agreed timeframe, the partnership haven't been continued. A new entity was identified as donor project partner, respectively the Norwegian University of Science and Technology (Trondheim)-The Regional academic community for autism, ADHD, Tourette's syndrome and narcolepsy (RFM). On 9-10 July 2019, a representative of the new Donor Project Partner has visited the Project Promoter for developing the new project description and annexes. Also, as a result of the new partnership, the Programme Agreement required a modification, which was done by the Amendment no. 4 signed on 21st of January 2020. The financing contract was signed on 30 March 2020. In 2020, due to the COVID-19 pandemic, the project was delayed with 3 months, the project activities starting in July 2020.
- PDP 8 Strengthening the capacity to address antimicrobial resistance (AMR) and healthcare associated infections (HAI) in Romania: The financing contract was signed on 30th of January 2020. Depending of the evolution of the COVID-19 pandemic, it is possible that the project activities to be further delayed.

The PO has submitted 7 PLIs in Grace IT system corresponding to the 7 predefined projects contracted (PDP1, 2, 4, 5, 6, 7 and 8).

Concerning the call of proposals and 2 small grant schemes, the status is:

- Open call of proposals no. 1: The call documents were agreed with NFP, FMO and DPPs on 26 August 2020. The launching of the call is estimated for second part of September 2020.
- The small grant scheme no 1: It will be launched in 2021 due to the fact that it is linked with PDP1.
- The Small grant scheme no 2: The documents were circulated to NFP, FMO and DPPs and it will be revised in the next period. The launching of the call is estimated for October/November 2020.

Until August 2020 there were 4 modifications to the Programme Agreement. The request for amending the Programme Agreement no 5 is under approval and refers to supplementing the programme from the reserve set up

under MOUs for 2020, with a budget of 1,17 million euro (grant+ co-financing) allocated to PDP5 for covering the full treatment of persons infected with MDR-TB.

In 2019 and beginning of 2020, the value of the funds contracted within the Programme was 31,202,303.75 euro, representing 66.30% of the total programme allocation (47,058,824 Euro). The amount spent was of 9,475,169.02 euro, representing 20.13% of the total programme allocation.

Formally, the European Public Health Challenges Programme was launched on 11th of September 2019, when an opening conference was held in Bucharest. Other promotion measures were put in place, according to the Communication Plan of the Programme, including programme website (www.ro-sanatate.ms.ro), Facebook account (Program Ro-Sanatate), dissemination of materials for the promotion of Programme activities and the EEA Grants. The PO has a very good collaboration with Local Development Programme Operator for coordinating the activities and to discover the potentials double financing risks in both programs.

No evaluations have been carried out during 2019 and 2020.

Planned measures on 10% Roma objective

- Project 2, 6, 7 started in 2019-2020, but the results are expected starting with end of 2020.
- The project 1 is temporary suspended until September 2020.
- The Open call no 1 and Small grant scheme 2 are under development and will be launched in September, respectively in October 2020
- The development of the Small grant scheme 2 will start at the beginning of 2021.

Culture

During 2019 the PO launched 3 calls for projects, as follows:

- Call 1 (Outcome 1, Output 1.1.) – **Monuments restored and revitalized** - was launched on June 5th, 2019, with an initial deadline of October 7th, which was subsequently extended until November 12^{ve}, 2019, in order to allow more applicants to submit their projects and thus to increase the chances for selecting more qualitative projects. The total budget allocated to this call for projects amounted to 16.000.000 Eur, while the value of the submitted projects exceeded 3,4 times the available funds (58.830.155 Eur). By the deadline, 27 projects were submitted online, out of which 20 projects (74%) were admitted in the technical-financial evaluation stage. Of the 27 submitted projects, 16 involve (59%) partnership with cultural entities from the Donor States. The Selection Committee for this call was organized online (due to the COVID-19 pandemics) on June 3rd 2020 and the first 9 projects from the ranking list were approved for financing. The grant requested by the 9 projects exceeds the allocated budget for this call with 822.877 Eur, so the PO will use the reallocation of the Reserve from the EEA Grants to support more monuments to be restored and revitalized. The pre-contracting stage for the selected projects is ongoing and the PO expects the grant contracts to be concluded by the end of September/October 2020.
- Call 2 (Outcome 1, Output 1.2) - **Innovative cultural exhibitions of restored objects supported** – open between February 4th - July 3rd 2019, with a financial allocation of 1.285.000 Eur. Through the online management system 13 applications, having a total value of 1,780,032 Eur, were submitted by the deadline, out of which 10 projects (77%) were admitted in the technical-financial evaluation. Following the technical and financial verification, 9 projects were admitted to the next stage. On September 27th, 2019, the meeting of the Selection Committee (SC) was organized in Bucharest and the SC members voted grant awarding to all 9 projects. The grant contracts for this call were concluded in January 2020. Out of the selected projects, 5 (55%) are developed with a project partner from the Donor States. Considering the national state of emergency declared by the Romanian Government on March 16, 2020, 6 out of 9 project promoters requested to delay project activities due to the force majeure. The delay does not significantly increase the risk of not achieving the expected results, since the implementation period could be extended until April 2024
- Call 4 (Outcome 2, Outputs 2.1., 2.2.) - **Cultural entrepreneurship enhanced & Larger audience developed** - was open between April 15th - July 16th, 2019, with a financial allocation of 2.500.000 Eur. The state aid/de minimis scheme for this call was approved by the Romanian Competition Council and published in the

