

Strategic Report

Romania

March 2022

EEA and Norwegian Financial Mechanisms 2014-2021

1. Executive summary

The implementation of the EEA and Norway Grants is registering a good level of progress, with all planned project selection procedures being conducted by the end of 2021 in all programmes. Only four calls for proposals remained to be launched in 2022, as scheduled. Thus, beginning with 2022, all programmes are expected to enter a new phase, focusing on finalizing the contracting process, monitoring project implementation and achieving results.

According to available data, a total number of 655 projects have been approved so far (346 in the programmes managed by Romania), with a total value of €377,598,866 and 126 projects have been finalised. The overall contracting rate has reached 78% of the total budget, with the Research, Education, Justice and Home Affairs programmes over 90% and Innovation, Energy and Environment with 60%, 55% and 27%, respectively. An amount of €72,855,739 is currently in the process of being contracted, in Local Development, Health, Culture, Business and Energy.

The delays in the implementation of projects involving activities addressed directly to target groups, caused by the COVID-19 pandemic, have started to be recovered, but overall, financial disbursement is relatively low. 38% of the available budget was disbursed to programmes by the donors and 25% of the budget (€123,671,282) was paid to projects.

Complex and high-impact projects involving infrastructure works, in the areas of correctional services and restoration of cultural heritage buildings particularly, are facing additional risks and difficulties due to the increase of prices in construction and energy, the shortage of qualified labour in the construction sector and increase of inflation.

In terms of achievement of results, the most advanced programmes are Research, Local Development, Education and Health.

In the Local Development programme, 5,477 children and young people started to receive services aimed at combating school dropout, 659 children and youth with special education needs received support and specific services. Poverty reduction was also tackled, with 3,793 persons belonging to vulnerable groups received personalised services (information, counselling, social, education and medical services, support for employment etc.). 2021 was also the first year of effective implementation of Roma inclusion projects.

125 peer-reviewed scientific publications have been submitted and the work of 997 researchers was supported in the Research programme, values that have already exceeded the expected targets. The collaboration in research projects was successfully maintained during the pandemic restrictions via remote communication tools.

The Education programme supported 145 students and 146 educational staff mobilities. The programme is also increasing the institutional capacity of schools to ensure an effective inclusion of Roma children. 99.79% of all teachers involved in the training sessions declared an improvement of their competencies regarding Roma inclusion. 474 teachers were trained on inclusiveness and multicultural environment, 921 Roma and Romanian parents participated in joint projects activities along with 1781 pupils (Roma and Romanian pupils); discrimination perceived by pupils in schools decreased by more than 28%.

In the Health programme, the predefined project dedicated to improving cancer screening for people in isolated or vulnerable situations has reached 30,000 women (3120 Roma) through a door-to-door campaign, 7,005 cancer screening tests (814 Roma) have been performed for women from rural and disadvantages area, 976 people (of which 100 were Roma) were vaccinated against HPV virus, 211 persons received treatment on follow up treatment component. Specialized medical equipment, as well as guidelines and training for 81 professionals regarding the diagnostic and treatment of cancers in children was provided. Good results were also registered in the tuberculosis control project, purchasing a part of the necessary medical equipment, 57 patients received full treatment for MDR TB, the acquisition of medicines for multidrug resistant TB.

Contemporary cultural activities, restoration of cultural artifacts and exhibitions, with strong bilateral dimensions, were supported in the Culture programme, during a very difficult period for the cultural sector in Romania. 4,688 people attended cultural activities, 16 SMEs in the cultural field received support and 19 contemporary art activities were conducted.

The programme with the highest risk remains Environment, which has achieved very limited progress in the last year, despite previous signs that delays are on track to be recovered. The project selection process and contracting rate are at a very low level. The predefined project LAKI-III (€5,000,000 budget) is also facing major risks, with the main procurement procedure not yet finalized. As such, a decision on relocation of funds from this programme should be considered this year.

A relative low level of contracting is also registered in the Energy and Innovation programmes.

The implementation of the Fund for Bilateral Relations was also limited due to the pandemic, but is expected to pick-up, with activities already underway, as travel restrictions have, for the moment, been lifted.

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 Programmes implementation and in regular online Cooperation Committees, technical and Selection Committees meetings. 178 projects under the Programmes managed by Romania are implemented in bilateral partnerships.

The implementation of the EEA and Norway Grants in Romania continued to be affected by the COVID-19 pandemic in 2021. As elsewhere in Europe, the beginning of 2022 brought a decrease in the number of severe cases and, beginning with March, the lifting of restrictions and protection measures.

The Russian invasion and military conflict in neighbouring Ukraine, which began on 24 February 2022, and the associated refugee crisis, represent a great challenge for the Romanian emergency situations, immigrations, border and social assistance institutions, as well as for the NGOs active in providing aid for the hundreds of thousands of Ukrainian refugees passing through or applying for asylum in Romania. The human, social and economic consequences will be significant for the short and medium term.

Due to the persisting difficulties caused by the COVID-19 pandemic, the crisis in Ukraine and increased economic and security uncertainties, the effective implementation of the Grants in the remaining time is under significant risk. Thus, following a detailed analysis with the Programme Operators, an extension of time in certain programmes will be proposed to the donors. To be noted that the European Commission is also considering a proposal to extend with 1 year the eligibility and implementation period for the 2014-2020 EU Funds.

2. Political, economic and social context

According to the EC's winter economic forecast, Romania's economy is expected to have grown by 6.3% in 2021. However, towards the end of the year, the growth trend declined due to supply restrictions, a new COVID infection wave and inflation. The GDP is expected to rise further by 4.2 % in 2022 and 4.5% in 2023.

To be noted that the forecasts above were done before the war in Ukraine. The global and regional economic crisis provoked by Russia's invasion of Ukraine is expected to cause severe disruptions in agriculture products supply, the global supply chain, energy prices and increased inflation.

The increase in energy prices led to a monthly inflation of 6.7% in December 2021 and an average inflation of 4.1% in 2021. Prices are expected to rise further in 2022 due to high energy prices. Food prices are also expected to increase due to higher prices and lower supply of fertilizer. Prices of construction materials have also recorded record increases. Average annual inflation is set to rise to 5.3% in 2022.

In 2021, the EU set up the Recovery and Resilience Facility, as response to the COVID-19 crisis, to foster green and digital transitions in the member states, and to strengthen economic and social resilience and the cohesion. Under the RRF, Romania is set to receive €14.2 billion in grants and €14.9 billion in loans, to support the implementation of the investments and reforms outlined in the recovery and resilience plan, endorsed by the EC in September 2021. The NRRP comprises a wide array of measures, from transport infrastructure, building renovations and reforestation to pension system reform, administration reform and digitalization. The limited period allowed for implementation (until 2024) and lack of administrative capacity represents a significant risk for the actual use of the funds and implementation of this plan.

On the other hand, the negotiations between Romania and the European Commission for the 2021-2027 EU Cohesion Policy Operational Programmes are still ongoing. The programmes are set to provide financial

assistance in amount of €31.3 billion for innovation, infrastructure, environment protection, public health, education, employment, social inclusion and urban development.

The current financial allocation from the 2014-2020 EU Cohesion funds for Romania amounts to €26.8 billion. The current absorption rate is at 53.52%. At the start of 2022, the EC is considering a proposal to extend by 1 year the eligibility and implementation period for the 2014-2020 Funds, in response to persisting difficulties caused by the COVID-19 pandemic and the crisis in Ukraine.

The last part of 2021 was marked by a prolonged political crisis. Following the legislative elections held in December 2020, a three-party centre-right coalition, formed a government. In September 2021, a conflict broke out between the two main parties of the coalition, USRPLUS and PNL, on the subject of judicial reform and a governmental funding programme for local authorities. It led to a non-confidence vote in Parliament, the resignation of USRPLUS ministers and two non-confidence votes on different proposals to form a minority government. The crisis ended in late November with a new configuration of a governing coalition between the liberal PNL, the social-democrats PSD and the Hungarian minority party UDMR and a new cabinet led by a former army general.

Regional disparities in Romania continue to be the highest in the EU. Significant gaps across regions persist in investment, productivity, competitiveness and employment. At national level, the high level of poverty and the limited access of vulnerable people to social and public services remain critical problems in Romania, which worsened during the pandemic.

Life expectancy in Romania is among the lowest in Europe, and the COVID-19 pandemic reversed some of the gains made since 2000. The pandemic has highlighted the importance of strengthening primary care, preventive services and public health, in a health system currently heavily reliant on inpatient care. Health workforce shortages and high out-of-pocket spending are key barriers to access. The COVID-19 pandemic stimulated the creation of several electronic information systems to manage overstretched health resources better, and these may offer avenues to future health system strengthening

Romania had the highest percentage of children at risk of poverty or social exclusion in the EU in 2020 (41.5%), according to Eurostat data while the EU average stands at 24.2%. Following the onset of the COVID-19 pandemic, the situation of children and young people already at risk has deteriorated, especially in terms of access to education. According to the FRA report *FRANET National contribution to the Fundamental Rights Report 2021 - Romania*, the closure of schools and the decision to continue education through distance learning over the internet left approximately 900,000 students (32% of the total number of students) in pre-university education system with little or no access to education. In this context, preventing and combating early school leaving and fostering an inclusive approach in education, by supporting rural pupils and disadvantaged groups are major objectives of the National Reform Programme 2021.

