

1. Executive summary

The social and economic situation of Romania was severely affected by the COVID-19 pandemic. A range of measures to limit the spread of the coronavirus were imposed, such as the closure of schools/online teaching, suspension of cultural, entertainment and sports activities, restriction of travel and movement, restrictions on social gatherings, etc. The already challenged public health, education and social assistance sectors were severely disrupted, affecting in particular Romanian society's most vulnerable groups.

In this difficult context, by March 2021, all EEA and Norway Grants Programmes achieved a significant level of progress, finalizing the preparatory activities, carrying out selection procedures and project contracting.

An amount of €307,754,152 has been made available in 66 open calls launched, representing 91% of the budget. Overall, 410 projects are currently in implementation with a total value of €271,792,169, representing 57% of the total budget. On the Programmes managed by Romania, 247 projects have been contracted, with a total value of €225,766,553 (70% of the total available budget).

Financial implementation is also progressing, 27.55% of the available budget being disbursed to Programmes and €82,694,217 (16%) of the budget has been paid to projects.

More efforts are needed when it comes to the preparation of a few remaining predefined projects and related donor partnership agreements in the Justice, Culture and Local Development Programmes. So far, 93% of the budget allocated to predefined projects has been contracted.

An important milestone achieved was the finalisation of the process for the allocation of the reserve, an additional €20 million (and related national co-financing) being distributed to research, children and youth at risk, public health, justice and culture. The distribution was based on the analysis of progress achieved, 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. All the modifications were agreed at the end of June 2020 and the amended MoUs were finalized on 8 September 2020.

Most importantly, the Grants are starting to deliver tangible results. Through the projects supported by the Local Development Programme, 1,397 children and young people at risk of early-school leaving and 86 children and young people with special education needs started to receive social services. Out of the 15,000 persons belonging to vulnerable groups targeted by the Programme, 1,254 started to receive personalised services (information, counselling, social, education and medical services, support for employment etc.). 800 people living in the streets and other vulnerable categories received information services, counselling, occasional street help, medical evaluations and medical treatments.

The Education Programme supported 86 students and 125 educational staff mobilities. The programme is also increasing the institutional capacity of schools to ensure an effective inclusion of Roma children. 99.75% of all teachers involved in the training sessions declared an improvement of their competencies regarding Roma inclusion. 399 teachers were trained on inclusiveness and multicultural environment, 806 Roma and Romanian parents participated in joint projects activities along with 1382 of pupils (Roma and Romanian pupils); discrimination perceived by pupils in schools decreased by more than 26%.

Most projects under the Health Programme have faced delays and suspensions due to COVID-19 restrictions. However, progress in terms of results can be seen. The project dedicated to improving cancer screening for people in isolated or vulnerable situations, carried out a door to door information campaign which reached 26,400 women and performed 6,796 cervical cancer tests, while respecting all COVID-19 safety rules. Guidelines for diagnostic and treatment of children with cancer, based on bilateral cooperation with the Norwegian partner, were developed and procurement of medical equipment is advanced. Overall, 559 children were reached by the project.

The pandemic-related restrictions had a significant impact on the cultural sector in Romania and the areas of intervention of the Culture Programme represented a substantial support, though the projects in implementation and the new open calls launched.

Despite the travel restrictions, 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 online Cooperation Committees and Selection Committees meetings. Already, 122 projects under the Programmes managed by Romania are implemented in bilateral partnership.

The pandemic has clearly put additional risk on the EEA & Norway Grants Programmes, primarily in terms of timely implementation of projects. Additional efforts are required from project promoters and partners to overcome the limitations and restrictions and deliver the results expected on time. The NFP and Programme Operators have taken measures to mitigate these risks, but unpredictable future developments remain a challenge.

2. Political, economic and social context

The social and economic situation of Romania was severely affected by the COVID-19 pandemic. A range of measures to limit the spread of coronavirus were taken by the government - a state of national emergency/alert was declared, schools were closed (with teaching moved online), cultural, entertainment and sports activities were restricted, the activity of certain businesses was suspended and travel and movement restrictions were applied. As in the rest of Europe, the measures were temporarily lifted and reimposed based on the number of new cases and hospital admissions.

Parliamentary elections were held on 6 December 2020 and a new three-party coalition government was invested on 23 December. Local elections were also held in September 2020. These political changes did not affect the management and control structure or the implementation of the Programmes.

According to Eurostat, Romania's economy shrank in 2020 by an estimated 3.9%, outperforming the rest of the EU which registered an average contraction of 6.2. A severe 12.2% GDP contraction in the second quarter of 2020 was followed by a rebound of 5.8% in the third quarter. The unemployment rate remained around 5%, as government policy measures were applied out to reduce the impact to the labour market.

The measures taken to tackle the spread of the virus contributed to an increase in the digitization of activities and procedures, both at national and local level. The use of electronic signatures has been better regulated, obligations were imposed to public institutions to accept documents in electronic form and digitally signed.

Support measures for businesses with activity affected by the crisis were taken by the government such as subsidised salary costs for staff being in technical unemployment, deferred payment for utilities, electricity, natural gas, water, telephone and internet services, rent for the building used as office, or bank credit payments. According to current data, Romania's GDP is forecast to grow by 3.8% in 2021 and by 4% in 2022 (source: EC European Economic Forecast report winter 2021 and Eurostat).

The **education** process was severely disrupted, especially for children in already vulnerable situations, by the closure of schools, with online teaching expertise and technical capabilities lacking. The Save the Children Foundation estimates that school closures in the context of the pandemic has widened already existing inequalities between children and has obstructed or effectively prohibited access to education for over 600,000 children who could not attend online school. In this context, remedial and school-after-school programmes have become even more necessary in the next period.

Consistently low educational outcomes and **high rates of early school leaving** 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.

The already challenged **public health system** in Romania suffered greatly with hospital overcrowding, shortage of medical staff, overwhelming pressure on medical staff, lack of protective equipment and intensive care capacity. Emergency funding was made available from the European Funds and state budget which helped to remedy some of issues. Romania recorded a peak in the rate of excess mortality (as defined by Eurostat) in December 2020, estimated at 51%.

As in the rest of Europe, the pandemic crisis had a significant impact on the **cultural sector**. The restriction of organizing events that involve a large number of persons, prohibition of leaving the house without a justified reason during the state of emergency (May – April), restrictions imposed during the state of alert have all caused challenges for the cultural players to continue their activity and even to survive. The sector was targeted by the support measures taken by the government, with different schemes of subsidies being carried out.

According to the European Commission's Country Report Romania 2020, the percentage of **people at risk of poverty or social exclusion** was still among the highest in the EU, with one in three Romanians still at risk of poverty or social exclusion. Poverty risks affect rural areas and vulnerable groups more strongly and tend to be associated with low

educational attainment and unfavourable socio-economic status. Child poverty remains among the highest in the EU, affecting 38.1% of children compared to an EU average of 24.3%.

Low participation in [early childhood education](#) and care widens inequality of opportunities between pupils. Only 15.7% of children below the age of three are in formal childcare. For children aged between four and the compulsory school age participation increased to 89.6% in 2017, but remains below the EU average (95.4%). This rate is even lower for children in rural areas and Roma. This has a detrimental effect on the acquisition of basic skills and on the social mobility of children from disadvantaged backgrounds or marginalised communities. The coverage of the kindergarten network improved but rural-urban disparities persist.

The integration of the [Roma community](#) remains a challenge. Roma people are much more affected by poor housing conditions (World Bank, 2014) 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. The results of the several Roma inclusion projects (financed by the European Social Fund) are deemed by the EC as not yet visible.

[Social service provision](#) remains largely insufficient, particularly in rural areas. Low salaries, lack of attractiveness of rural areas and strict conditions of access to the profession of social worker hamper the provision of social services. Recently, the government broadened the access of social work technicians) in the integrated teams at community level in order to cover the professionals' shortage. However, the social work technicians can only carry out their activity under the supervision by a social worker which creates other difficulties in delivering the social services at community level. Coordination between the local, county and national levels remains poor, also due to the fragmented distribution of powers and responsibilities (European Commission, 2019).

[Regional disparities](#) in Romania are amongst the highest in the EU and the trend is negative. The urban-rural disparities create very high income and opportunity inequality across the population. The risk of poverty decreased in cities but remained relatively constant in rural areas, almost five times higher compared to cities. More than half of the rural employed population is not covered by pension, unemployment or health insurance, despite their compulsory nature. Access to health care is especially poor and self-reported unmet needs for medical examination was twice as high as in urban areas and four times higher than the EU average.

[People with disabilities](#) have limited access to support services. The rate of persons with disabilities at risk of poverty or social exclusion in Romania is among the highest in the EU (37.6% vs an EU average of 28.7%). The lack of synergies and complementarity between educational, employment and social services further aggravates the situation of this group. Moreover, there are no licensed community services for adults with disabilities. The deinstitutionalisation of care of adults with disabilities is only being taken up slowly, while significant EU funds are available.