Romanian Official Journal on April 15th 2019. By the deadline, 76 projects were submitted through the online system, with a total value of 15.060.828 Eur, exceeding 6 times the available budget. From the submitted applications, 43 projects (56%) are developed in partnership with cultural entities from the Donor States. Following the administrative and eligibility evaluation, 55 projects (72%) were admitted for technical and financial evaluation. The SC meeting for this call was organized in Bucharest on January 29th 2020 and 13 projects were selected to receive a grant. Out of the selected projects, 12 (92%) are developed with a project partner from the Donor States. By the end of the reporting period, 11 grant contracts were concluded, while the other 2 promoters postponed the signing of the contract until September 2020 due to the effects of the pandemics. Furthermore, other 6 promoters had to delay some project activities due to the restrictions imposed by the COVID-19 pandemics. As for the other projects selected under the **Programme**, these delays do not generate for the moment a great risk for not achieving the expected results since the period planned for implementation is maximum 24 months.

During 2020 the PO launched another call for projects:

Call 5 (Outcome 2, Outputs 2.1., 2.2.) - *Cultural entrepreneurship enhanced & Larger audience developed - session 2* - was opened between April 1st - July 1st 2020, with a financial allocation of 2.000.000 Eur. By the deadline, 97 projects were submitted through the online system, with a total value of 92.985.275 Eur. From the submitted applications, 68 projects (70%) are developed in partnership with cultural entities from the Donor States. The administrative verification and eligibility check is ongoing.

The PLIs for all the selected projects were submitted in Grace following the conclusion of grants contracts. So far, 9 PLIs were submitted under Call 2 - *Innovative cultural exhibitions of restored objects supported* and other 11 PLIs were submitted under Call 4 - *Cultural entrepreneurship enhanced & Larger audience developed*.

One case of double funding was discovered by the PO in the case of project „Developing Regional Initiatives for Education and Culture through Knowledge Transfer” (Grace code - RO-CULTURE-0015). According to the procedures, the PO issued the decision to cancel the project contract and recover the advance payment for this project, amounting to 53.035 Eur. This irregularity was immediately reported to the Certifying Authority, on August 12th 2020. On July 21st 2020 the PO submitted a Programme modification request in accordance with art. 6.9.d) of Regulation.

There are no evaluations planned under the Programme (so far).

Planned measures on 10% Roma objective

On July 21st 2020 the PO submitted a Programme modification request in accordance with art. 6.9.d) of Regulation. The modification was previously discussed with FMO and consists in the following:

a) replacing Call #3 - Roma cultural heritage revived with a predefined project implemented by a cultural organization with a strong background, which can target the measures addressed to Roma cultural heritage more thoroughly than several small projects. The DPP also agreed this modification will generate a stronger impact for Roma culture and more sustainable results. The predefined project will be implemented in partnership with a relevant organization from the Donor States, which will also contribute to strengthening the bilateral cultural cooperation in this field;
and

b) modification of eligible organizations to be selected under Call #7 - Roma cultural initiatives developed. This modification will allow the PO to select organizations which are more experienced in dealing with cultural projects and/or Roma population, which increases the chances for more qualitative projects to be financed and a greater impact of EEA Grants in this field.

This Programme Agreement modification will be formalized by NFP to FMO in Q4 2020 and shall include the supplementary allocation from the MoUs reserve budget.

Justice

6 out of the 7 pre-defined projects foreseen by the Programme have been contracted (commitment rate of 96,03%), out of which two during 2018 (predefined project 4 "CHILD" and predefined project 6 "Fighting criminality and corruption") and four during 2019 (predefined project 1 "Judicial training and capacity building", predefined project 2 "Correctional", predefined project 3 "Improving the correctional services in Romania by implementing the normality principle - 4NORM (-ality)", predefined project 5 "Supporting the implementation of the Istanbul Convention in Romania"). The predefined project 7 should have been implemented by the Council of Europe.

However, on the 12th of September, 2019, the Council of Europe informed the Romanian authorities that it was no longer in a position to pursue the project in the capacity of project promoter. Given the circumstances and based on the conclusions reached in the Cooperation Committee, a new project is under preparation instead which relates to the information, support and protection of the victims of crime, on the account of the latest developments in the relevant legislation, and which targets especially the victims of Roma ethnicity, so that the condition concerning the Roma allocation of 10% to be respected. The project will be promoted by the Prosecutor Office Attached to the High Court of Cassation and Justice, while the European Union Agency for Fundamental Rights will be approached with the proposition to be project partner. It is envisaged that the whole process (modification of the Programme Agreement, elaboration of the project proposal, evaluation of the project, conclusion of the project contract) will be finalised in the second semester of 2020.

Furthermore, 3 additional pre-defined projects are currently under elaboration at programme level, in the areas of Correctional Services and Pre-trial Detention, Good Governance Accountable Institutions, Transparency, and Domestic and Gender-based Violence, for which a reserve allocation of €4.352.941 has been set aside.

The projects are in various stages of implementation, depending on the projects' contracts signature dates. In terms of financial disbursement, so far, 7.941.177,00 Euro was received from the donors and 6.906.605,17 Euro was paid to projects and management costs (including the national co-financing).