As stated in the *2021-2027 National Strategy on Social Inclusion and Poverty Combating*, Romania aims to reduce the number of people at risk of poverty or social exclusion by at least 7% by 2027, compared to 2020, as well as strengthening the national social assistance system to ensure the access of all categories of vulnerable people to efficient and quality social services.

The healthcare system is not effective in improving neither accessibility nor the health of the population. Preventive, outpatient and community-based care remain under-financed and not covered by sufficiently targeted public policy measures. The health status of the population remains below the EU average. Total healthcare spending is low and focused on inpatient care. Population ageing and migration are putting increasing pressure on the sustainability of the healthcare system. Since the beginning of 2020, actions to combat the effects of the COVID-19 pandemic on the health system have been taken. The implementation of reform measures, focusing in particular on increasing the access of people to quality medical services, the financial sustainability of the health system, upgrading of health and healthcare infrastructures at regional level, as well as the reduction of morbidity and mortality through communicable and noncommunicable diseases has continued.

The education system continues to face significant challenges in terms of quality and inclusiveness. Romania is one of the countries with the highest share of low achievers among 15-year-olds in all three areas tested under the OECD Programme for International Student Assessment (PISA) and results have worsened since 2015. The mean score of pupils in all three domains is over 60 points below the EU average, the equivalent of one-and-a-half years of schooling. Persistent lower attainment levels are reported in rural and economically deprived areas including those with a high Roma population. In general, poorer students are more likely to receive a lower quality education (World Bank, 2018). Similarly, only 4% of new university entrants have parents with low

educational attainment (European Commission, 2018c). In 2016, the Ministry of Education issued a document banning school segregation, but adopted the methodology only in 2020, and the implementation of planned actions has been delayed.

The country continues to have one of the lowest levels of public and private expenditure on research and development in the EU, negatively affecting scientific quality and the diffusion of technology amongst firms. Increasing R&D investment and quality and supporting innovative firms remain important challenges. Romania's weak research and innovation performance hampers the transition towards a knowledge-based economy.

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 continued to cause the widening of inequality and disparities, in access to education, health and social protection.

The majority of projects are in the early stages of implementation and an estimation of their effects at this time is not feasible. As projects are starting to deliver tangible results in all areas, the benefits for local communities as well as wider national effects will become apparent and expected to deliver long-term social and economic benefits.

3.2. Strengthening bilateral relations with donor state entities

During the reporting period, the programmes continued to be affected by the covid-19 pandemic and the bilateral aspect within the programmes, as well, thus, so far, the progress in the achievement of the bilateral objectives is still limited.

However, both the Programme Operators and Donor Programme Partners tried to find solution to lessen the negative impact of the restriction imposed by the pandemic, most of the Programme-level activities being suitable to be conducted online such as matchmaking seminars, cooperation committees, selection committees.

196 projects with donor partners, of the 445 projects signed on all programmes less the Active Citizens Fund, are currently in implementation. 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.

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

Despite the challenging context and even with the travel restrictions imposed by the governments, the bilateral relations at project level strengthened in some cases. One such example is the cooperation between the Romanian National Heritage Institute and the Norwegian Crafts Institute. Within the project "In-Herit: National Centre for Information and Promotion of Cultural Heritage", the project partners strengthened the bilateral cooperation through joint organization of an online conference, debating, among others, UNESCO registration and best practices of enhancement of intangible heritage, along with a parallel between the traditional Romanian garment („ia") and the Norwegian folk costume. The relationships between the two organizations strengthened even more through the visit of the Norwegian partners in Romania in 2021.

Another successful story regarding the bilateral cooperation was related to RO-CULTURE – "When ContempArt helps Social!", which is a cultural and social project organized by Semper Musica Association Romania in partnership with Zebel Design Fishbain, a cultural Norwegian company. The project aimed to mobilize 15 contemporary artists from Romania and Norway in designing 15 contemporary art creations. By the end of 2021, the project partners managed to select the artists from both countries and their online discussion was enjoyed by more than 70 people. The artists shared ideas about their artistic creations with the theme of AIDS and pictures of their works in progress.

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 call was open until 21st of December 2021. 33 initiatives were received within the call and all of the applications have partners (one of them was submitted with an Icelandic partner, therefore was rejected since, based on the corrigendum to the call, only the Initiatives with Norwegian partners are eligible). The total budget of the received applications is €2.800.000.

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/research/security-challenges-in-northern-and-southern-europe-flanks/>)

The initiative *Romanian–Icelandic research cooperation on democracy, memory politics and post-crisis reconstruction*, to be implemented beginning with May 2022 by the University of Iceland's EDDA Research Centre and the Romanian partners (Babes Bolyai University in Cluj Napoca and the Ratiu Democracy Centre), will explore the state of the liberal democratic order in Romania and Iceland from various political, social and historical perspectives.

4. Status of Programmes

Education

The Programme is registering a good level of progress, with a 93% contracting rate, 56% payments to projects, 180 projects signed and 56 already finalized. By the end of 2021 the last planned calls were launched (except for the last call for Outcome 1, which was scheduled for 2022).

However, the Programme faced significant challenges due to the COVID-19 pandemic. Many of the projects' activities that were scheduled by end of 2021 could not be organised (or they were moved in the online environment) and many of the mobilities were cancelled or postponed for 2022. Most of the transnational mobilities (e.g. students, staff) were cancelled, postponed or interrupted in this period, some of the face-to-face activities in cooperation projects were postponed and some were undertaken online. Many contract projects were extended, to allow to accomplish all the planned activities. In addition, in dealing with the effects of the Covid19 pandemic, especially on mobility projects, the Erasmus+ Programme principles were applied (e.g.: Guidelines on how to treat the force majeure cases, allowing blended virtual and physical mobilities).

Also, the difficulties regarding the VET component still remains. 10 projects were approved following the 2019 Call but none of them had a VET school from a Donor state as a partner. The low interest of the VET schools from Donor States to involve in international cooperation with Romanian VET schools, was 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 internationalization (as the universities have).

In terms of results achieved, in the mobility projects in higher education (Outcome 1), 145 students and 146 staff mobilities were realised in total from the beginning of the Programme (outgoing or incoming), out of which 59 students mobilities and 21 staff mobilities in 2021. In most of the mobility projects the duration was extended in order to undertake the planned mobilities once the travel restrictions will end. 97% of the staff involved in mobilities (both outgoing and incoming) declared that they had improved their skills /competences in their field as a result of the mobility.

In the field of cooperation projects in higher education (Outcome 2), 20 projects were approved by now, as a result of the 4 calls. Until the end of 2021 only 6 projects were finalised. 13 joint articles were submitted to peer review publications, 23 joint intellectual outputs were produced, 16 joint events were organised in the framework of the finalized projects, with the participation of 397 students and staff.

For the School Education field (outcome 3) 7 final reports were received. 48 mobilities were realized in 2021, 170 mobilities in total, 49% of the number of foreseen. For the VET field (outcome 4), due to the pandemic, the projects approved in the 2019 call for proposals started their implementation in 2021.

In the Roma component, 99.79% of all the teachers involved in the training sessions declared an improvement of their competencies regarding Roma inclusion. 474 teachers were trained on inclusiveness and multicultural environment, 921 Roma and Romanian parents participated in joint projects activities along with 1781 of pupils (Roma and Romanian pupils); discrimination perceived by pupils in schools decreased by more than 28% (bigger than the target set at 15%).

Research

The programme is very advanced. All 42 collaborative projects selected have been contracted with a total budget of €51,572,636 and are in the implementation phase. The progress and results achieved so far by the Programme are very good.

A good level of financial implementation has also been registered. The value of the transfers to projects during 2021 amounted more than €17 million grant and public contribution.

In general, there were few concerns regarding the impact of the COVID-19 pandemic on the implementation of the projects such as: the reduced number of travel and meetings between partners (including participation at international conferences), reduced capacity to perform certain tasks as experiments especially in hospitals, delays in procurement of equipment or materials for laboratory activities, the way of interaction between partners, dramatically reduce of activities at Norwegian partners due to the lockdown situation declared for a long time. The effects of the pandemic on the programme and projects were minimal.

With the full support of the Programme Operator (regular meetings online, emails exchanges or monitoring visits together with representatives from the Norwegian donor programme partner) almost all of the projects managed to continue their activities as initially set and with no significant delays. Also, the extensively use of ITC technology, such as for annual reporting process or reporting of indicators, allowed for an efficient and permanent relation between Programme Operator and Project Promoters.

Important steps have been made in achieving the Programme targets. The number of peer-reviewed scientific publications submitted indicator has already been exceeded with 25% (a number of 125 scientific publications reported vs 100 as indicator). Also, the number of joint peer-reviewed scientific publications increased to 35 out of 50 as a result of the strengthening of scientific collaboration between partners.