The percentage of [young people neither in education nor in employment](#) and training is among the highest in the EU. In 2018, 14.5% of young people (15-29 years) were neither in education nor in employment and training (NEET), compared to the EU average of 14.5%. More than a third of them were discouraged workers, short- and long-term unemployed. Despite the positive outcomes of some outreach measures, around 69% of NEETs remain inactive. In addition, a very high and increasing share of young people leave the country.

3. Effects of the Grants

3.1. Reducing social and economic disparities

The EEA and Norway Grants 2014-2021 in Romania are deemed to contribute to the objective of economic and social cohesion within the EEA, through the implementation of the Programmes and projects and reaching the set outputs and outcomes.

Moreover, the general goal of reducing social and economic disparities should be assessed in the context of Romania's position within the EU, lagging behind in terms of socio-economic development and with growing internal regional disparities, as revealed by relevant studies and statistical indicators. The COVID-19 pandemic has and will continue to cause the widening of inequality and disparities, in access to education, health and social protection.

At this time, all Programmes are still in their early stages of implementation and the effect of the Grants cannot be assessed.

Our programmes, such as health, local development, poverty reduction, culture, will deliver concrete benefits in local communities where projects will be implemented. The investments in environmental protection, energy greening climate change, business development, research and public health are expected to deliver long-term social and economic benefits.

3.2. Strengthening bilateral relations with donor state entities

All Programmes are still in their early stages of implementation and the progress in the achievement of the bilateral objectives is limited.

The measures undertaken by Programme Operators and Donor Programme Partners during the launch of open calls or preparation of predefined projects paid off and there are very good premises for the consolidation of bilateral relations.

122 projects with donor partners of a total number of 247 are currently in implementation in the Programmes managed by Romania (the NFP does not have access to this type of data in Grace concerning programmes managed by the Donor States). Projects in justice - especially correctional services and domestic violence, home affairs - police cooperation, research, education, culture and health have strong bilateral presence at project level.

Bilateral cooperation was affected by the travel restrictions imposed by the COVID-19 pandemic. However, most of the Programme-level activities were suitable to be conducted online such as matchmaking seminars, cooperation committees, selection committees.

The cooperation with Donor partners also continued in projects, using remote technologies, where possible.

One example of continued bilateral work is the project “The Photographic Image Between Past and Future” which will showcase one of the most important photographic archives in Romania built by the art historian, photographer and former Director of the National Museum of Contemporary Art of Romania, Mihai Oroveanu, but also to provide professional contributions to the study of image. The donor project partner, Fotogalleriet Oslo, provided during 2020, through online trainings, expertise and transfer of knowledge in the fields of curating and photographic archiving. With increased competences, the project team will continue to digitize, preserve and publish online archival photographs and to establish innovative methods of engaging the public. The estimation is that by the end of the project, this will be one of the most significant online collections in Romania, amounting to tens of thousands of images.

Another notable partnership of cultural cooperation is the project Mirrors of Brâncuși - the Romanian Art Production Foundation and Christian Westblikk of Norway. The project is developing and itinerates a multimedia production showcasing the life and works of Constantin Brancusi to new audiences. It will include artistic installations, video mapping to recreate Brâncuși’s life, holograms depicting people walking up and down on “The Endless Column”. The Norwegian partner will run a mentoring and job-shadowing program, but also coordinate the exhibition in Bergen.

The partnership project seeking to improve organized screening for cancer in Romania, a continuation of a successful cooperation in the previous period of the grants, carried on its activities, performing screening and follow-up tests for vulnerable women without access to such services. A post-doctoral study, which will further provide qualitative insights into the project, has also been drafted by the Norwegian partner.

The €31 million project *Correctional*, as well as the three other projects in the field of correctional services is based on bilateral transfer of knowledge. The project is built on the Norwegian „seamless principle” and it envisages its translation in the Romanian correctional system. To this end, the Romanian and Norwegian partners are working closely together in order to assess the current situation in Romania and to develop a new and more suitable approach to the reintegration process of convicted persons.

Under the **Fund for Bilateral Relations**, following a positive decision of the JCBF, the open call for bilateral initiatives in the context of *Timișoara European Capital of Culture 2023* (postponed from 2021) has been relaunched with an increased budget of €2,000,000 on 17 March 2021. The relaunch generated a lot of interest and has been widely disseminated in the online press and social media.

The Romanian and Norwegian labour authorities are exploring the issues of workers’ rights and developed an information campaign addressed to Romanian workers in Norway, also available www.arbeidstilsynet.no/en/knowyourrights-RO/

The initiative *Geopolitics and Russian force projection: Arctic and Black Sea* (FLANKS) has contributed to improving knowledge about the security challenges faced by Norway and Romania in their respective regions by publishing a

series of publications that offer comprehensive national perspectives on the regional security dynamics in Northern and Southern Europe and by disseminating these results in public events and through online channels (<https://www.newstrategycenter.ro/wp-content/uploads/2019/11/FLANKS-Policy-Brief-The-Crimean-Aircraft-Carrier.-Russian-Federation-Militarization-of-the-Black-Sea.pdf>)

Open calls for bilateral initiatives aiming to identify partners for donor partnership projects and the development of partnerships, as well as matchmaking events, were organized in all programmes.

In addition, several initiatives were implemented or planned for developing bilateral cooperation between Romanian and Donor State entities in the areas targeted by Programmes - such as domestic violence and correctional services in the Justice Programme or good governance, inclusive education or Roma inclusion in the Local Development programme.

The initiative Romanian participation in the European Research Infrastructure Consortium for the European Social Survey (ESS ERIC) has been successfully implemented by the Romanian - RODA (the Romanian Social Data Archive) and Norwegian - NSD (Norsk Senter for Forskningsdata AS) partners. Its main objective was to provide data for policy and research and to improve Romanian participation in the European Research Area and in the EU framework programmes for research and innovation.

4. Status of Programmes

Research

The progress and results achieved so far by the Programme are very good. By the end of 2020, both calls for proposals (EEA Grants – 2018 and Norway Grants – 2019) were launched, applications were evaluated (285 project proposals submitted in 2019 were evaluated using 260 international experts) and 21 new projects were contracted. The contracting of projects on the reserve lists using the additional budget allocated to the Programme in 2020 (increase from €47,058,824 to €55,529,412) was also finalized, bringing the total number of projects in implementation at 42.

The PO estimates that the Covid-19 pandemic had medium to low impact on the implementation of the projects and Programme. There were few concerns mentioned by Principal Investigators regarding the influence of the COVID-19 pandemic on the implementation of projects as the reduced number of travel and meetings between partners (including international conferences) or reduced capacity to perform certain tasks as experiments, studying patients etc. 5 out of the 11 projects declared that the scientific activities were not affected by the pandemic.

In order to address the risks generated by the Covid-19 pandemic, the Programme Operator supported the project promoters in order to adapt to new conditions. The support consisted in regular meetings (online) and in the provision of instruments for project updates (modification of projects budgets/ implementation Gant, update of the ITC platforms etc.). In relation to the Programme Operator activity, the Covid-19 pandemic was not a disruptive factor due to the fact that the Programme Operator already used extensively the ITC technology (for evaluation and contracting of projects, for annual reporting from promoters, for internal Programme Operator day-to-day business etc.)

Important steps have been made in achieving the Programme targets based only on the reporting made by with 11 projects contracted from the 2018 EEA call, for their first year of implementation.

The *number of peer-reviewed scientific publications submitted* indicator was achieved in proportion of 30% (30 out of 100). This was possible due to extensive research performed by the staff involved in the project activities and working packages, research that materialized in articles sent to peer-review scientific publications. Each of those 30 scientific publications submitted had received submission confirmation from the editorial board, the type of scientific publication being open access.

The number of jobs created and number of researchers supported indicators was also bigger than expected – 24 out of 80 targeted (30%) representing newly jobs created within the 11 projects financed only under the EEA call. Also, the *number of researchers supported* significantly exceeded the target value (997 vs. 750) due to large research teams in the 32 projects financed and the gender balance is fully respected (out of 997 researchers 495 are women and 502 men).

Not least, the level of cooperation between researchers, research entities and companies from RO and DS countries is high, as highlighted by the associated indicators. According to the partnerships signed within the projects, the number of bilateral institutional partnerships between Donor States and Romanian entities is 109 out of 110 targeted. Also, looking at the type of the institutions involved in projects, the number of signed collaborative links between research organisations and companies involved in the programme is 39 out of 70 (56%). Finally, the target

for number of projects involving the cooperation of a donor project partner is fulfilled (42 vs. 41) due to eligibility criteria set in the project calls (all the projects should be submitted in partnership RO vs. DS).

A good level of financial implementation has also been registered, with interim payments to projects in total amount of €4,145,663.

Roma objective (minimum allocation: €5,552,941)

Following the finalisation of the second open calls conducted under the Programme – collaborative research projects (Norway Grants 2019) in the period 10.09-16.12.2019, as well as the additional funding provided from the reserve, the following projects have been selected and are addressing the Roma topic:

- Early literacy development of Roma children from Romania: Bridging the socio-economic divide (EEA 2018 call),
- Precarious labour and peripheral housing. The socio-economic practices of Romanian Roma in the context of changing industrial relations and uneven territorial development (NO 2019 call),
- 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 (NO 2019 call)
- The Role of the Romanian Orthodox Church in Social Integration of Roma People: Towards a Participatory Approach (NO 2019 call).