Although the planned projects' results have not been achieved yet, steps have been taken in this direction. Based on the monitoring carried out by the Programme Operator, it can be concluded that while some of the contracted projects are progressing well (e.g., PdP 4 "CHILD"), in line with the project implementation schedules, other have registered delays, such as the predefined projects 1 "Judicial training and capacity building" (the delays refer to several public procurement procedures which either were not finalised or could not be started yet, leading to the postponement of the planned training activities and of the IT endowment; further delays are foreseen due to the COVID-19 pandemic as certain protective measures need to be respected), 2 "Correctional" (the delays refer to the planning and commencement of certain procurement procedures - nevertheless, some important procurements, such as the feasibility studies for the investments were launched and are currently in course of finalization), 3 "4 NORMality" (the kick off conference, study visits and several trainings and qualification courses have been postponed until COVID-19 related restrictions will be lifted and management meetings are held online) and 5 "Supporting the implementation of the Istanbul Convention in Romania" (the delays registered in implementation are significant, but after the addendum, providing a reconfigured project strategy for contracting the consulting services within the project in line with the project contract, was approved, the project implementation was resumed; thus, small, but steady steps being taken for preparing the main procurements foreseen at project level).

Furthermore, the unforeseeable circumstances and exceptional situations caused by the COVID-19 pandemic might affect or even already affected the on-going projects, in terms of changes to the project implementation schedules or eligibility of expenditure linked to non-execution of activities due to the Corona virus situation. The PO is aware of the fact that the current situation might have implications on the implementation of the programme which cannot be currently foreseen and that are strongly dependent on the further developments regarding the Corona virus pandemic. In this respect, the PO closely and constantly monitors the impacts on the programme and the projects and has instructed accordingly the Project Promoters with regard to the aspects related to the Corona virus situation that need to be considered, in order to quickly put in place all possible measures to limit the damage caused by the unforeseeable circumstances, including measures to limit the related costs.

The PLIs for all the 6 pre-defined projects which were contracted until the cut-off of the reporting period were submitted in Grace.

The PO performs a constant financial monitoring of the progress made in contracting/ implementing the projects' activities in terms of financial flow, payments vs incurred expenditures and payment forecasts, in order to prevent/ mitigate potential risks of cash-flow problems.

The analysis of the amount to be transferred considers the PPs' real needs and the PO availability of funds. PO managed to secure the necessary funds for making payments towards projects.

During the reporting period, two Addenda to the Programme Agreement were approved on June 21, 2019 and June 26, 2020. Currently there are no envisaged plans to carry out evaluations of the Programme.

Planned measures on 10% Roma objective

Projects 1, 2, 3, 4 and 5 – The projects were contracted during 2018 and 2019 and are in various stages of implementation. The planned measures for improving the situation of the Roma population are either not started, in an inception phase or on going.

PdP 7 - As CoE informed the PO that it is no longer in a position to pursue the PdP 7 in the capacity of project promoter, this impacts directly on the Roma allocation at programme level. As a consequence, the project has to be restructured, as it affects the percentage dedicated to Roma interventions (without this project it is 8,14%, less than the threshold of 10% set in the Programme Agreement). The new PdP no. 7, which will be implemented by the Prosecutor Office Attached to the High Court of Cassation and Justice, shall address the Roma issue as well, ensuring that at least 10% of the total eligible costs of the Programme targets the improvement of the situation of the Roma population. It is envisaged that the whole process (modification of the Programme Agreement, elaboration of the project proposal, evaluation of the project, conclusion of the project contract) will be finalised in the second semester of 2020.

There are no evaluations planned under the Programme (so far).

Home Affairs

The Programme objectives are to be attained through five outcomes, five predefined projects (PDP) and open calls. Regarding the Programme's implementation, in 2019, three financing contracts for the PDP1, PDP3 and PDP4 projects were signed, for the total amount of 13.5 million euro. In this early implementation phase of the PDP1, PDP4 and PDP5 projects, no irregularities were reported. Considering that two key projects of the Programme (PDP2 and PDP3) were subject to special conditions of the Programme Agreement (PA), at the beginning of March 2020, another two financing contracts for PDP2 and PDP3 projects, were signed, with a total budget of approximately 11 million euro.

As for the **visibility** and communication requirements, the PO built the website of the Programme which is hosted at <https://norwaygrants.mai.gov.ro>. Considering the emergency situation (due to Covid-19), the launching event planned on April 2020 has been postponed.

All relevant information related to the predefined projects was introduced in the Grace software application. The information has been re-checked and updated at the moment of submission and approval of the Annual Report 2019. During the reporting period, two Addenda to the Programme Agreement were approved on January 2020 and June 2020.

There are no evaluations planned under the Programme (so far).

Planned measures on 10% Roma objective

The Roma objectives are mainly addressed in PDP3, which is a project dedicated to Roma issues. The project PDP3, together with PDP2, were subject of the special conditions of the PA, and the grant has to be reconfirmed by FMO, prior to the evaluation of the projects. The reconfirmation process was completed in January 2020, both projects were assessed by PO and the financing contracts were signed in March 2020.

Until the cut-off date, the methodology for the selection of the NGO specialized in Roma issues has been elaborated and is in process of approval

Environment

Programme Agreement for the RO-Environment Programme was signed by NFP on 01.10.2019. Until 31.08.2020 the calls for the RO-Environment Programme have not been launched. The Programme Operator considers that all the necessary measures will be taken into account in order to ensure the implementation of the RO-Environment Programme, to open the calls for proposals sessions as soon as possible, to evaluate and sign the financing contracts according the schedules mentioned in the guidelines.