The number of jobs created and number of researchers supported indicators was also bigger than expected – 79 out of 80 targeted representing newly jobs created within the 42 projects financed under both calls. Also, the number of researchers supported significantly exceeded the target value (917 vs. 650) due to large research teams in the 42 projects financed and the gender balance is fully respected (out of 917 researchers 447 are women and 470 men). Overall, the number of researchers supported has been already reached.

One of the objectives of the Research Programme is to prepare the Project Promoters, project partners and researchers for further research cooperation and to contribute to the development of the European Research Area. As a result of the development and strengthening of the partnerships created within the research projects funded so far, in terms of applications for further funding, there are already 7 applications submitted for different funding sources, 2 under EEA grants and 5 under Norway grants. 6 applications have been submitted under EU funding source and one under National source. The applications have been submitted mostly at European level (HORIZON – RIA, ERA-NET NEURON JTC-2021, HORIZON 2020 ATTRACT PHASE 2, EURONANOMED – Joint Transnational Call for Proposals (JTC2021) for “European Innovative Research & Technological Development Projects in Nanomedicine”).

There is also a good start in applications for Intellectual Property Protection. Until now, there is one application submitted by the National Institute for Research and Development in Microtechnologies, as partner in a project funded under EEA Call 2018.

Local Development

The programme is registering a very good level of progress, being in an advanced phase of implementation and delivering results. All 7 open calls were conducted and closed, 67% of the budget was contracted, 79 projects were signed and 8 finalized. All 3 pre-defined projects included in the Programme are currently under implementation with consistent interventions in the fields of education and good governance.

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. However, this situation will change as soon as projects already find alternative solutions and expenses shall increase gradually.

Under the Children and Youth at Risk area, out of the 10,500 children and youth at risk of early-school leaving targeted by the Programme, more than half (5,477 - about 52%) already started to receive services by the end of 2021. Significant progress was also made in providing support to children and youth with special education needs: out of the 1,500 targeted by the Programme, 659 (about 44%) starting to benefit of specific services by the end of 2021. On the other hand, under the Local Development and Poverty Reduction area, about a quarter (3,793 out of the 15,000) of the persons belonging to vulnerable groups targeted by the Programme received personalised services (information, counselling, social, education and medical services, support for employment etc.).

In Roma inclusion projects, specific tools/methodologies were put in place in most of the projects and Roma people from 14 counties, belonging to vulnerable groups, had benefited from services through the funded activities. As such, 569 (7.6% of the total of 7,500 Roma targeted by the Programme) received educational services, 38 (0.8% of the total of 4,500) received integrated services and another 22 (2.8% of the total of 800) benefited from health services. Two awareness campaigns on Roma inclusion were carried out in 2021, reaching 1,671 people, of which 597 Roma, while 160 representatives of Roma communities benefited from empowerment measures, 5 Roma experts and leaders being also trained to defend Roma rights. Under the second round of the same call, launched in January 2021, 8 projects were contracted, in December 2021.

Under the restricted call (no. 3) on poverty reduction, 3 projects of €9.75 million are under implementation, promoted by Salvation Army Romania, Inter-Community Development Association Cluj Metropolitan Area and UNICEF. The contracted projects total. The project promoted by UNICEF was contracted at the end of May 2021. In 2021 more than 2.000 children from Bacău and Braşov counties had access to the minimum package of services as a result of the outreach work performed by the community teams. Five in depth situation analysis were performed at the level of each integrated community centres, so that real time priorities are at the provision of specialized services.

Under the open call (no. 4) "Local Development", 13 projects have been contracted (of which 7 from the reserve list). The budget of the projects under implementation is €16,455,625.

A third round of the call under SGS2 – *Access to financing* has been launched in April 2021 and 15 projects will be financed in amount of €429,815. The projects aim at elaborating technical documentation necessary for investments in educational, road, bridges and medical infrastructure and 8 projects contracted under 2019 call have already been completed during 2020. The other 9, contracted under 2020 call, in implementation in 2021, are going to be finalised in early 2022. 7 projects reported that the documentation elaborated within the Programme has been already submitted for approval for additional funds (national/ EU structural funds).

The open call for project proposals (no.5) "Human Rights – national implementation" was launched in January 2021 (allocated amount - 8,868,529 euro). Out of the 18 applications received, 5 were approved for financing and contracted, by the end of 2021. No reserve list could be set up under this call. The contracted projects total 5,649,994 euro. The unused funds were reallocated to the call no.1 on Roma inclusion, in order to finance 4 projects from the reserve list.

The predefined project promoted by UNICEF was contracted at the end of May 2021. According to the data provided by the PP upon request (interim report not yet processed), in 2021 more than 2,000 children from Bacău and Braşov counties had access to the minimum package of services as a result of the outreach work performed by the community teams. Five in depth situation analysis were performed at the level of each integrated community centres, so that real time priorities are at the provision of specialized services. With the development of the Child Friendly City Initiative (CFCI) Index, significant progress was also done for the development of the national framework promoting for the first time in Romania the CFCI concept.

The predefined project "Improving access and quality of services to citizens – transparent, responsible and accountable local public administration" is in its third year of implementation. Even though during 2021 the COVID-19 pandemics continued to raise concerns, the activities continued. 24 training sessions were reported as held and 529 elected official and civil servants were trained on the main topics of the project. Also, two study visits in Norway were organized in 2021 (29 representatives from the Romanian communes participated), but some had to be postponed.

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” and big, regional or national projects, for more systemic interventions (the open call “Enhancing Roma Inclusion and Empowerment”. 2021 was the first year of effective implementation of Roma inclusion projects funded under the Programme. By the end of the year, specific tools/methodologies were put in place in most of the projects and Roma people from 14 counties, belonging to vulnerable groups, had benefited from services through the funded activities. As such, 569 (7.6% of the total of 7,500 Roma targeted by the Programme) received educational services, 38 (0.8% of the total of 4,500) received integrated services and another 22 (2.8% of the total of 800) benefited from health services. Two awareness campaigns on Roma inclusion were carried out in 2021, reaching 1,671 people, of which 597 Roma, while 160 representatives of Roma communities benefited from empowerment measures, 5 Roma experts and leaders being also trained to defend Roma rights. These results have been achieved by the 12 Roma inclusion projects funded in the first round of the call for projects no 1 “Enhancing Roma Inclusion and Empowerment” and contracted at the end of 2020. Under the second round of the same call, launched in January 2021, 8 of the 12 approved projects were contracted, in December 2021. These projects’ contributions to the expected results of the Programme will be visible only in 2022. The SGS1 “Priority Interventions for Roma communities” was launched in July 2021, with the deadline for submission November 15, 2021. At the end of December 2021, all the 41 projects submitted under this call were in the process of formal verification. The approved projects it is expected to be contracted by the end of the first semester of 2022.

Health

Eight predefined projects, representing 70% of the available budget, are in implementation and continue to deliver results. The amount spent has reached €13,821,254, representing 28.65% of the total programme allocation.

Progress has been made also in the carrying out of the open calls foreseen in the programme, but the process is delayed. There is a significant risk that selected projects (with a maximum period of 24 months) will not have sufficient time for implementation in the eligibility period.

An important change to the programme was made in February 2022, cancelling the predefined project no. 3 *Development of the single healthcare professional’s registry* due to the lack of implementation capacity and a small grants scheme, in order to avoid overlap with other of financing sources; funds were reallocated to the Open Call and Small Grant Scheme 2.

The call for proposals *“Improving the access to health care services for vulnerable groups, including Roma”* with a budget of €12,500,000 was open in September 2020 - March 2021, being extended several times due to the interest of the applicants and the epidemiological conditions. 56 applications were submitted amounting to €45,615,837. The selection is expected to take place in April 2022. The selected projects have a maximum time risk (24 months)

The Small Grant Scheme *“Support for providing outreach services to remote and vulnerable populations, such as Roma”* with a budget of €1,500,000 was open in December 2020 - April 2021. 33 applications were submitted amounting to €5,615,976.53. The selection is expected to take place in April 2022.

The planned activities at the level of the projects under implementation were significantly affected by the COVID-19 pandemic. 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).

Predefined 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)*: The project had a good progress in 2021. On the European Health Survey (EHES) component, the PP and the partners have prepared the methodology and all the required instruments for conducting the study. Also, the documents for public

procurement of EHES services were prepared. On the County health profile component, in 2021 IT experts have developed the IT software required in the beta version; this application is under testing at the PP level. Also, the evaluation report on the health needs at the community level was elaborated and it is available on the project website. On the Evaluation of the health needs at community level in 2021, the expert collected the data from 7 counties and the evaluation report was elaborated. On the Community Health Care component, 10 practice guidelines for community care assistance were developed and in the next period will be disseminated in target communities. Within this component, the development of e-learning platform for community health personnel and updating the IT software for community assistance have started. On the Primary Health Care Component, the elaboration of the prevention guidelines for general practitioners has started.