All the projects are currently under implementation (total budget of €4,925,055), with results to be reported in the next period. Having in mind that the minimum allocation for projects addressing Roma issues is 5,552,941 euro, the total amount allocated to projects addressing Roma was €4,924,965 (9.48% out of 10% of the total eligible expenditures). The unspent difference will be discussed together with Programme Committee members in the next period.

Education

The Romanian Education Programme was the 1st educational programme approved and started, with a 1st Call in the 4th quarter of 2017. Therefore, in 2020, it should have reached a maturity period, appropriate for a first interim evaluation of the impact and results. Unfortunately, the pandemic situation affected significantly its implementation.

Being an educational programme, based on transnational cooperation and mobility, the Covid-19 pandemic situation caused many of the projects' activities scheduled to end this year to be cancelled and almost all mobilities stopped. Therefore, the majority of the projects requested the extension of their grant agreements duration and only a small number of final reports were received. In this regard, the achievement of the targets planned was affected. However, from the few final reports received, a number of achievements could be highlighted for 2020.

Regarding mobilities (Outcome 1), 86 students and 125 staff mobilities were realised in total from the beginning of the Programme (outgoing or incoming), out of which 4 students and 16 staff in 2020. Most of the mobility projects duration were extended in order to undertake the mobilities once the travel restrictions will end. In conjunction to this it is worth to mention 97% of staff involved in mobilities (both outgoing and incoming) declared that they had improved their skills /competences in their field.

In the field of cooperation projects in higher education (outcome 2), the 1st Call, launched in January 2018, led to 5 cooperation projects approved; until the end of 2020 only 2 projects were finalized. Until the end of 2020, 2 joint articles submitted to peer review publications were registered, 6 joint intellectual outputs were produced, 2 joint events were organized in the framework of the finalized projects, with the participation of 46 students and staff.

Until the end of 2020, the last 4 projects approved from the 1st call of the Outcome 3 were finalized and one project from the 2-nd call ended too. All the mobilities realized so far (122 mobilities reported in final reports) represent almost 35% from total mobilities foreseen for the Outcome 3; almost 90% of the participants state that they improved their skills in the areas of democracy, human rights, social inclusion and their field of service; all the participants received Europass certificates, therefore the PO is satisfied with the results.

For the VET field (outcome 4) all the 3 projects approved in the 2-nd call were finalized. 72 persons participated in total at study visits in Norway (24% of the Programme target) within the 7 projects financed until the end of reporting period and 32 new Locally Developed Curricula were designed by the schools and companies together (this result overachieves by 12 the whole target set for the programme).

As for the increased institutional capacity of schools to ensure an effective inclusion of Roma children (outcome 5), from the final reports received so far, the available results are: 99.75% of all teachers involved in the training

sessions declared an improvement of their competencies regarding Roma inclusion. 399 teachers were trained on inclusiveness and multicultural environment, 806 Roma and Romanian parents participated in joint projects activities along with 1382 of pupils (Roma and Romanian pupils); discrimination perceived by pupils in schools decreased by more than 26% (bigger than the target set at 15%).

Related to the challenges faced related to absorption/disbursements, due to the Covid19 pandemic situation in Romania and in the host Partner Countries, most of the transnational mobilities (e.g. students, staff) were cancelled/postponed/ interrupted in this period, some of the face-to-face activities in cooperation projects were postponed and some were undertaken online. Many projects requested the extension of the contractual periods and the PO approved the requests (in order for them to accomplish all the planned activities). In addition, in dealing with the effects of the Covid19 pandemic, especially on mobility projects, the PO used the same principles as in Erasmus+ Programme (e.g.: Guidelines on how to treat the force majeure cases, PO allowed for blended activities: virtual + physical mobilities).

Even though the PO approved for the 2019 Call in the field of VET 10 projects, none of them has a VET school from a DS as a partner, so this challenge still remains: the low interest of the VET schools from Donor States to involve in international cooperation with RO VET schools, partially explained by the pandemic context but also by the fact that, for example, in Norway the VET schools do not have a clear obligation from the Ministry of Education to focus on internationalisation (as the universities have).

In order to better cope with Covid19 pandemic effects, in 2020 Call, after discussions with FMO, DPP's and NFP, the PO included for SE and VET field the possibility to organise virtual learning activities if the physical mobility is eventually not possible. Also, for the 2020 Call, in the case of cooperation projects in higher education the PO introduced a new priority meaning that projects that aim at innovating learning/teaching practices and tools in the digital era (therefore with focus on digitalization of education) will receive additional priority points in the assessment phase.

Roma objective (minimum allocation: €1,411,765)

Four rounds of the open call dedicated to projects for increased institutional capacity of schools to ensure an effective inclusion of Roma children have been carried out so far.

Round 1: All 5 selected projects were finalised and 1 final report is in the assessment phase. Total contracted for the 5 completed projects: €609,901; total expenditure: €573,734.

We can summarize all the finalized projects` results as follows: 99.75% of all teachers involved in the training sessions declared an improvement of their competencies regarding Roma inclusion, which is a good result considering that the target set for all the programme is 90%; the discrimination perceived by pupils in schools decreased with more than 26% (as an average), bigger than the target set (15%) in the indicators framework; 47 schools were/are involved in these projects with 34.28% more than the target set; 399 teachers were trained on inclusiveness and multicultural environment in all the finalized projects, with 14% more than the target set of 350 teachers; 47 new optional curricula and teaching materials were developed throughout those projects, with 56.66% more than the initial target of the programme; a very large number (806) of Roma and Romanian parents participated in joint projects activities which is more than double than the target set; 1382 of pupils (Roma and Romanian pupils) participated in joint activities in the finalized projects, meaning than the target was overreached by 38.2%; 98.55% of the pupils involved in joint activities were satisfied, which overpassed the initial target set to 90%.

The overachievement of indicators was generated by the good work of the promoters, that adapted their reply to the complex inclusion needs identified in the selected schools (with more than 20% of Roma pupils): more teachers working with Roma children needed and wanted to develop competencies on inclusive schools, pupils rights and pupils centered approach, more Roma and non-Roma parents and children needed and wanted information on discrimination or social inclusion, more curricula and teaching materials were elaborated to respond to the lack of teachers' competencies in creating a multicultural and inclusive school environment. The quality of the activities implemented attracted more participants, generated a higher satisfaction of pupils and a higher decrease of discrimination rate perceived by the pupils involved.

From Round 2, 1 project is in the implementation phase. Round 3 was launched on 06.12.2019 with a budget of €506,758 (including the uncontracted amount from 1-st and 2-nd round). The initial deadline was 05.05.2020, but

due to COVID-19 pandemic situation was postponed until 01.10.2020. 3 projects were approved and the PO issued the grant agreements according to the implementation period for each project.

Round 4 was launched on 03.12.2020 with a total budget of €376,325 (including the uncontracted amount from 2019 round and funds that remains unspent from projects from the 2018 1-st round) and will be open until 04.06.2021.

Local Development

The Programme entered, during 2020 and beginning of 2021, in an advanced phase of implementation, recording the first tangible results.

Within the projects implemented under the Children and Youth at Risk area, outcome 2, out of the 8,000 children and youth at risk of early-school leaving targeted by the Programme, 1,397 (about 17%) started to receive services by the end of 2020. First progress was also made in providing support to children and youth with special education needs, out of the 900 targeted by the Programme, 86 (about 9.5%) starting to benefit of specific services.

Under the Local Development and Poverty Reduction area, about 1,250 persons belonging to vulnerable groups (8.3% of the targeted beneficiaries) received first personalised services (information, counselling, social, education and medical services, support for employment etc.).

8 projects (total value: €170,575) financed within the “Access to financing” small grant scheme have been completed. Technical documentation necessary for project applications on other funding sources is now available for poor communities, for road infrastructure, multifunctional centers, high school building rehabilitation and kindergarten construction. 9 other projects have been selected (€235.000) as a result of round 2 of the SGS in 2020, targeting road (5), educational (3) and health infrastructure (1).

6 out of the 7 planned calls for proposals were launched/completed (including SGSs), 46 projects were contracted and over €36.09 million (about 44% of the available budget for projects) were allocated to their implementation until March 15, 2021.

By March 15, 2021, the following calls have been launched:

No	Call	Launching date	Deadline for submission	No of projects		
				received	approved	contracted
1	Poverty Reduction	December 06, 2018	May 8, 2019	7	4*	2
2	Inclusive Education for Children and Youth in Risk	December 12, 2018	May 28, 2019	117	19	12
3	Access to Funding 2019	February 05, 2019	April 24, 2019	11	9*	8
3.1	Access to Funding 2020 (relaunch)	April 07, 2020	July 27, 2020	35	9	9
4	Local Development	September 10, 2019	February 25, 2020	101	14	2
5	Enhancing Roma Inclusion and Empowerment	September 11, 2019	January 30, 2020	32	12	11
5.1	Enhancing Roma Inclusion and Empowerment (relaunch)	January 6, 2021	April 15, 2021	-	-	-
6	Human Rights	January 5, 2021	April 9, 2021	-	-	-
-	Pre-defined projects	-	-	3	3	2
TOTAL				306	70	46

*one project withdrawn by the PP

In September 2020, the Programme budget was increased with €3,900,000 (and corresponding national co-financing) as a result of reserve allocation. The amount was used for contracting projects from the reserve lists of calls on children and youth at risk and local development.