- **Call 1: "Restoration of wetlands and peatlands"**. The Guideline for Applicants was drafted and was sent for comments and suggestion to DPP and FMO at the beginning of February 2020. Considering the observation

received at PO–MEWF the Guideline for Applicants was finalized in June. After the consultation with NFP in this regard, endorsement of all suggestion and approval by NFP, the final version of Guide was posted on the PO website for public consultations according to the in force national legislation and the Regulation provisions, for a period of 30 (working) days starting with 10 of June. The Guide for Applicants for the Call “Restoration of wetlands and peatlands” will be approved within the PO by Ministerial Order and the call will be launched on September 14 will be opened for 4 months, until 15 January 2021.

- Call 2: “Risk management measures to reduce contaminated orphan sites and landfill”, PO identified the necessity of Programme Agreement modification due to the lack of legislative norms on this field in present in Romania. This modification of the Program Agreement was necessary because in Romania, the legislation in the field contaminated sites has been modified and so far, no methodological norms have been elaborated referring the decontamination of this particular sites.

Considering the amendment of the Programme Agreement of 28.08.2020 regarding Call 2 by including temporary municipal landfills, the Guide for this call will be developed according to the EEA 2014-2021 legislative framework and the national legislation on waste.

- SGS-1 -Development of adaptation and mitigation plans in municipalities. Following the template of Applicants’ Guideline for the Ecosystems and biodiversity component of the Programme, the PO representatives have completed the first draft of the Guideline for Applicants of SGS-1. The MEWF experts endorsed the observation of DPP and NFP and the Guide is almost finalized. The draft of the Guide for SGS will be posted for public consultation at the end of September 2020 for one month. Following public consultation period, the Guide for the SGS – 1 Call will be retransmitted to NFP in order to assess the call documents as per articles 1.5, 7.3 and 7.4 (estimated calendar for launching - last quarter 2020).
- Call 3-Implementation of adaptation and mitigation plans in municipalities. Having in view that this Call is specifically linked by the SGS – 1 Call, targeting the implementation of 4 from the 8 plans developed within SGS-1, the draft Guide for this Call of proposals will be sent to DPP and NFP by the end of the 2020 year for comments.

- Pre-defined project – LAKI III

As establish with the FMO representatives the PdP LAKI III was the subject of an evaluation performed by experts contracted by FMO;

On 3rd of April 2020 the PO received from FMO the Framework Agreement for appraisal, monitoring and rapid assessment services relating to the EEA & Norway Grants 2009-2014 and 2014-2021 - Final Report. The Report was the subject of discussion with the DPPs and FMO representatives in a video conference organised by FMO on 8th of April 2020; all the participants found the report’s findings to be relevant and decided that the PA should be amended and the PO should evaluate the pre-defined project according the provisions mentioned at 6.5.3 of the RI

In July 2020, the Programme Operator sent a request for Programme Agreement condition 1 modification referring PdP LAKI III. The modification of the Programme Agreement was accepted and signed on 03.09.2020, being in force starting with 28.08.2020. At the PO level is started the procedure of PdP internal evaluation, a Commission for evaluation will be designated and is expected that in October the project financing contract will be concluded.

Special concerns and conditions

The detailed information on each MoU special concerns and Programme Agreement conditions are presented in the Annual Programme Reports prepared by the Programme Operators. In order to fulfill the special concerns and conditions, some Programme Agreements were already modified based on the justifications provided by the Programme Operators.

5. Status of bilateral funds

In 2019, 2 meetings took place (in March and November), where were discussed financial implementation status of the Bilateral Fund, predefined initiatives, the progress achieved in implementation, 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 or expressions of interest submitted by the PO and open call according to the approved Work Plan and decisions of the JCBF:

Predefined bilateral initiatives:

- ✓ "Conference: How to better respond to European aspirations of the young generation in the Western Balkans?" - implemented by the Ministry of Foreign Affairs in cooperation with the Norwegian Ministry of Foreign Affairs in May 2019 and reimbursed from the BF in November 2019 (€ 62,754) - WP's priority concerning the Romanian Presidency of the EU Council;
- ✓ "Conference: How do we tackle plastic pollution in Europe?" - implemented by Innovation Norway in partnerships 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) in May 2019 and reimbursed from the BF in November 2019 (€ 17,838) - WP's priority concerning the Romanian Presidency of the EU Council;
- ✓ "Conference: Renewable energy and carbon capture and storage" - implemented 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) in June 2019 and reimbursed from the BF in November 2019 (€ 12,515) - WP's priority concerning the Romanian Presidency of the EU Council;
- ✓ "Labor Issues" (€300,000) - the financing contract was signed in February 2019 with The Romanian Labor Inspection and the initiative will be implemented in partnership with the Norwegian Labor Inspection, until January 2022;
- ✓ "Geopolitics and Russian force projection: Arctic and Black Sea" (€296,995) - the financing contract was signed October 2019 with NUPI and the initiative will be implemented until November 2021.