In Predefined project 2 *Strengthening at National Level the Capacity of the Romanian Health Sector to Implement Organized Screening for Cancers (CEDICROM 2)*, working visits and the door-to-door information campaign in all 7 predefined counties has been carried out. The door-to-door info campaign reached 30,000 women and a number of 7.005 cancer screening tests were performed to women in the age group at risk, the test indicator being 100% achieved while respecting all protection rules against COVID19. Also, 976 persons were vaccinated against HPV virus, the indicator being 99% achieved. On the follow-up treatment component, 211 persons receive treatment. The post-doctoral qualitative study of the Norwegian partner has started and 44 persons were invited to participate. The project was extended with 4 months until September 2022 for finalizing the post-doctoral study but also to vaccinate against HPV other 200 persons.

Predefined project 4 *Creating a register to track left ventricular remodelling result of acute myocardial infarction in order to prevent cardiac failure* is under implementation: The heart failure registry was developed and 700 patients were enrolled in the platform. The medical equipment (MRI, electrocardiographs, cardiac pumps) were purchased and functional. However due to the COVID 19 pandemic the project has encountered delays in enrolling the patients in the registry. In 2021, the project was extended with 9 months, but it will still need additional 6 months extension for achieving the proposed results.

Predefined project 5 *Strengthening the TB control in Romania through implementation of the WHO END TB Strategy 2016-2020* has a delay of 4-6 months, in the context of the Coronavirus pandemic, but PP will take all the necessary measures to recover the delays. Concerning the measures for TB control component, the PP has prepared the documents for the training of personnel and started the acquisition of materials needed. The courses will be organized in 2022, as well as the distribution of materials for TB control. In 2021, 16 Genexpert with 4 modules, 8 TB latent detection equipment were purchased and installed. Also, the acquisition for drugs for MDR TB was finalized and ordered. 57 patients were receiving full treatment for MDR TB. The project has recorded delays in building up the Genome sequences laboratory, in the development LMIS software (logistic management information system) and health technology management (HTM) software (for follow-up of the needed equipment for TB diagnostic at the national level). Good progress was achieved in TB awareness component where several trainings were organized and 57 persons participated. Also, a brochure with information about TB was elaborated.

Predefined project 6 *Increase performance regarding diagnosis and treatment of cancers in children by improving technical equipment, purchase of modern devices, medical personnel training and development of guidelines* is under implementation. Most of the objectives of the project were achieved: the guidelines were developed, printed, and shared with stakeholders; the training was finalized; 81 professionals were trained. Most of the equipment were purchased and installed, such as computer tomographic, portable ultrasound scanners with 2 probes, 1 wireless gamma probe, etc. Still, there are a few procurements for equipment which will be completed in 2022. In 2021, the project was extended with 9 months until May 2022 mainly for finalizing the acquisition of medical equipment needed. Also, during 2021, due to the cancelation of several activities mainly, study trips and other similar expenses due to the COVID 19 pandemic, the available funds were allocated to purchase additional medical equipment.

Predefined project 7 *Support for the Development of Community Mental services for children and adolescents* has a delay of approx. 6 months. The awareness campaign has been prepared and launched in 2021. The training materials were finalized and 104 persons were trained. The activities for conducting a national study in the field of mental health of children and adolescents have started. Within this study, 5681 children were included. At the same time, the activities for increasing the technical capacity of community mental health centers and the National Centre for Mental Health and Anti-Drug Control to support the provision of mental health services for 1,500 children diagnosed with a health disorder are also launched. During the reporting period 1050 children were diagnosed/treated in the community mental health centers.

Predefined project 8 *Strengthening the capacity to address antimicrobial resistance (AMR) and healthcare associated infections (HAI) in Romania* is delayed with 12 months mainly because of the COVID 19 pandemic. The promoter is one of the leading infectious diseases institutes in Romania involved in the first line of the fight against COVID 19. In this context, the promoter has asked for an extension of the project duration with 12 months which was approved in January 2022. Within the project, the AMR strategy and the work plan were elaborated in 2021. In order to pilot the work plan strategy, the 5 pilot hospitals were selected. In 2022, the pilot study will be conducted and the training will be finalized.

Culture

The programme has achieved a good level of progress, with all 7 calls for proposals finalized by the end of 2021, a predefined project on Roma cultural heritage contracted, a contracting rate of 72% and 41 projects in implementation. €6,976,268 was paid to projects, 26.24% of the allocated budget.

The pandemic-related restrictions - prohibition of organizing events that involve more than a certain number of people, travel abroad restrictions, attending events conditioned by the digital green certificate, had a significant impact on the implementation of the projects and the cultural sector in general.

Moreover, projects dedicated to the restoration of cultural heritage monuments, involving sizeable infrastructure works, as well as one of the most sustainable and visible of the Grants, is facing increased challenges, caused by the increase in construction material prices, the scarcity of qualified labour in the construction/renovation sector and the increase of the average inflation rate. The financial implications on the projects' budgets are currently analysed. The risk for all projects selected under this component increased due to the pandemic effects; under the circumstances, the approval of an implementation period extension becomes even more pressing.

The amount available for this component was increased after the reallocation of the reserve to fund projects under the reserve list. 9 projects are currently ongoing, with a total grant awarded of €15,882,126. Other two approved projects are in the precontracting, respectively the contracting stage are planned to be signed in the first semester of 2022.

In the area of *Innovative cultural exhibitions of restored objects*, the selection was finalized in September 2019 and the contracts were concluded in January 2020. Several extensions of the implementation period were approved by the PO due to the pandemic. Out of the 9 contracted projects, having a total value of €1,156,996, only one was finalized. However, progress consisting in the increase of the number of visitors, in objects restored and made available to the public through their display in newly organized exhibitions was registered during 2021.

On *Cultural entrepreneurship enhanced & larger audience developed* component, 3 open call sessions were conducted and finalized beginning with 2020. The last session was carried out in June-August 2021 and the evaluation of the 73 eligible applications will be finalized in the first quarter of 2022. The projects selected in the previous sessions are in implementation, 5 being completed.

The *Roma cultural initiatives* open call represented a top priority during and was launched in July 2021 with the deadline extended to September 30. 15 applications, having a total value of €2,973,404, were submitted. The projects went through the first two phases of the selection process: the administrative and eligibility verification, followed by the technical and financial evaluation, when 12 of the submitted projects received more than 70 points, the minimum threshold. The Selection Committee was organised on 15th of February 2022 and the financing contracts are estimated to be concluded in the first semester of 2022.

The financing contract for the *predefined project "ROM(a)NOR Interferences"* was concluded in November, with a total value of €1,357,794. The implementation of the project started on January 1st, 2022. The project aims to revitalize Roma cultural heritage and reduce the stereotypes and prejudices related to this minority. Field research will be carried out in 35 villages from 7 counties and will reach at least 70 Roma individuals based on the methodology developed in partnership with Anno Museum experts. The experts will try to identify typical elements of vernacular architecture specific to the Roma ethnic group, to find and purchase movable cultural goods, but also to discover customs, traditions and crafts belonging to Roma intangible cultural heritage and to capitalize on them.

Justice

9 out of the 10 predefined projects foreseen have been contracted, reaching a rate of 90% of the budget. Two projects that were included in the programme following the budgetary increase after the reallocation of the

reserve have been contracted during 2021 and the last predefined project is envisaged to be signed in the first half of 2022.

The projects are in various stages of implementation, depending on the projects' financing contracts signature dates. Most are progressing well, in line with their implementation schedules, except for some activities of the predefined projects no 2 "Correctional" and no 6 "Fighting criminality and corruption" where certain delays have been registered, mainly stemming from the number and complexity of the procurement procedures to be carried out, on which the actual commencement of the implementation of the projects' activities depends, as well as from difficulties encountered in identifying specialized expertise to deliver the expected project results.

In terms of financial disbursement, an amount of €10,739,940 was paid to projects, i.e., 23.16% of the budget.

The achievement of planned project results is advancing, despite the challenges caused by the pandemic or the significant rise of the cost of constructions.

Further trainings were organised for judges and prosecutors and other specialists activating in the judiciary on topics such as: public procurement, administrative litigation, fiscal procedure, judicial cooperation in civil and criminal matters, human rights, specific issues related to the activity of auxiliary personnel, fighting organized crime, environmental crimes, tax evasion and money laundering.

On the "correctional services" component, a number of 5 out of 5 educational and assistance programmes for juvenile offenders were developed and finalized during the reporting period. Furthermore, under PDP1 the endowment of the judicial institutions with IT equipment has begun, 100 courts being already endowed with videoconferencing systems. A new Romanian anticorruption policy was elaborated, namely the National Anticorruption Strategy for the years 2021-2025, which was adopted by the Romanian Government on 17/12/2021, following extensive public consultations with representatives of the civil society, public institutions and the business environment.

Home Affairs

The programme is registering an adequate level of progress, with all 5 predefined projects in advanced implementation phase. Financial disbursement is quite high, reaching 47% of the budget.

Predefined project 1 *Improving Asylum and Migration System* - the necessary authorizations for the rehabilitation of GII's Data Centre were obtained and the selection process of the entrepreneur is ongoing, the new solution for the Contingency Centre (in case of major flow of migrants) is in implementation phase (the contract has been modified, 2 new national partners were co-opted, the construction of the administrative containers started), the purchase and installation of specific equipment is ongoing, several activities with the Norwegian project partner were recorded.