Two of the three pre-defined projects included in the Programme have been approved and are currently under implementation (since 2019), with consistent interventions in the fields of education and good governance.

The third one was received by the PO in September 2020, conditionally approved and is now in the contracting phase (the maximum grant is €3,020,000) – to be completed until May, 2021 (depending on the fulfilment of financing and contracting conditions, including signing the Partnership Agreement with OECD).

In terms of disbursement, 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 already find alternative solutions and expenses shall increase gradually.

In line with the specific provision included in the MoU for EEA Financial Mechanism 2014-2021 (establishing a minimum allocation of €15 million to programme area Roma Inclusion and Empowerment), the PO addressed this by designing an intervention targeting two levels of projects, small projects for local PPs (small grant scheme SGS 1 – “Priority Interventions” - €1,647,059) and big, regional or national projects, for more systemic interventions (the open call “Enhancing Roma Inclusion and Empowerment” - €16,000,000). In the process of developing the call documents, PO organised 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 call documents.

The last call under this programme, related to the small grant scheme “Priority interventions” is under preparation, to be launched in April 2021.

Health

Due to the COVID 19 pandemic, the health policies and priorities changed in order to properly manage this public health threat. Despite this shift in the short term, the Health Programme remains very relevant for the Romanian health system.

During 2020, 4 project contracts for the predefined projects were signed which means that 7 out of 8 predefined projects are under implementation. Due to the finalisation of the process for the allocation of the reserve, the programme budget was increased with € 1,176,470, the new value being €48,235,294. Until 15.03.2021, the value of the funds contracted within the Programme was €31,202,303.75, representing 64.69% of the new total programme allocation. The amount disbursed was of €9,237,051.24, representing 19.15% of the total programme allocation.

The planned activities of the Programme were significantly affected by the COVID 19 pandemic. That led, on the one hand, to a significant slowdown/ limitation in implementing the planned activities at the level of the projects under implementation. The project promoters had to adapt their implementation strategy to the existing situation, reschedule certain activities, especially the ones directly involving project target groups, and move them online (to the extent possible) or even to suspend them for a period of time (for example, direct activities with target groups). The PO was constantly in contact with DPPs, NFP and FMO for taking appropriate measures to overcome this unforeseen event.

The contract for Project 1 *Strengthening the National Network of Primary Health Care Providers to improve the Health Status of the Population, children and adults (including vulnerable population)* was signed on 13.05.2020, but was suspended for 4 months until September 25, 2020. Currently, the project activities have been resumed, but there may be delays because the Project Promoter, National Institute of Public Health is one of the institutions involved in managing the effects of the COVID-19 pandemic. The preparatory activities for the implementation of the European Health Survey (EHES), the assessment of the health needs at the community level and of the health profile of the counties, the elaboration of the IT software of the county health profile, the development of an integrated model of services at the community level have already started.

Project 2 *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)* registered a good progress, carrying out 6,796 cervical cancer screening tests in the selected 7 counties of Romania. Other activities, like HPV vaccinations and a post-doctoral qualitative study of the Norwegian partner are also under implementation.

Project 4 *Creating a register to track left ventricular remodelling result of acute myocardial infarction in order to prevent cardiac failure* is also under implementation. The heart failure registry was developed and 200 patients were enrolled in the platform. An MRI equipment was installed and the staff training was completed (www.redefine-hf.ro). Suspected irregularities were identified by NFP based on the own verifications carried out in second part of 2020 (concerning the MRI acquisition, ultrasound acquisition, etc.). A decision regarding the application of financial corrections is awaited by NFP and CA. Payments were suspended by NFP for this project until the final report is issued by the PO.

Project 5 *Strengthening the TB control in Romania through implementation of the WHO END TB Strategy 2016-2020* is in implementation since April 2020. An additional budget of €1,176,470 (following the allocation of the reserve) was granted to the project in November 2020 to be used to purchase medications for MDR TB patients included in the project. An analysis of the epidemiological indicators at the level of the TB Programme and of the guide on infection control was elaborated in order to plan the activity. The public procurement procedures for the equipment and works proposed within the project started. The procedures for ensuring the necessary treatment for people with M / XDR-draft are under implementation. Also, the activities on funding and providing TB prevention and care services, including universal access for NGOs have started.

Project 6 *Increase performance regarding diagnosis and treatment of cancers in children* registered a good progress, the promoter carrying out 3 study visits and exchange of experience in Norway, developing guidelines for diagnostic and treatment of children with cancer. The procurement procedures for equipment are ongoing and most likely will be completed until June 2021. Considering the COVID 19 pandemic, the training courses are conducted online.

On Project 7 *Support for the development of community mental services for children and adolescents*, signed in March 2020, little progress was registered so far mainly due to the COVID 19 pandemic. The activities related to the awareness campaign, to the training component, to the national study in the field of mental health of children and adolescents, to the provision of mental health services for 1,500 children diagnosed with a health disorder have started.

Project 8 *Strengthening the capacity to address antimicrobial resistance (AMR) and healthcare associated infections (HAI) in Romania* signed on January 30, 2020, resumed after the temporary interruption of activities in March 2020. Despite of the epidemiological situation, a good progress was observed. In this sense, the PP has drafted the strategy and the work plan. The next steps are related to the piloting of the strategy and related trainings.

Project 3 *Development of the single healthcare professional's registry* was developed in 2018, by the Ministry of Health - Human Resources Centre for Public Health as project promoter but 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 promoter. As such, the new project promoter is the National Institute of Public Health. No major progress has been observed until now in developing of the project, mainly because the National Institute of Public Health is involved in the fight against the COVID-19 pandemic. Therefore, the project is most likely to be cancelled.

Two calls for proposals have been launched (74% of the allocated budget).

The launch of the Open Call for proposals no. 1: *Support measures for improving access to healthcare for vulnerable groups, including Roma* was set for May-June 2020, but due to the COVID 19 pandemic, it was postponed to autumn 2020. It was launched on 30th of September 2020 and the initial deadline was 4 January 2021. In December 2020, the deadline for submission of the application was extended first until 4 February and then until 30 March 2021 bearing in mind the interest of the possible applicants and the current epidemiological conditions. Given the increased interest in this call, a large number of applications are expected to be submitted until the deadline.

Small Grants Scheme no. 2 *Support for providing outreach services to remote and vulnerable populations, such as Roma* was launched on 9 December 2020 (with some delay) with initial deadline for submission of the application 09th of March 2021, extended until 29 April 2021.

Small Grant scheme 1: *Support for replicating the model of good practice for community healthcare and integrated community centres*. In 2020, there were no activities implemented regarding this small grant scheme. Due the COVID 19 pandemic, the small grant scheme was delayed and it will be launched by mid-2021. The launching of this small grant scheme is depending of the development of the good practices' guideline for community assistance within project 1.

Roma objective (minimum allocation: €4,823,529)

The conditionalities related to Roma inclusion from MoU and Programme Agreement were addressed within the predefined projects, call and small grant schemes. Until cut-off date, the predefined projects were contracted and call 1 and SGS 2 were developed and launched. The predefined projects are currently under implementation, with results to be reported in the next period.

Culture

During the challenging 2020, marked by the Covid-19 pandemic crisis, the PO has made efforts to meet the needs of the cultural and creative sectors, for which the EEA Grants represented a significant support in this difficult

context. Moreover, the total budget has been increased due to reserve fund approved by donors in 2020 with €4,941,176 allowing support for at least 5 more projects under the two Outcomes (2 projects under Outcome 1 – Monuments restored and revitalized and 3 projects under Outcome 2 – Access to culture increased) and a new predefined project under the Roma component.

During 2020, the PO launched a new open call for projects – *Open Call no. 5 Cultural entrepreneurship enhanced & larger audience developed*. The call was open between April 1st – July 1st 2020, with a total allocation of €2,000,000. By the deadline, 97 applications were submitted through the electronic management system of the Programme, amounting to €19,260,383 and applying for €17,382,343 in grant support. From the submitted applications, 83 projects are developed in partnership with cultural entities from Romania and/or the Donor States (57 projects involve cultural entities from Norway, 9 from Iceland and 2 from Liechtenstein). Following the administrative and eligibility evaluation, 79 projects (81%) were admitted for technical and financial evaluation.

For the three open calls launched in 2019, contracting was largely finalized and implementation of projects started. Considering the effects of the pandemics on all sectors, some project activities had to be delayed. The PO cooperated with each promoter, analysing case by case the opportunity of extension, while ensuring the project results can still be achieved.