Expressions of interest submitted by the PO and approved by the JCBF:

1. E.I. for € 308,000 submitted by Ministry of Justice and approved in October 2018 to finance 2 bilateral initiatives: „Towards a Europe free from violence against women and girls - Istanbul Convention” - implemented by National Agency for Equal Opportunities between Women and Men (€ 248,000) and „Partnership for the Future” – implemented by Correctional Services (€ 60,000) - WP's priority concerning the Romanian Presidency of the EU Council 2019;
2. E.I. for € 249,502 submitted by Executive Agency for Higher Education, Research, Development and Innovation (Programme Operator for “Research”) and approved in March 2019 for bilateral initiative “RODA ESS ERIC” 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);
3. E.I. for € 60,000 submitted by Ministry of Justice and approved in May 2019 for: „Better trainings for better professionals within the judiciary” – implemented by Superior Council of Magistracy (€ 30,000), Creating synergies between countries of Norway Grants 2014-2021” – implemented by Correctional Services (€ 15,000) and other initiatives implemented by PO (€ 15,000);
4. E.I. for € 70,000 submitted by Ministry of Culture and approved in September 2019 for: Call for artists residencies in Donor States (€ 50,000), Initiatives implemented by PO (€ 10,000) and Initiatives implemented by other entities that will allow the PO to participate (€10,000);
5. E.I. for € 61,000 submitted by Ministry of Justice and approved in September 2019 in order to finance 2 bilateral initiatives: „How to achieve conservation of human rights during deprivation of liberty” – implemented by Correctional Services (€ 50,000) and „Participation to the synergy Network meetings” implemented by National Agency for Equal Opportunities between Women and Men(€ 11.000).

During the 3rd meeting of the Joint Committee for the Bilateral Funds (November 2019) it was agreed an allocation of €1 million for an open call for selecting several bilateral initiatives dedicated to the event Timisoara European Capital of Culture 2021. The guideline for applicants was prepared by the NFP and it was launched in February 2020. Bearing in mind the new events related to the COVID -19 pandemic, the open call was suspended indefinitely due to the restrictions imposed by COVID-19 and the uncertainty the organizers of bilateral events are confronted with at

this moment. The open call may be resumed once a clear calendar for the implementation of this event is available, following final decision taken by the European Commission for 2023.

The unforeseeable circumstances and exceptional situations caused by the COVID-19 pandemic might affect or even already affected the implementation of FBR at national or programmes level. The NFP/POs are aware of the fact that the current situation might have implications on the implementation of the programme (considering the share of "travel support" in this programme), which cannot be currently foreseen and that are strongly dependent on the further developments regarding the Corona virus pandemic. Furthermore, postponing certain activities (meetings, training, conferences etc.) or conducting them online (matchmaking seminar) will be necessary in the future with a strong impact on the absorption rate that will be recorded in the programmes.

Financial Status of Bilateral Fund:

- the total amount of FBR: € 10,050,000
- the total amount transferred by FMO: € 3,069,768 (30,54%)
- the total amount of authorised expenditure: € 1 721 420 (17,13%)

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 in order to be implemented.

The recommendations for the NFP considered not implemented by the AA at the latest follow-up of November 2018 were (4) related to the risk management reporting system and procedures (no. 12 and 13), keeping a record on the location of financial supporting documents at the level of POs (no. 23) and updating working procedures in relation to reporting in the information system (no. 20) and selection of projects for monitoring (no. 30).

Based on the results of the follow-up work on the implementation of the recommendations issued under the Compliance Audit Report, on 19.09.2019 the Audit Authority express the unqualified opinion, respectively, the management and control system for the Certifying and Paying Authority (as Certifying Authority and Irregularities Authority), the National Focal Point and the Audit Authority is in line with the provisions of the Regulations on the implementation of EEA and Norwegian Financial Mechanisms 2014-2021, also is in line with generally accepted accounting principles and is proportional to the effectiveness of achieving the objectives of the programmes.

As well, following the positive opinions issued by the AA, the MCS description at the level of Programme Operators was approved by the NFP in 2019 and 2020 (cut-off date 31.08.2020) as follows:

- ✓ Local Development - the audit report was finalized on 26.03.19; the MCS description, accompanied by the audit report and opinion, were submitted to the NFP on 27.03.19 and NFP approved on 02.04.2019 the description of the management and control system submitted by the RSDF (PO for the Programme "Local Development and Poverty Reduction, Enhanced Roma Inclusion");
- ✓ Internal Affairs - the audit report was finalized on 05.03.2019; the MCS description, accompanied by the audit report and opinion, were submitted by the PO to the NFP on 28.03.2019; NFP approved on 02.04.2019 the description of the management and control system submitted by the Ministry of Interior Affairs (PO for the Programme "Home Affairs");
- ✓ Justice - the audit mission was finalized on 13.06.2019. The MCS description, accompanied by the audit report and opinion, were submitted by the PO to the NFP on 04.09.2019; NFP approved on 16.09.2019 the description of the management and control system submitted by the Ministry of Justice;
- ✓ Culture - the audit mission was finalized on 02.08.2019. The MCS description, accompanied by the audit report and opinion, were submitted by the PO to the NFP on 12.08.2019; NFP approved on 27.08.2019 the description of the management and control system submitted by the Ministry of Culture and National Identity; regarding the finding of AA in 2019 on personnel employed on positions outside the organizational chart, NFP clarified that the

same structure was functioning and accredited under programming period of EEA and Norway grants 2009-2014 and under structural funds, so the management and control system previously approved by NFP is maintained.