Predefined project 2 *Strengthening national capacities in the area of international police cooperation and combating crime - AFIS system*: establishing the technical solution completed, the contracts with the system integrator, and the equipment providers were signed, the discussions regarding the possibility of implementing new pilot components (POD proposal) started.

Predefined project 3 *Combatting hate crimes and violent extremism, particularly against Roma population, and increasing the quality of police service* - the legal establishment of the Hate Crime Unit within the Romanian National Police was finalized, the elaboration of the selection procedures for the NGO specialized in Roma-related issues (information campaigns, support for obtaining documents) and for the academic partner (sociological study) completed, under approval.

Predefined project 4 *Improving disaster risk resilience by enhanced preparedness for search and rescue and bomb removal missions* - construction of the training facilities: public works contract signed (which includes technical design, construction of buildings, technical assistance from the designer throughout the implementation), legal authorizations obtained.

Predefined project 5 *Enhancement of Nuclear Safety and Security in Romania – Improvement of Disaster Resilience and Preparedness for Radiological and Nuclear Events* - technical requirements of the command and control Centre of CNCAN completed and legal construction authorizations obtained; Update for 8 Guides and procedures of the regulatory framework; 43 trainings/ workshops/ experience exchange in the field safety, security, emergency based on the joint activities of PP with IAEA and NRPA.

Some of the activities have not been completed in 2021 due to the travel and gathering restrictions. This situation led to postponement or delays for some soft activities that are to be done physically, such as the joint

operative missions in Norway and workshops (in the area of international police cooperation) and trainings for the search and rescue domain.

In January 2022, modification no. 5 to the programme agreement was approved, eliminating the 3 small grants schemes were eliminated from the programme and reallocating activities and budgets in the predefined projects 1, 4 and 5).

Environment

The programme is registering significant delays due to the persistent lack of capacity of the programme operator. The risk of not effectively using the funds available by the end of the implementation period is very high. The contracting rate is 27%. In terms of financial disbursement, €7,432,620 was received from the donors and €1,511,798 was paid to projects and management costs.

The call for proposals no. 1 "Restoration of wetlands and peatlands" was conducted in September 2020 – March 2021. 5 project proposals were received. After an evaluation period of approximately 9 months, in December 2021, 4 project contracts with a total value of €3,004,668 euro were concluded.

The small grants scheme "Development of climate change adaptation and mitigation plans in municipalities" was launched on 30.12.2020 and closed on 29.03.2021. 17 project proposals were received, for a total amount of €2,086,754. 6 project contracts were concluded in December 2021, the 2 in January 2022. The contracted amount is of €966,202.

The call for proposals no. 2 "Measures to reduce contamination with dangerous substances in temporary municipal landfills" was launched on 01.03.2021 and closed on 30.06.2021. 1 project proposal was received and was rejected following eligibility criteria verification. The relaunching of the call was delayed, extensive clarifications being needed concerning the legal basis for this component and to adequately prepare the call text. The call was relaunched in March 2022.

The predefined projects "Geographic Information for Environment, Climate Change and EU Integration - LAKI III" was signed in February 2021 for an amount of €5,000,000. The main procurement within this project, for the execution of a digital terrain model and of the digital surface model by aerial laser scanning, was launched, but cancelled with 4 days before the deadline, on 10 February 2022, in order to modify the technical specifications and to clarify with the Programme Operator aspects related to the approval of a new addendum to the financing contract. Moreover, given that one of the main activities of this contract involves carrying out flights (for aerial scanning), the situation in Ukraine will most likely cause significant disruptions. One of the main causes invoked for explaining the delays in the similar 2009-2014 project LAKI II was the flight restrictions imposed by military exercises. In conclusion, this project is also facing major risks of non-completion in the remaining time.

The call for proposals no 3, with an allocated budget of €7,450,000 was planned to support the actual implementation of the climate change adaptation plans, developed through the small grants scheme 1. Given the accumulated delays in SGS 1, the objective of this component is no longer deemed feasible. Also, an amount of €545,332 has remained uncontracted from open call 1 and SGS 1. The programme operator has not yet proposed a concrete plan for the use of these funds.

Considering the above, the reallocation of funds from this programme will be taken into consideration.

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 2021, the Programmes continued to be affected by Covid 19 pandemic and the bilateral aspect within the Programmes as well, thus, so far, the progress in the achievement of the bilateral objectives is limited.

There were 2 meetings of the Joint Committee for the Bilateral Funds (JCFB) on 20.01.2021 and 14.07.2021 where the financial implementation status of the Bilateral Fund, predefined initiatives and the progress achieved in implementation were discussed.

During the 4th meeting of the JCBF (January 2021) it was agreed to relaunch the open call dedicated to the event Timisoara European Capital of Culture 2023 - it based on the approval of the European Commission to reschedule the event for 2023. The call text and the supporting documents were published on 17 March 2021; providing helpdesk activity for the potential applicants.

During the 5th meeting of the JCBF (July 2021), a new predefined initiative - *Romanian - Icelandic research cooperation on democracy, memory politics and post-crisis reconstruction* and a new Expression of Interest within Research Programme were approved.

The overall financial status of the Bilateral Fund is:

Total budget: €10,050,000

Total amount transferred by FMO: €3,269,768 (32.54%)

Total amount of incurred expenditure: €2,149,347 (21.39%)

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 4th Annual meeting – 07.01.2021 and the 4th and 5th 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 (labour issues)* (€300,000) – implementation of the partnership between the Romanian and Norwegian labour authorities started in February 2019 and will continue until the end of October 2022 (addendum no.2/January 2022). A webpage on Romanian workers' rights in Norway has been developed <https://www.arbeidstilsynet.no/en/knowyourrights-RO/>. Due to Covid the activities planned for 2021 will be conducted in 2022:
 - Norwegian inspectors will visit Constanta week 6/2022
 - Romanian inspectors will visit Norway for inspections in the fish industry in Northern Norway in March 2022;
 - 4 Norwegian inspectors will visit Romania in September 2022
 - 4 Romanian representatives from management level to visit Oslo in September 2022 for the annual seminar, this event will be arranged back-to-back with the Know You Rights end seminar and we are also in discussions with the Romanian ambassador to Norway to set up a joint meeting during your visit to Oslo
- *Geopolitics and Russian force projection: Arctic and Black Sea* (€296,995) - the financing contract was signed in October 2019 with NUPI and the initiative will be implemented until 30th of May 2022 (addendum no.1/July 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.
- *Romanian-Icelandic research cooperation on democracy, memory politics and post-crisis reconstruction* (€60,000) - the financing contract was signed in October 2021 with University of Iceland (EDDA Research Center) and the initiative will be implemented until 31st of May 2024. The objective of the initiative consists

in: exploring the state of the liberal democratic order in their respective countries from various political, social and historical perspectives; Compare and contrast Romanian and Icelandic responses to societal disruptions, such as democratic transitions, political and economic crises and pandemics and put them in a broader European context; Raise awareness among the broader public on important topics such as democracy, memory politics and post-crisis based on research-based knowledge developments. A request for the advance payment was sent to the NFP.

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 was open until 21st of December 2021.

33 initiatives were received within the call and all of the applications have partners (one of them was submitted with an Icelandic partner, therefore was rejected since, based on the corrigendum to the call, only the Initiatives with Norwegian partners are eligible). The total budget of the received applications is €2.8 million.

The estimated calendar foreseen at NFP level is the following:

- Evaluation period: February-March 2022
- Notifying the JCBF about the results of the evaluation: end of March 2022
- Decision regarding the financing: April 2022
- Starting the contracting phase – Q2 2022

The list of initiatives received was published on the website: <https://www.eeagrants.ro/en/t2023-ps>

Bilateral Funds allocated to Programmes

At Programme level, due to progress already achieved, the FBR is registering a good level of implementation: Education and Justice with more than 60% spent - Culture with 52% spent – Research with 48% spent - Business and Energy between 20%-30% spent. 3 programmes (Home Affairs, Health and Environment) registered minimal progress, with 0%-10% spent. In what concerns the Local Development Programme, their initial budget has increased due to the approval of 7 Bilateral Initiatives in amount of €956.738. The PO requested payments only for 3 of them.

The Programme Operators also developed and sent expressions of interest to access additional allocations from the Bilateral Fund. The JCBF approved a new Expressions of Interest submitted by the PO for the Research programme in total amount of €259,080: „Analysis and management of human genomic data”, Promoter: Romanian Society of Bioinformatics, Partner: ELIXIR Norway.

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.

A new Expression of Interest proposal was approved during the 5th Meeting of the JCBF:

- €259,080: „Towards the integration of European human molecular data in research and health”,
- Promoter: Romanian Society of Bioinformatics
- Partner: ELIXIR Norway
- Objective: the new bilateral initiative is to develop a European interoperable national capacity in bioinformatics through a national training and exchange programme with focus on analysis and management of human genomic data.