For *Open Call 1 Monuments restored and revitalized* launched during 2019, the technical and financial evaluation of the 20 projects which qualified for this stage was finalized in March 2020, 17 projects receiving at least 70 points from the independent experts. The meeting of the Selection Committee for this call had to be organized online, due to international travel restrictions. The meeting took place on June 3rd, 2020, and the first 8 projects in the ranking list were approved for funding, while the 9th project was also recommended for funding, but with conditionalities. The grant contracts for 8 of the selected projects were concluded in September with a total grant value of €14,381,072.

Considering the additional allocation from the reserve for this call (from €16,000,000 to €19,501,176), a new Selection Committee was organized in February 2021; it was decided that the first 4 projects from the reserve list should enter the pre-contracting stage, even if from the available budget only 3 projects could be supported. This decision is meant to mitigate the risks related to insufficient time for restoration and valorisation works.

9 projects were selected under *Open Call 2 Innovative cultural exhibitions of restored objects* on September 27, 2019, the grant contracts were concluded by the end of January 2020. Considering the repeated restrictions imposed at national level through the state of emergency/alert, the implementation of these projects was affected, but the risk of not achieving project results was mitigated. Based on a case-by-case analysis, the project promoters requested either to postpone implementation or to transfer the activities online. Bearing in mind also the FMO position dated Brussels, 17 April 2020, the PO worked closely with all the promoters so that the effects of the crisis are minimized as much as possible.

Based on *Open Call 4 Cultural entrepreneurship enhanced & larger audience developed* – open between April 15 – July 15, 2019, 13 projects were approved for funding. Between March and September, the PO concluded grants contracts with 12 promoters, the other selected applicant requesting to postpone the start of the project until schools are reopened. However, among the 12 contracted projects a case of double funding was discovered by the PO (Irregularity Case 34) and the contract had to be terminated and the advance payment recovered. The precontracting stage was initiated with the first project from the reserve list in order to allocate the entire budget available for this call (€2,500,000).

The bilateral partnership at project level registers a very good level:

- 77% of the projects selected under call 1 are implemented in partnership with donor project partners (5 cultural organizations from Norway and 2 from Iceland);
- 56% of the projects selected under call 2 are implemented in partnership with donor project partners (4 cultural organizations from Norway and 1 from Iceland);
- 92% of the projects selected under call 4 are implemented in partnership with donor project partners (9 cultural organizations from Norway and 2 from Iceland).

A predefined project implemented in partnership by the “Dimitrie Gusti” National Village Museum with Glomdalsmuseet from Norway is under development, to be funded from the additional budget approved for the Programme from the reserve being estimated to be contracted by June 2021.

Roma objective (minimum allocation: €3,395,647)

The measures dedicated to Roma culture include:

- 1 predefined project – *ROM(a)NOR Interferences* – implemented by “Dimitrie Gusti” National Village Museum in partnership with Glomdalsmuseet from Norway, with an allocated budget of €1,394,118. The predefined project proposal is under development contracting being foreseen for June 2021.
- 1 open call dedicated to projects addressing the Roma objective – Roma cultural initiatives with an allocated budget of €2,000,000. Through the Addendum to the Programme Agreement a modification of the eligible organizations to be selected under Call #7 – *Roma cultural initiatives developed* was also approved. The PO developed the de minimis scheme applicable to this call and had several consultations with the Romanian Competition Council in this regard. On March 10 the PO launched a public consultation on the scheme, with deadline March 22nd. Following the public consultation, the PO will develop the call documents and launch the call for projects in Q3 2021.

Justice

The Programme budget has been increased in 2020 with €4,352,941 following the distribution of the reserve, 3 additional predefined projects concerning correctional services, providing support for the victims of domestic and gender-based violence and developing the post-2020 strategic anti-corruption policy.

In general terms, the Programme has registered good progress, with some risks in implementation seeing its large projects and timely public procurement procedures.

6 out of the 7 pre-defined projects initially foreseen in 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*).

Predefined project no. 7 *Legal advice and Guarantees to Access to Justice* was restructured, following to be promoted by the Prosecutor Office Attached to the High Court of Cassation and Justice in partnership with the European Union Agency for Fundamental Rights. It focusses on 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 projects are in various stages of implementation, depending on the projects’ contracts signature dates. In terms of financial disbursement, so far, €8,068,444 was received from the donors and €6,815,370 was paid to projects and management costs (excluding the national co-financing).

Some of the contracted projects are progressing well, in line with the project implementation schedules, others have registered delays.

For example, within predefined project no. 6, 354 specialists were trained on fighting corruption and criminality, and several equipment were purchased (a mobile forensic laboratory, computer products, web-based document management platform, security and firewall equipment, and zero-day prevention appliances). As regards predefined project no. 3, the feasibility studies for Poarta Alba and Craiova Prisons were finalized and approved, the evaluation of the daily routine and of the existing reintegration programmes for inmates and the assessment of the training programmes available to prison staff were prepared and an intermediate version of the accountability programme for inmates was elaborated. Within predefined project no. 4, the rehabilitation of the housing place dedicated for visits of the family members of the minors and youngsters executing educational measures in the city of Târgu Ocna was completed and several programmes and methodologies for minors and youngsters were elaborated.

The COVID-19 pandemic also affected the implementation of several predefined projects, mainly causing delays. The PO has instructed accordingly the Project Promoters with regard to the aspects related to the Coronavirus 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.

In terms of bilateral cooperation, four of the predefined projects foresee activities to be implemented in close collaboration with entities from Norway (e.g., penitentiaries, probation offices, correctional academy, hospital, etc.). Partnership agreements were concluded with all Norwegian partners (within the predefined project 5 “Supporting the implementation of the Istanbul Convention in Romania” the partnership agreement was signed between ANES and Brøset Hospital in June 2020).

Roma objective (minimum allocation: €5,729,412)

Funding has been allocated in 5 pre-defined projects for activities directly and explicitly targeting the improvement of the situation of the Roma population, Judicial Training and Capacity Building, Correctional services, including reintegration and minors, domestic violence. The entire grant allocated to project 7 Legal advice and guarantees to access to justice (i.e. €2,000,000) is considered to target the improvement of the situation of the Roma population, given the specific nature of the activities envisaged to be carried out in this project.

The projects were contracted during 2018 and 2019 and are in various stages of implementation, except project 7 *Legal advice and guarantees to access to justice* which is under development.

Considering the additional funds allocated to the Justice Programme in 2020, new objectives regarding the Roma target will be added to the programme through the modification of the PA (which is in the final stage of Donors approval). In this regard 2 new projects will contribute to the Roma target (PDP 8 and PDP 9) and the contribution of the PDP 2 and PDP 7 will be reviewed. During the appraisal of the new projects, the PO shall ensure that enough funds are allotted in the projects for activities targeting the improvement of the situation of the Roma population, as to ensure that the 10% target set in the Programme Agreement is met.

The results achieved so far are the following:

- Predefined project 4 – A counselling methodology for families of the Roma and other vulnerable confined minors and youngsters was elaborated. A multisensory stimulation programme for Roma and other vulnerable minors and youngsters with ADHD and learning difficulties was finalised. 2 trainings for detainees were held for 10 participants/course (one hairdressing course and one pottery course) and 2 excursions for 14 juvenile offenders were organized (including Roma).
- Predefined project 5 – The public procurement for contracting the campaign services was launched. The actual activities are planned for late 2021.

Home Affairs

At the beginning of March 2020, other the contracts for the predefined projects no. 2 and 3 were signed, with a total budget of approximately €12,000,000. Overall, all the predefined projects foreseen in the programme are on-going and are delivering results:

- *Improving national asylum and migration system*: the technical requirements for the new Data Center to be developed in the project have been finalized and a suitable building for the center has been identified.
- *Strengthening national capacities in the area of international police cooperation and combating crime*: although this project was delayed and started in March 2020, a very important achievement recorded during the reporting period is the finalizing of the technical documentation for upgrading the AFIS system (€4.6 mil.), the completion of the negotiations and the preparation of the contract (the terms of the contract PP-supplier were agreed and the document will be signed at the beginning of 2021);
- *Combating hate crimes and violent extremism, particularly against Roma population, and increasing the quality of police service*: online meetings between PP and the Norwegian partner, in order to establish the key requirements of the Hate Crime Unit that will be realized within the Romanian National Police (as a result, PP started the administrative legal steps for the establishment of the Unit). Another important activity was the preparation of the selection procedure for the NGO specialized in Roma-related issues (public procurement for service provider);
- *Improving disaster risk resilience by enhanced preparedness for search and rescue and bomb removal missions*: the feasibility study for the training facility was completed and the PP will start the public procurements for the technical project and construction (> €3 mil.). Some equipment acquisition was finalized, although no indicator has been completed yet.
- *Enhancement of nuclear safety and security in Romania*: based on the joint activities of the PP with IAEA and NRPA, a consistent part of the updated regulatory framework was completed (One Nuclear Safety Guide and also 5 internal procedures, 3 courses, 3 workshops). Another important activity was the feasibility study for the construction of the Command and Control Center of CNCAN, and the starting of the process for obtaining the required legal authorizations for building.