- ✓ Health - the audit mission was finalized and the audit report and opinion were submitted by AA to NFP on 22.10.2019. NFP informed the PO by the address dated 28.10.2019 that MCS was not approved considering the adverse opinion issued by AA following the audit mission and requested to remedy the deficiencies identified and to implement the recommendations issued within the established and assumed deadlines. Subsequently, with address dated 05.12.2019, NFP returned with request to PO, underlining the importance of urgently sending the AA documents justifying the implementation of the recommendations. A new Audit Authority mission took place in February-March 2020. This time, Audit Authority considered that the PO management and control systems are partially in line with the requirements set out in the Regulation and 4 more recommendations were issued. Based on the new Audit Authority evaluation, the National Focal Point has approved the management and control system on 12 of March 2020. The recommendations issued by Audit Authority are currently under implementation;
- ✓ Environment - the audit mission was finalized and the audit report and opinion were submitted by AA to NFP on 12.05.2020. The opinion issued by the Audit Authority is that the management and control system established at the level of PO MEWF not comply with the provisions of the EEA FM Implementation Regulation 2014-2021 and general accounting principles accepted, and at the same time the requirements of the management and control system are not proportionate to the effectiveness of achieving the objectives of the programme, requiring revision and completion of the applicable procedural framework, revision of job descriptions and correlation of attributions established for PIU with the attributions established by the procedural framework applicable to the RO-Environment Programme. 57 recommendations were issued to remedy the deficiencies. Subsequently, with address dated 13.05.2020 NFP returned with request to PO, underlining the importance of urgently sending the AA documents justifying the implementation of the recommendations and to demonstrate a significant progress in establishing an adequate management and control system, which will be re-evaluated by the AA. At the same time, in the context in which the PO received a pre-financing of 4,431,649.25 Eur following IFR no.1, NFP pointed out the major risk in the use of these funds in the absence of a functional management and control system, as well as the fact that in the absence of approved MCS, the expenses declared by the PO in the IFR will not be certified.

b. Complaints

During the reporting period, two complaints were received by the National Focal Point:

- complaint from the Project Promoter, Post-Modernism Museum Association" - RO Culture Programme. It is a case of double funding discovered by the PO for the project „Developing Regional Initiatives for Education and Culture through Knowledge Transfer” (Grace code - RO-CULTURE-0015). The implementation of the project granted through RO-CULTURE (i.e, payments, project implementation etc.) has been suspended. Also, PO decided to unilaterally cancel the project contract and recover the advance payment together with the interest rate, calculated according to the de minimis aid regulations. This is a pending procedure. The debt to be recovered amounts to 256,043.97 lei (advance payment) + 2,621.23 lei (interest, calculated until 10th of August 2020).
- complaint from the project manager - predefined project "Creating a register to track left ventricular remodelling result of acute myocardial infarction in order to prevent cardiac failure" – RO Health Programme - regarding some problems within the project (delay of activities, lack of staff, public procurements, financial mistakes, etc.). Based on the received information both PO and PP, the NFP also verified the documents related to the procurement procedures carried out within the project. Deficiencies were identified for two of the procedures that require the financial corrections which must be applied by the Programme Operator in accordance with the applicable legislation and the recovery of ineligible amounts until the end of this year. The NFP notified both PO and PP in this respect.

c. Irregularities

The irregularities are reported by the Irregularities Authority – CPA, as per provisions of art. 12.5 of the Regulations. Currently, there are four irregularity cases reported to the FMO: one irregularity in relation to RO Education programme, two suspicions of irregularity in relation to RO Justice programme, one suspicion of irregularity in relation to RO Research programme plus one suspicion of fraud in the case of RO Culture programme. There are other two suspicions of irregularities received during Q3 2020 (RO Justice programme) and will be reported to FMO via Grace by end November 2020.

The irregularity cases already reported to FMO via Grace are the following:

- IR1 – RO Education programme, project name IDEEA – Inclusion, Dignity, Education, Equity, Aspiring (2018-EY-PICR-R1-0007_IDEEA)

On 02.07.2019, the project promoter – Bacau County School Inspectorate voluntarily requested the PO the termination of the contract no. 2018-EY-PICR-R1-0007 for the project IDEEA – Inclusion, Dignity, Education, Equity, Aspiring. The PP informed the PO that it was in a financial impossibility to start the project due to the fact that the amount received as advance from the PO (in amount of 60.851,20 euro) was wrongfully enforced by seizure, being taken over by the treasury due to debts owed by the promoter following a trial lost by the PP for one of its previous project.

The PO authorized the termination of the contract and issued the debt note to recover the advance paid. The total amount of 60,851.20 euro was recovered as per bank statement from 01.10.2019 and it was reflected in the IFR no. 5 for RO Education programme.

- IR30 – RO Justice programme, project name CHILD – Children's Inclusion by Learning and Developing

The suspicion of irregularity was discovered following the verification by the PO of the supporting documents related to the acquisition of a “Thermal power plant 32 KW package” included in the interim financial report no. 5 submitted by the PP - National Administration for Penitentiaries, for the period October, 1st – December, 31st, 2019, respectively the verification of the correct application of the procurement procedures in relation to Annex VI to the financing contract.

Following the verification of the supporting documents, the procurement officer at the level of the PO found that the thermal power plant 32 KW package was acquired by the project promoter through direct acquisition instead of simplified procedure, as provided by the Public Procurement Plan (annex VI to the financing contract), leading to a total suspected prejudice of 9.966,94 lei (VAT included), respectively 2.142 euro at the InforEuro exchange rate applicable at the signing of the financing contract.