Health

In 2021, as in 2020, the bilateral component was affected by the COVID 19 pandemic and, as such, the bilateral visits or events planned could not be implemented. The implementation of the bilateral plan was postponed until the epidemiological conditions will be favourable. In 2021, sadly, none of these conditions were met. Depending on the evolution of COVID 19 pandemic, the implementation of bilateral plan could be resumed in 2022. The PO was constantly in contact with DPPs, NFP and FMO for taking appropriate measures to overcome this unforeseen event. No amount was spent in 2021 from Bilateral Fund Allocated to the Programme.

Local Development

The bilateral activities organized under the projects in implementation already facilitated an important flow of information and experiences among partners; by the end of 2021, 36 specialists from Romania (out of the 200 estimated - 18%) and 15 Norwegian experts (out of the 30 estimated - 50%) being involved in bilateral exchanges.

Despite the health restrictions in both countries, during 2021, the 3 partners involved in implementing the predefined project "Improving access and quality of services for citizens - a transparent and accountable public administration" (ACoR - Association of Communes in Romania, AMR - Association of Romanian Municipalities and KS - Norwegian Association of Local and Regional Authorities) had a fruitful collaboration, facilitating a consistent exchange of experience and significantly contributing to the promotion of good practice models in areas such as transparency, ethics, incompatibility and conflict of interest in public administration.

A new proposal in partnership with KS "Fellowship program for projects staff" was submitted in 2021 and discussed during the 5th JBCF meeting. The EoI was assessed considering the large allocation provided to the PO through EoIs already approved and the current low rate of absorption of bilateral funds (which is largely motivated by existing COVID restrictions). Thus, the JCBF voted against approving this EoI at this time, with the possibility of being considered at a later stage, if the implementation rate increases.

In order to start organising the bilateral activities planned to be carried on with the DPP, one partnership agreement was signed between PO and KS for the organisation of the study visit in Karasjok, established for January, 10th 2022 and important steps were taken towards putting it in place (but postponed by KS for May, from COVID-19 reasons).

Education

The bilateral cooperation continued to develop also in 2021, although affected by COVID19 travel restrictions; thus, the only one application for preparatory visits, from Romania to Iceland was financed. The visit took place in good conditions, having as a main focus the development of a common project "Entrepreneur's path to success". Under these circumstances, the bilateral cooperation in the running projects continued mostly by virtual means, the projects meetings, the work for producing the intellectual outputs or some of the training activities planned for 2021 moved to online cooperation activities.

For the VET field, all the 22 projects of cooperation and mobility financed until the end of 2021 were governed by a strong bilateral component, by enhancing the experience and knowledge sharing with the Donor or Beneficiary States partners through the study visits.

Culture

From the programme perspective, the level of interest for bilateral cooperation was impressive. The 2 calls which were launched during 2021 revealed a high number of projects developed in partnership with donor project partners. Thus, within Call no. 6, out of the 80 submitted applications, 65 projects (81%) are developed in partnership with cultural entities from the Donor States (53 organizations from Norway, 8 organizations from Iceland and 4 organizations from Liechtenstein). Within Call no. 7, out of the 15 submitted applications, 11 projects (73%) are developed in partnership with cultural entities from the Donor States (9 organizations from Norway and 2 organizations from Iceland).

A strong proof that the cooperation relationship between the PO and the DPPs works very well is the fact that the 3 organizations did not limit to interactions formally imposed by Regulation, but extended through multiple online meetings and message exchanges. In this regard, a very good example is the organization of the three online bilateral debates tackling the COVID-19 effects: Coffee with a taste of VISUAL ARTS, Coffee with a taste of MUSEUMS and Coffee with a taste of THEATRE.

Justice

No new bilateral initiatives were submitted to the Programme Operator in 2021. Out of the 9 bilateral initiatives submitted, 8 are finalized and one is on-going: *Better trainings for better professionals within the Judiciary*, implementation period: June 2019 – 31 August November 2023 (addendum 2/November 2021).

Two BI were approved by the JCBF but not submitted by beneficiaries, due to COVID 19 pandemic:

- Participation to the SYNERGY Network meetings (€11,000)
- How to achieve conservation of human rights during deprivation of liberty (€50,000)

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 2020/2021 has been postponed. However, in 2021 the Bilateral Initiative (BI) between the PO and Kripos was signed (November 2021) and a pre-financing request was submitted to the NFP. The BI consists of Bilateral workshop (held in Bucharest) and Specialized training on project management and will be implemented by 30th of December 2022. During the 5th CC, three proposals, considered as a very strong point for a future cooperation, both from the professional point of view as well as from the bilateral perspective, were presented by the representative of POD. The proposals are key topics with high added value in the field of combating crime. It was agreed that further discussions will be held at expert level, between POD, Kripos, GIRP and other stakeholders. Thus, pending on the Covid evolution, some new BI proposals are expected.

Environment

Even if the call for travel support is opened since 16.09.2020 until the funds will be exhausted, only one project applications was received, but, due to restriction for travel conditions in Donor States caused by COVID pandemic, the applicant withdraw his proposal, and, consequently, no contract for Bilateral Relations Fund was signed.

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). However, for 2022, the Programme Operators hope for significant delay recovery in implementation of bilateral initiatives. In 2021, the activities started to resume, some new BI were signed/submitted for approval, while others are in preparation/progress. This leads to the idea of a better future for the bilateral fund in Romania.

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. No modifications were made to the initial version.

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. The revised description of the MCS still complies with the minimum elements of the Financial Guidance and the Regulations. Consequently, the NFP approval from 02.04.2019 was maintained.

A second notification was made by the PO on 10.02.2022 about some needed revisions. Most of the changes were made in the sense of updating and correlating some information with the current situation of the programme implementation and with the changes to the Programme Agreement. Necessary changes have also been made in order to modify or clarify some issues discussed with the Audit Authority or the Cooperation Committees. At the same time, additional information was needed based on the applicable legal framework. The new version was approved by the NFP on 14.02.2022 considering that the proposed changes are minor. The revised description of the MCS still complies with the minimum elements of the Financial Guidance and the Regulations. Consequently, the NFP approval from 02.04.2019 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. A second notification was made by the PO on 01.10.2021 about a modification regarding the Audit Authority's recommendation included in the Audit report on

verifying the functioning of the MCS at the programme level, no. 430498/30.06.2021. NFP considered the modifications were minor and the description of the MCS still complies with the minimum requirements of the Regulation and the Financial Guidance, Consequently, the NFP approval from 27.08.2019 was maintained.

b. Complaints

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

- Complaint from an NGO regarding opposition to financing the development of new Micro Hydro Power Plants (MHPPs), mainly due to environmental impact assessments not being done in a proper and transparent way as presented by the NGOs and the indicated media articles; the rehabilitation or refurbishment of old Hydro Power Plants and infrastructure were encouraged (not contested) by the NGOs signing the petition – RO Energy programme. Based on the verifications made by the NFP and Innovation Norway as Fund Operator, the conclusions were that the projects implemented under this Programme will comply with the rules of environmental protection and biodiversity in accordance with applicable law and the objectives of the EEA and Norwegian Grants, while also taking into account the need to support renewable energy production without carbon emissions.
- Complaint formulated by Mrs. Iulia Radulescu, registered within the Department for Anti-Fraud - DLAF under no. 2750/2020 / 19.08.2021 and sent to NFP with no. 83106 / 08.09.2021 regarding a series of projects financed from European funds, as well as the project 2018-EY-PICR-R1-R1-0010 "A chance for change" financed by the RO Education programme. NFP requested the PO - RO Education programme to verify and respond to the complainant and also to communicate to NFP the result of the investigations carried out as a Programme Operator. PO analyzed the notification regarding possible irregularities in the use of European funds by the Bengesti commune City Hall, the Motru Municipality Administration, the Novaci City Police and the Gorj County School Inspectorate which was the project promoter for the project entitled 2018-EY-PICR-R1-0010 and respond to the complainant in accordance with her request, that the mentioned project has been completed.
- Complaint of the Center for Legal Resources sent on 16.09.2021 regarding the project "IRIS - Integration of Rome through innovative skills", Project Promoter - Alba Iulia City Hall within the programme "Local development and poverty reduction, increasing Roma inclusion". In order to answer, NFP requested the point of view of the PO (FRDS), responsible for monitoring the project. The conclusion was that the notification is unfounded, but due to the importance of the mentioned aspects, certain measures to monitor compliance with the principles of social inclusion are imposed, which the PO will undertake.
- Complaint formulated by Mrs. Simona Nastase no. 101866 / 11.10.2021 related to Collaborative Research Project POETICA RO-NO-2019-0091 – it was analyzed both by UEFISCDI (as the PO of the "Research" programme) and by the NFP. A point of view was also requested from the project promoter - Ștefan cel Mare University of Suceava. Following these steps, it was concluded that the complaint does not meet the legal conditions for classification as a suspected irregularity from the perspective of specific legislation, as it does not provide data or information on the violation of the conditions of implementation of the project covered by the financing agreement or specific regulations for EEA and Norway Grants.

c. Irregularities

The irregularities are reported by the Irregularities Authority – CPA, as per provisions of art. 12.5 of the Regulations.

Currently, there are eighteen irregularity cases, out of which two suspicions of fraud reported to FMO, via Grace, as follows:

- one irregularity in relation to RO Education programme,
- eight suspicions of irregularity in relation to RO Justice programme,
- three suspicions of irregularity in relation to RO Research programme
- four suspicions of irregularity in relation to RO Health programme
- two suspicions of fraud in the case of RO Culture programme.