During the last year, the most important challenges faced related to implementation are mainly linked to the travel and administrative measures that were taken to limit the effects of COVID-19. That led to delays or postponements of activities, especially in the implementation of “soft” ones (professional training, exchange of experience, external

missions, etc.) and of the bilateral initiatives as well. In this respect, a mitigation plan was put in place by all actors, and the “soft” activities that could be implemented online were organized accordingly.

Regarding the implementation of the projects, as a general observation, the “hard” activities are running in a quite predictable schedule, but the “soft” activities had to be postponed, delayed or reconfigured, due to restrictions imposed in order to limit the spread of the coronavirus. That led to a reconfiguration of the “soft” activities, in order to perform some of those online (obviously, some activities need physical interaction, and can’t be done by video link – such as support operative missions in Norway, training for interventions in case of disasters etc). Some delays were recorded so far that need to be recovered.

Regarding the Small Grant Schemes provided in the Programme, the PO evaluated that the implementation of SGS is nearly ineffective, due to the specificity of the Home Affairs Programme: (1) some activities in the field of law enforcement and public order have to be performed or managed by specialized national structures and (2) the activities intended to be implemented through SGSs are part of the respective outcomes and intimately linked to the respective predefined projects. In this respect, PO drafted and submitted a modification proposal of the PA, being under the approval of the donors since March 2021.

Roma objective (minimum allocation: €2,823,529)

Measures under two predefined projects are targeting the Roma objective.

Predefined project 3 Combating hate crimes and violent extremism, particularly against Roma population, and increasing the quality of police service is entirely dedicated to the Roma objective (€2,823,529) – for combatting hate crime and violent extremism, particularly against Roma population, as well as increasing the quality of police service, in order to ensure valuable services and access to justice for Roma. The project includes the setting-up of an anti-hate unit in the Romanian Police, which is expected to have an important contribution in increasing the transparency of the police, awareness campaigns and the support in obtaining identity documents.

Until the cut-off date several activities have been performed. Amongst those, can be mentioned:

- The promoter – the General inspectorate of the Romanian Police and the Norwegian partners are organizing online professional meetings (exchange of experience in the field of hate crime). The scope is to take advantage from the mutual know-how, in order to help building within the Romanian National Police the Hate Crime Unit, based on the Norwegian experience in this domain
- the administrative process for building a structure within the Ministry of Internal Affairs that would act as Hate Crime Unit is ongoing (it has to be emphasized that this is not an easy process, as it requires modifications of the legal framework and of the organization scheme of the Romanian National Police. These are time-consuming administrative procedures);
- The promoter is about to finalize a framework procedure for the selection of the future partners or service providers (NGO specialized in Roma issues, academic partner institutions, mass-media services suppliers).

Predefined project 2 International police cooperation and combating crime will also implement activities contributing towards improving the situation for the Roma people through operational cooperation between Romanian and Norwegian police in investigating, among others, cases involving human trafficking.

Environment

The Programme registered significant progress in the last year, managing to recover some of the delays registered so far, both in terms of set up of the PO team but also in the overall implementation of the grants.

The Implementation Unit of the Programme Operator involving a number of 22 experts was established. The Management and Control System (MCS) was developed and implemented. Following the audit performed by the Audit Authority during 03.02 – 31.03.2020, the management and control system description was approved by the National Focal Point.

Three of the four open calls foreseen in the Programme have been launched in 2020:

- Call no. 1 – Restoration of wetlands and peatlands, under outcome 1: Improved ecological status in supported habitats (EEA Grants), having the budget of €3,550,000, closed at 31.03.2021 with 5 applications received
- Small Grants Scheme (SGS1) – Development of adaptation and mitigation plans in municipalities with a budget of €1,000,000, closed at 29.03.2021, with 17 applications received;

- Call no. 2 – Risk management measures to reduce contaminated temporary municipal landfills, under Outcome 2: Improved capacity to manage and address the risks from hazardous substances, with a budget of €5,000,000 (period: 01.03.2021 – 30.06.2021).

A call for bilateral initiatives has also been launched and is on-going, but due to the COVID-19 situation, no applications have been received.

The predefined project ‘Geographic Information for Environment, Climate Change and EU Integration - LAKI III’ was developed following the recommendations of the evaluation report commissioned by the FMO. The internal evaluation of project proposal was performed in November 2020 and the project contract was signed on 16.02.2021.

Due to the COVID-19 situation and the measures imposed by it, the launching conference of the Programme was postponed and the Programme Operator organized one online meeting with potential applicants in November 2020, replacing for the moment the match-making seminar.

Special concerns and conditions

The detailed information on the achievement of MoU special concerns and Programme Agreement conditions are presented in the Annual Programme Reports prepared by the Programme Operators.

The NFP constantly monitors the fulfilment of the MoU special concerns and PA conditions and no issues have been noticed in this respect.

5. Status of bilateral funds

Joint Committee for the Bilateral Funds

During the reporting period, one meeting of the JCBF took place (in January 2021), where the financial implementation status of the Bilateral Fund, predefined initiatives and the progress achieved in implementation was discussed.

Use of the fund for bilateral relations at national level

The implementation of the fund for bilateral relations was severely affected by the pandemic crisis due to travelling and social gathering constraints imposed in 2020-2021, considering that it mainly funds travel costs, costs for organizing events with a large number of people, etc.

Although all the Programme Operators and Promoters tried to adapt to the existing situation and moved to remote activities, unfortunately the online meetings do not help the absorption. Its progress also depends on the Donor States’ openness and their availability in developing bilateral initiatives.

In this context, both the past and future perspectives do not look encouraging, with 3 years lost in term of absorption. This issue was already raised during the meetings that were held online (the 3rd Annual meeting – 16.11.2020 and the 4th meeting of the Joint Committee for Bilateral Relations – 20.01.2021). Having in mind the continuing restrictions and the uncertainties for the future, as well as the relatively large amount allocated compared to the capacity for absorption, possibility of reallocating funds from the Bilateral Fund to other Programmes has been addressed by NFP to the Donors.

The funds used up to now were for supporting predefined bilateral initiatives or expressions of interest submitted by the POs and open call according to the approved Work Plan and decisions of the JCBF.

The predefined bilateral initiatives approved reported a good level of implementation, as follows:

- *Stronger Together (labor issues)* (€300,000) – implementation of the partnership between the Romanian and Norwegian labor authorities started in February 2019 and will continue until January 2022. In the last year, the partner (The Norwegian Labor Inspection Authority) conducted a survey to determine the target group and contracted an advertising agency for filming, editing and post production of a short video clip to be used in the information campaign addressed to Romanian workers. A webpage on Romanian workers’ rights in Norway has been developed <https://www.arbeidstilsynet.no/en/knowyourrights-RO/>
- *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. FLANKS has contributed to improving knowledge about the security challenges faced by Norway and Romania in their respective regions by publishing a series of publications prepared by the FLANKS team members that offer comprehensive national

perspectives on the regional security dynamics in Northern and Southern Europe and by disseminating these results in public events and through online channels.

The [Open call – Timișoara European Capital of Culture 2023](#) was relaunched on 17 March 2021 with an increased budget of €2,000,000, following the proposal of the NFP and the positive decision of Joint Committee for the Bilateral Funds (January 2021). The call is open until December 2021, with evaluation and selection of applications to begin subsequently.

Bilateral Funds allocated to Programmes

At Programme level, due to progress already achieved, the FBR is registering a good level of implementation: Education, Justice and Research with more than 60% spent - Culture with 51% spent - Business, Energy and Local Development, between 20%-30% spent. 3 programmes (Home Affairs, Health and Environment) registered minimal progress, with 0%-10% spent.

The Programme Operators also developed and sent expressions of interest to access additional allocations from the Bilateral Fund. The JCBF approved 7 new Expressions of Interest submitted by the PO for the Local Development Programme in total amount of €956,738.

The financial Status of the Bilateral Fund is:

Total budget	€ 10,050,000
Total amount transferred by FMO	€3,069,768 (30.54%)
Total amount of authorised expenditure	€1,881,513 (18.72%)

The use of the funds at programme level is briefly described below:

Research

The initiative *Romanian participation in the European Research Infrastructure Consortium for the European Social Survey (ESS ERIC)* implemented by the Romanian - RODA (the Romanian Social Data Archive) and Norwegian - NSD (Norsk Senter for forskningsdata AS partners has been finalized. During October-December 2020 the last project activities took place, followed by a final report delivered by the Principal Investigator. This report had been assessed by an external reviewer and the decision was to make the final payment for the project.

A new Expression of Interest proposal has been circulated to NFP in March 2021 and shall be sent to the JCBF once finalised, as it has been announced in the 4th meeting of JCBF dated January 2021.

Health

During 2020 and beginning of 2021, due to COVID 19 pandemic and all travel restrictions, most of the planned bilateral initiatives were postponed for 2021. The PO was constantly in contact with DPPs, NFP and FMO for taking appropriate measures to overcome this unforeseen event. Launch of dedicated call is under preparation by PO using the allocated budget from MoU.