At the level of the PO, through the order of the Minister of Justice, the control team has been nominated in compliance with the provisions of the Government Emergency Ordinance no. 66/2011 and with the applicable Irregularities Procedure approved for the implementation of the Justice Programme. Currently, the control team investigates the suspected irregularity, including the possibilities for the recovery of the potential prejudice and for imposing the legal sanctions.

The total potential prejudice is 9.966,94 lei, (2.142 euro at the 4.6531 InforEuro exchange rate applicable at the time of the signing of the financing contract) representing the total amount of the supply contract affected by the suspicion of irregularity.

The exact amount of the prejudice will be determined in case of confirmation of the irregularity by the control team.

- IR35 – RO Research programme, management costs

The suspicion of irregularity was discovered following the verification of the Audit Authority during the audit mission in 2019, the suspected amount being in relation to the transport expenditure on the route Viena – Oslo – Timisoara incurred by PO. The suspected irregularity was committed in April 2017, the estimation of irregular amount being of 2.428,20 lei (at Inforeuro exchange rate April 2017 - 534,28 euro). Considering that the expenditure was incurred by the PO, the PO requested to the control authority within the Ministry of Finance (General Directorate for financial and economic inspection) to perform a control mission as per provisions of the Emergency Ordinance 66/ 2011.

- IR36 – RO Justice programme, project name Judiciary Training and Capacity Building

The suspicion of irregularity was discovered following the verification of the supporting documents related to the Interim Financial Report No.3 submitted by the Project Promoter (The Superior Council of Magistracy) for the period

July 1st - September 30th 2019, regarding the correct application of salary top ups for the project team members, in line with Law 153/2017 on the remuneration of staff paid from public funds.

Estimation of irregular amount (April-June 2019) = 9.517 lei.

Estimation of irregular amount (July-September 2019) = 1.623 lei.

In addition, for IFR 3, the amount of 10.719 lei was declared ineligible by the PO, amount which was recovered from the PP on February 3rd 2020.

The suspected amounts are provisional, pending on the issuance of the finding report.

The suspicion of fraud IR34 is in relation to **RO Culture programme**, project name DIRECT C – Developing Regional Initiatives for Education and Culture through Knowledge Transfer

The suspicion of fraud relates to the fact that the project is subject to double financing by RO CULTURE and another public granting programme financed by AFCN (National Administration for Cultural Funding, Romania), namely the 2 projects are characterized by identity of objectives, activities, indicators and expenditures. In addition, the identical activities of both projects are implemented at the same time.

Therefore, PO considers that PP was ineligible upon the signature of the Project Contract.

The implementation of the project granted through RO-CULTURE (i.e, payments, project implementation etc.) has been suspended. Also, PO decided to unilaterally cancel the project contract and recover the advance payment together with the interest rate, calculated according to the *de minimis aid* regulations. This is a pending procedure. The debt to be recovered amounts to 256,043.97 lei (advance payment) + 2,621.23 lei (interest, calculated until 10th of August 2020).

Moreover, there are two irregularity cases under RO Justice programme which fall under the provisions of art. 12.5.3 b) of the Regulations, being corrected by the PO within IFR no. 3 submitted to FMO, as follows:

1. Project name:” Supporting the implementation of the Istanbul Convention in Romania”

The suspected irregularity was discovered following the verification of the supporting documents related to the expenses included in the financial intermediary reports no. 2 and 3 submitted by the project promoter for the periods April - June 2019 and July-September 2019, respectively of the documents corresponding to the enterprise contract no. 1 /15.04.2019 concluded by the PP, having a total value of 29,376.9 lei (VAT included).

The procedure for the investigation of the suspicion of irregularity was finalized in accordance with the provisions of the applicable law, the finding report was issued and the irregularity was confirmed for the amount of 12,241 lei (out of which 10,404.85 lei Norway grant), amount recovered in July 2020.

2. Project name:” Fighting Criminality and Corruption”

The suspicion of irregularity was spotted following the verification of the supporting documents related to the acquisitions included in the interim financial report no. 3 submitted by the project promoter for the period April - June 2019, respectively the ex post verification of procurement procedures attached to the report. The procedure for the investigation of the suspicion of irregularity was finalized in accordance with the provisions of the applicable law, the finding report was issued and the irregularity was confirmed for the amount of 17,802.01 lei (out of which 15,131.71 lei Norway grant), amount recovered in July 2020.

7. Audit

In the reporting period, the Audit Authority performed the following activities:

- assessment of compliance and proportionality of the MCS established by the POs for 3 programmes: Culture, Health and Environment;

The qualified opinion expressed by the AA for the Culture Programme was that the MCS established by the PO is partially compliant with the Regulation and the generally accepted accounting principles and, at the same time, the requirements of the MCS are not proportional to the effectiveness in reaching the objectives of the programme. The AA found that in the Ministry of Culture personnel was employed on positions outside the organizational chart, for performance of the specific activities of Programme Operator, although the legislative framework allows the

employment of personnel on positions outside the organizational chart only for activities performed within the projects financed from European non-reimbursable funds.

In case of Health Programme and Environment Programme, the AA expressed an adverse opinion due to the fact that the MCS established by the POs were non-compliant with the provisions of the Regulations and the generally accepted accounting principles and, at the same time, the requirements of the MCS were not proportional to the effectiveness in reaching the objectives of the programmes.