There are also five irregularity cases which fall under the provisions of art. 12.5.3 of the Regulations and therefore not reported to FMO.

Out of the 23 cases, 15 are confirmed, 3 are under investigation and 5 cases were not confirmed, as follows:

3.1. CONFIRMED (15 cases):

- **IR1** – *RO Education programme, Project name IDEEA – Inclusion, Dignity, Education, Equity, Aspiring (2018-EY-PICR-R1-0007_IDEEA)* - **case closed**, reported to FMO in Q3 2019

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. The PP informed the PO that it was in a financial impossibility to start the project due to the fact that the advance received from PO (in amount of €60.851,20) was wrongfully enforced by seizure, being taken over by the Treasury due to debts following a trial lost by the PP for one of its previous projects.

The PO recovered from the PP the advance paid amounting to €60,851.20 as per bank statement from 01.10.2019 fully **recovered and reflected in IFR**.

- **IR30** – *RO Justice programme, project name CHILD – Children's Inclusion by Learning and Developing RO-JUSTICE-0004*, reported to FMO in Q1 2020

The suspicion of irregularity was issued 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, the PO discovered that the PP did not comply with the public procurement procedure included in the Public Procurement Plan (annex VI to the financing contract) for purchasing the thermal power plant 32 KW package (through direct acquisition instead of simplified procedure).

The control team issued the finding report 146/61932/2018/25.08.2020 and confirmed the irregularity for the amount of 2,491.73 lei (€534.36), **fully recovered and reflected in IFR**.

- **IR35** – *RO Research programme, management costs*, reported to FMO in Q2 2020

The suspicion of irregularity was issued following the verification made by Audit Authority during the audit mission in 2019. The suspected amount is in relation to the transport expenditure on the route Viena – Oslo – Timisoara incurred by PO, in April 2017.

Considering that the expenditure is incurred by the PO, the control authority within the Ministry of Finance (General Directorate for Financial and Economic Inspection) perform a control mission as per provisions of national legislation (the Emergency Ordinance 66/ 2011).

After verification, the finding report 5069/IFE/15.10.2020 was issued and confirmed the irregularity for the amount of 2,428.20 lei (€534.28), **fully recovered and reflected in IFR**.

- **IR36** – *RO Justice programme, project name Judiciary Training and Capacity Building RO-JUSTICE-0001*, reported to FMO in Q2 2020

The suspicion of irregularity was issued following the PO 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 national legislation (Law 153/2017 on the remuneration of staff paid from public funds).

After verification mission was issued the finding report 116/62642/2018/20.10.2020 and confirmed the irregularity for the amount of 11,039.00 lei (€2,319.56), **fully recovered and reflected in IFR**.

- **IR40** – *RO Justice programme, project name Supporting the implementation of the Istanbul Convention in Romania RO-JUSTICE-0005*, reported to FMO in Q3 2020

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 fund, following the PO verifications.

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 (€1,476.65), representing non eligible expenditures related to the incorrect application of salary increase percentages for the project team members, **fully recovered and reflected in IFR.**

- **IR50** – *RO Justice programme, project name project name CHILD — Children's Inclusion by Learning and Developing RO-JUSTICE-0004*, reported to FMO in Q4 2020

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.

Following the investigation of the irregularity suspicion, by the control team appointed by Order of Minister of Justice no 7477/C/ 28.12.2020, the finding report was issued which established a financial correction of 1.048 lei (€224.75), **fully recovered and reflected in IFR.**

- **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*, reported to FMO in Q4 2020

The 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 irregularity was confirmed by the finding report no 220/27.01.2021 issued by the control structure within the PO. The amount affected by irregularity is of 1.190 lei, (€249.88), **fully recovered and reflected in IFR.**

- **IR58** - *RO Justice programme - project name:" Fighting Criminality and Corruption", RO-JUSTICE-0006*, reported to FMO in Q1 2021

The irregularity was discovered following the PO verification of the supporting documents related to the acquisitions included in the PP's interim financial report no. 8 of the Prosecutor's Office attached to the High Court of Cassation and Justice for the period July - September 2020, respectively the verification of the correct application of the procurement procedures in relation to the public procurement plan of the project (Annex VI to the contract), and of the national procurement legislation.

Thus, subsequent to the verification of the said documents, the PO's procurement officer found that the selection of two specialized training experts was carried out by the Project Promoter (PP) in breach of the provisions of the financing contract, of the national procurement legislation, and of the Regulation for the implementation of the Norwegian Financial Mechanism 2014-2021.

The Project Promoter has paid in full on 14th of July 2021 the debit established as per finding report no. 140/96049/2018/14.06.2021, amounting to 5.367,05 lei (€1,153.44), representing 10% of the total value (53.670,50 lei) of the contracts concluded with two experts (contract no. 57 bis/24.07.2020 and contract no. 57/24.07.2020), **fully recovered and reflected in IFR.**

- **IR71** - *RO Justice programme - project name:" Improving the Correctional Services in Romania by Implementing the Normality Principle – 4NORM(-ality)", RO-JUSTICE-0003*, reported to FMO in Q2 2021

The potential irregularity was discovered following the verification of the supporting documents related to the procurement of the feasibility study for the Moara Noua Ploiești Prison. Subsequent to the verification of the above-mentioned documents, the PO procurement officer found that the public procurement procedure conducted by the project partner, Ploiești Penitentiary, was carried out in breach of the national procurement legislation, as the selected offer did not comply with the requirements of the tender dossier as regards the required expertise.

The Project Promoter has paid, in full, on 05.10.2021 the debit established as per finding report no.174/61929/2018/ 06.09.2021, amounting to 2.320,50 lei (€491.39), representing 5% of the total value (46.410 lei) of the service contract no.39664/14.12.2020 concluded between the project partner (Ploiești Penitentiary) and S.C. KAT CONCEPT SRL for carrying out the feasibility study for the Moara Nouă Ploiești Prison, **fully recovered, to be reflected in IFR.**

- **IR85- RO Justice programme - project name: "Fighting Criminality and Corruption", RO-JUSTICE-0006,** reported to FMO in Q3 2021

The suspected irregularity was identified by the PO's financial officer subsequent to the issuing of the finding report no. 140/96049/2018/14.06.2021 which confirmed the irregularity IR58 concerning the selection by the Project Promoter (PP), Prosecutor's Office attached to the High Court of Cassation and Justice (POHCCJ), of two experts, in breach of the national procurement legal framework, of the Regulation of the implementation on the Norwegian Financial Mechanism 2014-2021 and of the provisions of the financing contract concluded between the PO and the PP on the selection of experts/consultants for carrying out the project activities.

The finding report confirmed the irregularities reported and applied a financial correction of 10% to the total value of the contracts no. 247/10.06.2019, no. 247 bis/10.06.2019, no.33/23.06.2020, and 33 bis/23.06.2020, concluded between the PP and four specialised experts. The PP has paid the debit in full in amount of 6.440,46 lei (€1,329.71) on 13.12.2021, **fully recovered, to be reflected in IFR.**

- **IR74 - RO Health programme, predefined project PDP 4,** reported to FMO in Q2 2021

Suspected irregularity is in connection with violation of legal norms in the field of procurement for the acquisition through the simplified procedure of database development services, research and monitoring of the activity, patient support programs.

The finding report confirmed the irregularities reported in amount of 66,963.62 lei (approx. €14,093.15), **not yet recovered, to be reflected in IFR.**

- **IR86 - RO Health programme, predefined project PDP 4,** reported to FMO in Q3 2021

Suspected irregularity is in relation to violation of the provisions of the financing contract - subsequent amendments to the budget allocated.

The control team within the PO issued the finding report, which confirmed the irregularity and a correction was set in amount of 88,334.99 lei (approx. €18,590.97). The PP paid the debit, **fully recovered, to be reflected in IFR.**

Moreover, there are **three irregularity cases** confirmed: two under RO Justice programme which fall under the provisions of art. 12.5.3 b) of the Regulations and one under RO Home Affairs programme which fall under the provisions of art. 12.5.3 c) of the Regulations, therefore **not reported to FMO**, as follows:

1) *Project name: "Supporting the implementation of the Istanbul Convention in Romania" RO Justice*

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 (€2,574.29), **fully recovered and reflected in IFR.**

2) *Project name: "Fighting Criminality and Corruption" RO Justice*

The suspicion of irregularity was discovered 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 (€3,825.84), **fully recovered and reflected in IFR.**

3) Project name: "PDP 1" RO Home Affairs

The suspicion of irregularity was discovered following the verification of the supporting documents related to the public procurement for international air transport tickets. 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 1,823.61 lei (€3,825.84), **fully recovered and to be reflected in IFR.**

3.2. UNDER INVESTIGATION (3 cases):

- **IR34** – the suspicion of fraud is in relation to RO Culture programme, project name *DIRECT C – Developing Regional Initiatives for Education and Culture through Knowledge Transfer*, reported immediately to FMO in August 2020

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.

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.