Local Development

According to the workplan for bilateral activities, agreed by the programme partners, in order to facilitate project partnerships between entities in Romania and Donor States, the PO (with the DPP's support):

- by March 15, 2021, 11 bilateral initiatives were contracted and implemented under the call that resulted in: 42 persons from Romania and 36 from Norway participating at the bilateral meetings, 11 project proposals and 11 project partnerships drafted. The overall value of the grants provided to the 11 beneficiaries is about €41,165. All information regarding these 11 bilateral initiatives have been submitted in Grace, during 2020;
- launched (in July 2020) a continuous call for bilateral initiatives (Call 2) aiming to facilitate the exchange of knowledge/ expertise in the Programme areas. No requests have been submitted under this call so far;
- promoted the Programme opportunities in the Donor States, so as to attract potential project promoters and partners for donor partnership projects. In 2020 and the first months of 2021 the promotion was done exclusively online.
- 7 new Expressions of Interest were approved by the JCBF amounting to €956,738, that will be developed by 2024;
- A new proposal in partnership with KS was submitted in 2021 was postponed for discussion in the 5th JCBF meeting.

Education

The PO approved for financing 1 application for Preparatory visits in higher education field, focused on the development of the cooperation between Romania and Donor states institutions. Even though this preparatory visit was postponed until the pandemic situation will allow it to be undertaken physically, it is worth to mention that the visit will be undertaken by 2 teachers from the College of Agriculture and Rural Development from Norway at the Politehnica University of Timisoara. The main objective of the study visit is to:

- develop a common curriculum – with local adaptations to fit the different contexts, to be implemented by the Politehnica and The College of Agriculture and Rural Development, and being made available for the students of both universities as a study module and for public management representatives as a training course.
- identify and develop knowledge on (theory-building) dialogue-based, communicative training processes
- develop training regimes for teachers and external course trainers, in this way contributing to the development of the Center for Career Guidance and Counselling at Politehnica University of Timisoara.
- to set an application for a main cooperation project that could be ready and start next year.

The initiative addresses synergies with Research, Business Development, Innovation and SMEs.

Social inclusion and the Roma inclusion priority is tackled: the training has a community focus, and will include social improvement and integrative actions between different groups. Indirectly the project will also address Democracy and citizenship education.

Unfortunately, due to COVID19 pandemic, by March 2021 any other Preparatory Visit application were received.

Culture

During 2020, due to travel restrictions generated by the pandemic, the actions planned through the selected initiatives had to be postponed. Consequently, it is the PO's intention to encourage and support more online cooperation, in order to strengthen bilateral cooperation in the cultural field.

Justice

No new bilateral initiatives were submitted to the Programme Operator (PO) in 2020 within the call for proposals launched by the PO in 2018 and funded by the bilateral fund at programme level.

Eight of the nine bilateral initiatives contracted in 2018 and 2019 were finalised by 2020 and 1 is on-going.

Home Affairs

Bilateral activities were significantly affected by the travel and gathering restrictions due to Covid-19, and everything that had to be organized during 2020 has been postponed. However, in 2020 one Bilateral Initiative (BI) was submitted by Kripos, analysed by PO and approved in principle (excepting the implementation period, which has to be decided further according to the future situation) and will be implemented when the restrictions will be lifted. During CC4, POD, UDI and DSB expressed their interest to submit some new BI proposals pending on the Covid evolution.

Environment

Even if the call for travel support is opened since 16.09.2020, no application has been received by the PO - a tentative of bilateral application existed, but due to pandemic travel restrictions was cancelled by the applicant.

The PO is still looking for opportunities in encouraging applicants to apply for bilateral fund, having in view that the alternative applied online solutions could not solve entirely the situation of transferring experience and good practices between partners from Romania and the Donor States.

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 2020-2021 (Q1), due to COVID 19 pandemic, Programme Operators estimate for 2021 significant delays in preparation and implementation of bilateral initiatives. In terms of challenges, the limitation of trips abroad and the impossibility of organizing direct meetings and events led to: lack of new bilateral initiatives submitted for funding starting with second half of 2020, the need to postpone some of the planned activities (trainings, study visits, conferences) as of autumn 2021, the need to move some events online.

6. Management and implementation

- a. Management and control systems (MCS)

The description of the management and control system at national level was confirmed as compliant with the minimum requirements on 15 February 2018.

In February 2020, the Certifying Authority informed the NFP on the updated MCS description, following the approval of internal procedures for the EEA and Norway Grants 2014-2021. The modification was related to the verification of expenditure at programme level, i.e. to reflect the fact that verification of management cost expenditures is performed 100% administratively. This is considered a minor change to the national MCS which does not affect the compliance with the minimum requirements.

Significant progress was registered in the development and related of the MCS for the Health and Environment programmes, as described below:

- **Health** – following the MCS compliance audit mission and report, the AA issued an adverse opinion on the MCS description for the Health Programme on 22.10.2019. The PO implemented the recommendations and remedied the deficiencies found and a new Audit Authority mission took place in February-March 2020. The Audit Authority considered that the PO's management and control system is 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 approved the management and control system on 12 of March 2020. The recommendations issued by Audit Authority are currently under implementation and will be verified in the next system audit mission scheduled for 2021.
- **Environment** – the audit mission on the MCS 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 the PO does not comply with the provisions of the Regulations. 57 recommendations were issued to remedy the deficiencies. At the same time, in the context in which the PO received a pre-financing of €4,431,649.25 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. A second audit mission was carried out between September-November 2020 and the opinion of the Audit Authority on the MCS of the PO was “partially in accordance with the provisions of the Regulation on the implementation of the EEA Financial Mechanism 2014-2021”. The revised procedures were also submitted by the PO to the NFP. The NFP approved the management and control system on 27.11.2020.

The following minor modifications of the MCS descriptions at Programme level were performed:

- **Local Development** – NFP notified by the PO on 09.02.2021 - The changes were made as a result of the Audit Authority recommendations included in the Audit Report on verifying the functioning of the MCS at the programme level (mission carried out between 01.04 - 29.05.2020). At the same time, reference is made to the changes agreed with the Donor States and included in the amendments to the Programme Agreement. The PO also notified the Audit Authority. NFP considered that the modifications are minor and the description of the MCS still complies with the minimum elements of the Financial Guidance and the Regulations. The NFP approval from 02.04.2019 was maintained.
- **Justice** - NFP notified by the PO on 16.07.2020. The changes were made as a result of the modifications made to the Operational Forecast and Payment Procedure. The PO notified the Audit Authority. NFP considered that the modifications are minor, the description of the MCS still complies with the minimum elements of the Financial Guide and Regulation. The NFP approval from 16.09.2019 was maintained.
- **Culture** - NFP was notified by the PO on 21.01.2021. The modification was made as a result of the introduction of a new procedure regarding the submission, evaluation and contracting of the predefined project within the RO CULTURE Programme. The other corresponding procedures have been updated accordingly. The PO notified the Audit Authority. The modifications were considered minor. The description of the MCS still complies with the minimum requirements of the Regulation and the Financial Guidance. The NFP approval from 27.08.2019 was maintained.
- **Education** - NFP was notified by the PO on 22.06.2020. The changes were made as a result of the Audit Authority recommendations included in the Audit Report on the verifications of the functioning of the MCS at programme level. The modifications were also submitted to the Audit Authority. NFP considered that the changes are minor and the description of the MCS still complies with the minimum elements of the Financial Guide and the Regulation. The NFP approval from 14.08.2018 was maintained.

b. Complaints

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

- Complaint from a Project Promoter, the *Post-Modernism Museum Association* in the 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, the 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. On 06.11.2020 PO recovered from the PP the following amounts, according to the recovery decision:
 - 256,043.97 RON, advance
 - 2,621.23 RON interest calculated from the date of collection of the advance (14.05.2020) until 10.08.2020
- Complaint from the Project Manager of the 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 verifications made by the NFP and its conclusions, the issues raised by the Project Manager are still under verification by the Programme Operator and a decision will be issued regarding the application of possible financial corrections.

c. Irregularities

The irregularities are reported by the Irregularities Authority (Certifying Authorities), as per provisions of art. 12.5 of the Regulations.

Currently, there are nine irregularity cases reported to the FMO: one irregularity in relation to RO Education programme (closed), five suspicions of irregularity in relation to RO Justice programme, two suspicions of irregularity in relation to RO Research programme plus one suspicion of fraud in the case of RO Culture programme. There is also another suspicion of irregularity not reported yet to FMO being received during Q1 2021 (RO Justice programme) and to be reported via Grace by end of May 2021.

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

- IR30 – RO Justice programme, project name CHILD — Children's Inclusion by Learning and Developing RO-JUSTICE-0004

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).

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.

The control team appointed by order of the Minister of Justice issued the finding report no 146/61932/2018/25.08.2020 which confirmed the irregularity reported and applied a financial correction of 25% to the total amount of the supply contract no 9973/ 15.07.2019 (9.966,94 lei the total amount of the supply contract and the financial correction is of 2,491.73 lei) for the purchase of a 32KW central heating package.

The PP paid the debit on 16th of September 2020 and it was reflected in the IFR no. 5 for RO Justice programme.

➤ 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). 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.