- revision of the opinion issued during the audit mission on the Assessment of compliance and proportionality of the MCS established and implemented by the national structures appointed to implement the EEA and Norwegian Financial Mechanisms for 2014-2021;

Based on the examination of the implementation status of the recommendations, the AA issued an unqualified opinion confirming that MCS established and implemented by the national structures is in line with the provisions of the Regulations, generally accepted accounting principles and is proportional to the effectiveness of achieving the objectives of the programs.

- performance of the system audit missions for 4 programmes: Education, Research, Local Development and Justice;

As a result of the verifications carried out during the system audit missions the MSC implemented for the Education Programme was included in *Category 2 - Works, but some improvements are needed*, the Research Programme in *Category 3 - Works partially, substantial improvements are needed* and the Local Development in *Category 2 - Works, but some improvements are needed*. For the Justice Programme and Education Program (MCS implemented in 2019) the draft audit reports are under preparation and will be approved in the next period.

- performance of the operational audit missions for 3 programmes: Education, Research and Local Development;

Following the verifications carried out on the samples selected for the expenditures authorized and certified for Education and Research Programmes, the AA didn't identified non-eligible expenditures. The draft operational audit report for Local Development Programme is under preparation.

- revision of the opinion issued during the audit mission on the assessment of compliance and proportionality of the MCS established by the PO for the Health Programme;

After revision, the qualified opinion expressed by the AA for the Health Programme was that the MCS established by the PO is partially compliant with the Regulation and the generally accepted accounting principles and, at the same time, the requirements of the MCS are proportional to the effectiveness in reaching the objectives of the programme.

- preparing the audit strategy for 2014-2021 programming period

The audit strategy for 2014-2021 programming period was elaborated by the Audit Authority and was approved by the management of the Ministry of Public Finance on 23.08.2020.

- follow-up on the stage of implementation of the recommendations formulated during the audit missions of assessment of the compliance and proportionality of the MCS established by the POs;

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

8. Communication

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 web page eeagrants.ro 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.

Updates were constantly made on the website with information and press releases with the occasion of relevant events in Programmes - 62 articles.

Also, NFP web page was accessed by 65,502 users (with a number of 38,897 unique users) with the following results:

- page views: 290,450
- number of pages/session: 7 pages
- avg. session duration: 07:30 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:

- 4231 followers
- 3915 likes to posts

In the reporting period, 85 new posts were published on Facebook.

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

The promotion of the two financial mechanisms is an important attribution of the PNC mentioned in the implementing regulations and the communication strategy also provides for the development of information and promotion products. Therefore, NFP has concluded a contract, having as general objective, the provision of promotional and information materials for their dissemination by the beneficiary. All the products have been customized according to the provisions of the communication and design manual.

The NFP also participated in the launching event organized for Health Programme in 2019 – and ensured the visibility of the calls for proposals in the reporting period through press releases and publication on Facebook and the website, for all the programmes.

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

9. Monitoring and evaluation

a. Monitoring

The NFP has constantly followed and assisted in the activities performed by POs – development and approval of management and controls systems, as well as related working procedures, assessing open calls, fulfilment of PA conditions and any necessary PA modifications, preparation of predefined projects, signature of the financing contracts, 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 constitute the basis for the monitoring by the NFP and each programme officer within the NFP performs an analysis of the reports. 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. This kind of visits depends on the evolution of the COVID- 19 pandemic.

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. 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 sent on 28.02.2020 was 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. Following the assessment of the NFP proposal and based on the Donors' midterm assessment of the programmes in Romania, the Donors made some proposals for allocating the reserve which were discussed on 22 June 2020. Further to the meeting and the subsequent exchange of messages with the FMO, the agreement reached regarding the allocation of the reserve is outline in the tables below:

EEA FM

Programme	Amount	Allocate to
Research	€4,800,000	Reserve list under EEA Financial Mechanism call for proposals for research projects
Culture	€4,200,000	Reserve list under Outcome 1, Output 1.1. and Outcome 2, Outputs 2.1., 2.2.
Health	€1,000,000	PDP5 - Strengthening the TB control in Romania through implementation of the WHO END TB Strategy 2016-2020 - Increasing the budget available for purchasing of drugs.
Total	€ 10,000,000	

Norwegian FM

Programme	Amount	Allocate to
Research	€2,400,000	Reserve list under the Norwegian Financial Mechanism call for proposals for research projects
Justice	€3,700,000	New PDP in the area of Correctional Services (indicative budget of €2,660,000 New PDP in the area of Good Governance (indicative budget of €170,000 New PDP in the area of Domestic and GBV in cooperation with the NMOJ (indicative budget of €700,000)
Local Development	€3,900,000	Reserve list under call 2 – Inclusive Education for Children and Youth in Risk
Total	€ 10,000,000	

The final versions of the modified MoUs were received by NFP via Grace at the end of August 2020 and communicated to all 5 relevant POs in order to start the modification of the Programme Agreements so that the legal framework to be set up for the contracting the new projects by end of 2020. Also, the documents were made public on NFP website.

10. Issues for the annual meeting

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

1. Draft Strategic Report 2019 – Presentation and Discussions
2. Status of programme implementation including physical and financial progress and audit aspects - (risk-based approach)
3. Bilateral cooperation including status of the Joint Committee for Bilateral Funds (national and programmes levels)
4. Publicity and communication
5. Starting discussions on Reallocation between the programmes as per art.6.9.6 Regulations