The debt was recovered 256,043.97 lei (advance payment) (approx €52,012.91) **no funds reported in IFR.**

- **IR73** – RO Health programme, predefined project *PDP 4*, reported to FMO in Q2 2021
- **IR76** - the suspicion of fraud is in relation to RO Culture programme, project name *Animation Bucharest International Film Festival* reported immediately to FMO in November 2021

The irregularity is actual. PO detected that:

a) the PP violated the legal and contractual obligation to open an account dedicated to the project and made unjustified and illegal transfers from the account in which it received the advance transferred by PO to another bank account of ABI FOUNDATION, and then the latter account in a bank account of the legal representative of the organization. Given that PP did not provide evidence of the clear traceability of the advance payment received, the PO considered that these elements are reasonable indications of the use of the non-reimbursable financial support for other purposes than those for which it was granted, i.e. indications of fraud.

b) the PP usually modified/replaced documents following requests for clarifications addressed by the PO. Also, there was a situation of falsification of employees' signatures on all supporting documents related to the reporting period - individual employment contracts, job descriptions, payment orders, etc.

c) PP made several payments in cash. Thus, taking into account the recurrent negative balance per project in the cash register, the PO considered that these elements constitute reasonable indications of receipts, respectively fictitious payments, respectively indications of fraud.

The advance payment that PP has received is of 594,594 LEI (€123,160.45 April 2020 InforEuro exchange rate).

3.3. NOT CONFIRMED (5 cases):

- **IR39** – *RO Justice programme, project name Improving the correctional services in Romania by implementing the normality principle - 4NORM (—ality) RO-JUSTICE-0003*, reported to FMO in Q3 2020

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. As no irregularity was identified, **no amounts are expected to be recovered**.

- *Suspicion of Irregularity – RO Health programme, under predefined project PDP 4*, which fall under the provisions of art. 12.5.3 b) of the Regulations, therefore not reported to FMO

The control team within the PO issued the finding report no 643/22.10.2020 which did not confirm the irregularity suspicion. The report was sent to the PP on 22.10.2020. As no irregularity was identified, **no amounts are expected to be recovered**.

- **IR72** – *RO Research programme, project name “Monitoring and risk assessment for groundwater sources in rural communities of Romania”*

The suspicion of irregularity was discovered following the verification performed by the PO in relation to the annual report no.137EEA/24.02.2021, in connection with travel costs/ indirect costs – costs related to the international travel of one project team member, which was not documented and justified correctly. The control team issued the finding report no 1885/ 21.07.2021, which did not confirm the irregularity suspicion. As no irregularity was identified, **no amounts are expected to be recovered**.

- **IR87** - *RO Health programme, predefined project PDP 8*, reported to FMO in Q3 2021

The suspected irregularity is in connection with carrying out and finalizing an employment procedure outside the organizational chart. The control team issued the finding report no 70/ 14.01.2022, which did not confirm the irregularity suspicion. As no irregularity was identified, **no amounts are expected to be recovered**.

- *Suspicion of Irregularity – RO Research, under project EEA-RO-NO-201800126*, which fall under the provisions of art. 12.5.3 c) of the Regulations, therefore not reported to FMO

The control team within the PO issued the finding report no 1995/02.08.2021 which did not confirm the irregularity suspicion. The report was sent to the PP on 21.07.2021. As no irregularity was identified, **no amounts are expected to be recovered**.

Moreover, there are **six suspicions of irregularities** that have not yet been reported to the FMO because there were received during Q4 2021 and Q1 2022 (2 for RO Justice programme, 2 for RO Research, one for Bilateral Fund and one for RO Culture). These cases will be reported by end of February 2022 and May 2022, via Grace.

7. Audit

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

- finalization of the audit mission started in 2020 regarding the Verification of the expenditure declared until 31.12.2019 within the Education, scholarships, apprenticeship and youth entrepreneurship Programme;
- performance of the system audit missions for the National Focal Point, Certifying Authority / Irregularities Authority, the Bilateral Relations Fund, the Technical Assistance Fund and 4 Programmes:

Research, Cultural entrepreneurship, cultural heritage and cultural exchange, Home Affairs and European public health challenges;

As a result of the verifications carried out during the system audit missions the Management and Control Systems implemented for the Programmes: Research, Cultural entrepreneurship, cultural heritage and cultural exchange, Home Affairs and the Funds for Technical Assistance and Bilateral Relations, were included in Category 2 - *Works, but some improvements are needed* and the European public health challenges Programme in Category 3 - *Works partially, substantial improvements are needed*.

- performance of the operational audit missions for 4 programmes: Research, Cultural entrepreneurship, cultural heritage and cultural exchange, Home Affairs and European public health challenges and 2 Funds: Technical Assistance and Bilateral Relations;

Following the verifications carried out on the samples selected for the expenditures authorized and certified, the AA identified ineligible expenditure as mentioned in the table below.

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

The initial version of the audit manual has been revised based on the approved audit strategy, FMO guidelines and AA's experience and was approved by the management of the Ministry of Finance on 01.04.2021.

- starting system audit missions according to the 2022 annual audit plan for National Focal Point, Certifying Authority / Irregularities Authority and 3 Programmes: Research, Education, scholarships, apprenticeship and youth entrepreneurship and European public health challenges;
- submission of the annual audit report and the audit opinion;

The annual audit report setting out the findings of the audits carried out by the AA and the global audit opinion were uploaded in GrACE System. The audit opinions issued by the AA for each Programme and the value of the eligible and ineligible expenditures identified are presented in the table below:

Programme	Audited period	Total eligible expenditures (RON)	Total ineligible expenditures (RON)	Total error rate	General level of assurance	Audit opinion
Education	13.10.2016 -31.12.2019	1,889,448.53 (€403,575)	3,834.00 (€812)	0.44%	High	Unqualified
Research	13.10.2016 -31.12.2020	12,162,980.47 (€2,532,783.22)	27,439.95 (€5,706.48)	0.43%	High	Unqualified
Home Affairs	13.10.2016 -31.12.2020	3,100,140.84 (€646,935.75)	0	-	High	Unqualified
Health	13.10.2016 -31.12.2020	1,311,873.44 (€274,259.79)	0	-	Medium	Unqualified
Culture	14.10.2016 -31.12.2020	9,341,514.58 (€1,965,328.24)	13,001.00 (€2,697.95)	0.12%	High	Unqualified
Bilateral Relations Fund	13.10.2016 -31.12.2020	6,398,038.74 (€1,343,734.49)	0	-	High	Unqualified
Technical Assistance Fund	13.10.2016 -31.12.2020	1,826,623.68 (€384,503)	0	-	High	Unqualified

8. Communication

Due to the Covid situation, all communication activities were affected during the reporting period and the main communication events were postponed, 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](#) and [Instagram](#) accounts of the EEA and Norway Grants in Romania.

The web page eeagrants.ro and the “Granturi SEE & Norvegiene” Facebook account were used to provide news on important events such as Programme launching, calls for proposals and also information on the remaining grants at programme level and the status of the EEA and Norway Grants 2014-2021 at the end of the year.

Updates were constantly made on the website with information and press releases with the occasion of relevant events in Programmes –31 articles. The web page was accessed by 55,129 users (with a number of 54,905 new users) with the following results:

- page views: 347,423
- number of pages/sessions: 4 pages
- avg. session duration: 03:00 min
- 83% - new visitors, 17% - 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: 6032 followers and 5236 likes. In the reporting period, 65 new posts were published on Facebook.

Also, an Instagram account was created ([eea_norway_grants_romania](#)) with 80 followers and 15 posts so far.

Regarding the transparency of the articles posted by the Programme Operators on social media, the NFP recommended to be tagged in all of the posts, in order to be informed in real time and to monitor actively the communication activities at PO’s level.

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.

Also, the NFP communication officer participated on a monthly basis at the meetings with the FMO representative, in order to keep updated about the progress of the communication activities at NFP level and to discuss about the potential obstacles occurred in the process.

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 ensured the permanent monitoring of the programmes through quarterly progress reports, annual programme reports, technical meetings, participating at the meetings of the Cooperation Committees and of the Selection Committees as observers, as well as permanent contact with the POs in order to be able to take corrective measures were needed.

The NFP has constantly followed and assisted in the activities performed by POs – assessing the calls for proposals, assessing the predefined projects, fulfilment of PA conditions and any necessary PA modifications, communications duties, etc.

The NFP also keeps updated information on the following topics, based on the reports from POs: payment made/authorized by POs (monthly), contracting status, implementation of the Fund for Bilateral Relations at Programme Level, information regarding the objective of improvement of the situation for the Roma population, etc.

The on-the-spot monitoring visits at the level of POs and projects will be performed, depending on the evolution of the COVID- 19 pandemic.

b. Evaluation

In the last quarter of 2021 the PO for the programme Education, Scholarships, Apprenticeships and Youth Entrepreneurship contracted an external company specialised in sociological studies to undertake a midterm evaluation of the Romanian Programme. The report was finalised and it was sent via Grace by the Programme Operator (annex 6 of the annual report of the programme).

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)
- Extension of the implementation period for the 2014-2021 EEA and Norway Grants in Romania.