The control structure within the Ministry of Finance issued the finding report no. 5069/ IFE/ 15.10.2020 which confirmed the irregularity in amount of 2,428.20 lei, out of which 2,063.97 lei represents grant and 773.99 lei co-financing.

The amount affected by irregularity is of 2,063.97 lei representing grant, which was recovered in December 2020 and was reflected in IFR no 6 RO Research programme.

➤ IR36 – RO Justice programme, project name "Judiciary Training and Capacity Building" RO-JUSTICE-0001

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.

The control team appointed by order of the Minister of Justice confirmed the irregularity reported and issued the finding report no. 116/62642/2018/20.10.2010 which established a financial correction of 11,039 lei representing non-eligible expenditures related to incorrect application of salary increase percentages for the project team members.

The PP paid the debit in full on 18.11.2020 and it was reflected in the IFR no. 5 for RO Justice programme.

➤ 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 RO-CULTURE-0015

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 amounts affected by the suspicion of fraud included: 256,043.97 LEI (advance payment) + 2,621.23 LEI (late interest payments, calculated up to 10th of August 2020, including), according to the minimis aid regulations.

The project promoter paid the amount with delay, on 6th of November 2020 and generated another late interest payment calculated at 2,562.33 LEI. On 17th of November 2020 the project promoter paid the remainder of the interest and the entire amount is recovered.

PO informed the public institutions: financial institution - National Agency of Fiscal Administration for foreclosure, as well as judicial institutions - Fight Against Fraud Department and Buftea Prosecutors Office for legal investigation.

There is no information related to the judicial investigation of Buftea Prosecutors Office and Bucharest Prosecutors Office, district 3 up to now.

However, no advance payment in relation to this project has been included in an IFRs submitted to FMO.

➤ IR39 – RO Justice programme, project name Improving the correctional services in Romania by implementing the normality principle - 4NORM (—ality) RO-JUSTICE-0003

Following the verification of the supporting documents on the procurement of consumables by the project partner, Constanta Poarta Alba prison, submitted to the PO for verification by the PP, National Administration of Penitentiaries, the PO identified a suspicion of irregularity.

The suspicion of irregularity is in relation to non compliance of the national public procurement legislation by the project partner with regard to the tender procedure for the purchase of the consumables (from drafting the tender documentation till the conclusion of the framework agreement).

The PO issued the suspicion of irregularity no 92/61929/2018/06.08.2020 and the control procedure was initiated.

The control team appointed by order of the Minister of Justice issued the finding report no 111/61929/2018/18.11.2020 which did not confirm the irregularity suspicion. Although some provisions of the national procurement legislation have been partially breached, it had no financial impact and thus, according to the national legislation, no irregularity exists.

The control team issued the finding report no 111/61929/2018/18.11.2020 which did not confirm the irregularity suspicion. The report was sent to the PP on 19.11.2020. As no irregularity was identified, no amounts are expected to be recovered.

- IR40 – RO Justice programme, project name Supporting the implementation of the Istanbul Convention in Romania RO-JUSTICE-0005

The suspicion of irregularity is in relation to the correct application of salary increase percentages for the project team member, reported by the PP – National Agency for Men and Women Equality, as per provisions of Law no 153/2017 on the remuneration of staff paid from public funds.

The PO issued the suspicion of irregularity no 124/61710/2018/14.07.2020 and the control procedure was initiated.

The control team appointed by order of the Minister of Justice issued the finding report no 177/61710/2018/04.11.2020 which confirmed the irregularity reported and applied a financial correction of 7,021.60 lei representing non-eligible expenditures related to the incorrect application of salary increase percentages for the project team members, declared by the PP in the IFRs no. 2, 3 and 4. The finding report was sent to the PP on 06.11.2020.

The PP paid the entire amount of 7,021.60 lei on 03.12.2020 and it was reflected in the IFR no. 5 for RO Justice programme.

- IR50 – RO Justice programme, project name project name CHILD – Children's Inclusion by Learning and Developing RO-JUSTICE-0004

Following the audit carried out by the Audit Authority within the Ministry of Finance, the audit team identified a difference in the calculation of the salaries made by project partner (Targu Ocna Educational Center) and fully authorised by PO for the period January – April 2019, for 3 members of the project partner's team, based on the supporting documents and the national legal provisions (Government Decision no 325/ 2018).

The PO issued the suspicion of irregularity no 176/61932/2018/22.12.2020 and the control procedure was initiated. The estimation of irregular amounts representing salary calculations made by the Audit Authority is in amount of 1,041 lei. The exact amount will be established by the control team appointed by order of the Minister of Justice to investigate it.

- IR51 – RO Research programme, project name Next Generation Viral Hepatitis B and C vaccine development in plants and algae using advanced biotechnological tools RO-RESEARCH-0008

The suspicion of irregularity was discovered following the on the spot verification performed by the PO in relation to the project "Next Generation Viral Hepatitis B and C vaccine development in plants and algae using advanced biotechnological tools". The suspected amount is in relation to the invoice for an audit engagement paid by the partner National Institute for Medical Military Research Institute Cantacuzino, before the actual audit mission being performed by the external independent auditor.

The official finding report will be issued by the control team within the PO as per provisions of the Emergency Ordinance 66/ 2011. The PO will recover the amounts paid pending on the confirmation of the irregularity.

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 and 4 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 PO for Environment Programme;
- The adverse opinion expressed by the AA was that the MCS established by the PO was not compliant with the Regulation 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 programme.
- revision of the opinions issued during the audit missions on the Assessment of compliance and proportionality of the MCS established and implemented by the POs for Health and Environment Programmes;
- Based on the examination of the implementation status of the recommendations, the AA issued qualified opinions confirming that MCS established and implemented by the POs were 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 programmes.
- performance of the system audit missions for the Fund for Bilateral Relations and 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 Fund for Bilateral Relations, Education, Local Development and Justice Programmes were included in Category 2 - Works, but some improvements are needed and the Research Programme in Category 3 - Works partially, substantial improvements are needed.
- performance of the operational audit missions for 4 programmes: Education, Research, Local Development and Justice;

Following the verifications carried out on the samples selected for the expenditures authorized and certified, the AA identified ineligible expenditure only for the Research Programme (Error rate 0,60%) and Justice Programme (Error rate 0,54%).

- preparation of 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 Finance on 23.07.2020.

- submission of the annual audit report and the audit opinions

The annual audit report setting out the findings of the audits carried out by the AA and the audit opinions were uploaded in GRACE System. The audit opinions issued by the AA and the value of the expenditure verified are presented in the table below:

Programme	Audited period	Total eligible expenditure (lei)	Total ineligible expenditure (lei)	Total error rate	Level of assurance from the system audit	General level of assurance	Audit opinion
Research	Oct 14, 2016 - Dec 31, 2018	404,247 (€88,456)	2,428 (€534)	0.60%	Low average	Average	Qualified
Education	Oct 13, 2016 - Dec 31, 2018	271,533 (€58,416)	0	-	High average	High	Unqualified
Local Development	Oct 13, 2016 - Dec 31, 2019	4,443,168 (€942,960)	0	-	High average	High	Unqualified
Justice	Oct 14, 2016 - Dec 31, 2019	2,872,861 (€610,382)	15,753 (€3,320)	0.54%	High average	High	Unqualified

- revision of the audit manual for EEA and Norway Financial Mechanisms 2014-2021

The initial version of the audit manual that was elaborated by the AA in 2018 has been revised based on the approved audit strategy, FMO guidelines and the auditor's experience.

8. Communication

Giving the fact that all the communication activities were affected by the Covid situation during the reporting period the main communication events were cancelled, but were adapted to the online communication environment, using digital tools to achieve our objectives.

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 used 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 – 85 articles.

The web page was accessed by 60,117 users (with a number of 57,382 new users) with the following results:

- page views: 373,287
- number of pages/sessions: 4 pages
- avg. session duration: 03:30 min
- 81% - new visitors, 19% - returning visitors

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:

- 5109 followers
- 4647 likes

In the reporting period, 117 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 NFP will continue to actively promote the EEA and Norway Grants. Reinforcing social media and working on the website will highlight the projects more frequently and the result will be an interactive communication by bringing our network closer.

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, technical meetings, etc.

In the next period, the NFP will ensure the permanent monitoring of programmes through quarterly progress reports, annual programme reports, 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 will also perform on-the-spot monitoring visits at the level of POs and projects, depending on the evolution of the COVID- 19 pandemic.

b. Evaluation

No evaluations have been carried out or planned for the reporting period.

A mid-term assessment 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 was performed by the NFP as basis for the proposals of allocation of the reserve, according to art. Article 1.11.

10. Issues for the annual meeting

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

- The Draft Strategic Report 2021 – presentation and discussions
- Status of programme implementation including physical and financial progress and audit aspects
- Bilateral cooperation including status of the Joint Committee for Bilateral Funds (national and programmes levels)
- The NFP's restricted access in Grace to data concerning Programmes managed by the Donor States, which limits our view of the implementation and results for a significant part of the Grants (for example – project descriptions, projects with dpps, etc.). The NFP collaborates with Fund Operators and maintains a parallel reporting system, but not as detailed as Grace.
- Final closure of the programming period 2009-2014.