

Minutes

5th Annual Meeting for the EEA and Norway Grants 2014-2021

12.05.2022, Iași, Romania

Opening

The meeting was opened by Mr. Jon Erik Strømø, on behalf of the Donors, who stated the purpose of the meeting and thanked the NFP for the proactive efforts and achievements made in the last year and the substantial progress made in Romania in the implementation of the EEA and Norway Grants despite all the challenges encountered on the way. Mr. Strømø thanked the NFP team for the alternatives that have been found for several programmes to simplify and to speed up their implementation and especially for the professionalism showed, particularly for the efforts made by NFP to find suitable initiatives related to the consequences of the Russian invasion of Ukraine. The donors expressed their appreciation of the initiatives approved by JCBF and of the pragmatic solution that had been found to support the civil society.

The Donors' representative thanked NFP and Ministry of Culture for hosting the meeting in the Palace of Culture, Iași and pointed out the good cooperation with the Embassy and the FMO.

The Ambassador of Iceland thanked the NFP and the FMO for the good cooperation and expressed her content for attending the first meeting physically and for being in Romania for the first time. She underlined once more the value of the grants for the objective of increasing bilateral relations, in Iceland's areas of interest.

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

2. Draft Strategic Report 2021

The NFP made a brief overview of the Strategic Report 2021 underlining the important progress and results achieved in Romania. The progress in the implementation on each programme was presented with risks and solutions applied for the Covid pandemic. Almost all calls for proposals were launched and a lot of projects are in the contracting phase, all predefined projects are in the implementation phase. In what concerns the Education and Research Programmes, most of the projects are finalised. All these achievements would have a positive impact on the payments for the next year.

The Donors thanked the NFP for sending the Strategic Report on time and for including an updated risk assessment. In general, they appreciated the follow-up with the FMO, especially with regards to the mitigation measures that concerned five out of the eight programmes the NFP managed. The relatively low disbursement rate was mentioned, representing an overall challenge for the Grants. They were pleased with the follow-up from the last Annual Meeting (providing detailed information regarding the 10% Roma objective in the specific programmes as a separate annex to the report). In this aspect, the Donors encouraged the NFP to liaise with the FMO for the organisation of a Roma Roundtable event in the coming year, in line with the Grants' Action Plan on Roma inclusion and empowerment.

They thanked once again for the progress of the programmes and for the pragmatic approach in managing the Grants and especially for the strong commitment to achieving meaningful and concrete results in all programmes and to communicating those results.

The 2021 Strategic Report was approved.

3. Risk-assessment of the FMs

Each programme was analysed and so far, risks are not too big. For the Environment Programme the risk remains since the PO lacked the administrative capacity to implement the activities and the delay of the implementation is important.

The Donors' representative noted that the main risks on programme implementation identified were still related to the persisting difficulties caused by the COVID-19 pandemic, the crisis in Ukraine and increased economic and security uncertainties. In what concerns the RO-Environment programme, they agreed the need for a substantial programme design change. At this stage, they encouraged the speed up of the implementation and taking decisions according to the timeframe for implementation.

The increase of prices in the construction sector which would negatively impact the infrastructure components in projects was also brought in discussion, especially for RO-Culture and RO-Justice Programmes.

Another risk for which the Donors are concerned was the current disbursement and incurred expenditure rates that remain low. They asked NFP to have in mind the mitigation of those risks and how they intended to address the persistent risks of low absorption.

4. Extension of the implementation period for the 2014-2021 EEA and Norway Grants in Romania and reallocations between Programmes according to art.6.3.6 of the Regulations

The NFP representative presented the importance of granting a one-year extension to the programmes, since for some, the Covid pandemic blocked the projects' implementation and for others the activities were delayed. Romania intends to use all the funds allocated, but the reallocations inside the programmes is not enough. Moreover, considering the long period necessary for negotiations, a time gap between the current programming period and the next would lead to difficulties in maintaining the management and control structures, in terms of staffing as well as the related tasks and responsibilities. The NFP informed the donors that they might send a request for reallocation between programmes in autumn 2022.

The Donor's representative mentioned that the extension was one element for mitigating risks and asked the NFP to investigate all the possible mitigation tools such as the reallocation of funds between programmes. They ensured the NFP that the extension request would be analysed, however they would like that other options were taken into consideration as well, in close cooperation with the FMO since the current forecasts showed that the disbursement rate might be similar with the two previous mechanisms.

5. Physical and financial progress of programme implementation - including presentations of POs invited (Culture, Home Affairs, RO Local Dev., ACF)

The NFP representative mentioned that *RO-Environment* programme is the most delayed and the 5 million euro predefined project - LAKI III is presenting the same challenges as the previous, when a large part of the funds remained unspent, with the additional issue of the Ukraine conflict impacting its implementation. A decision on reallocation of funds from this programme will need to be taken this year.

The Donors' representative recognized the need for restructuring this programme and that a pragmatic approach is needed.

For *RO-Culture Programme*, Mr. Bogdan Trîmbaciu presented the main activities and achievements of this very visible and open programme, with many calls and projects all over Romania: 7 calls for proposals were launched: 1. the Restoration and revitalisation of monuments – 10 projects are contracted and one will be in the future, 2. Innovative cultural exhibitions of restored projects supported – 9 projects contracted, 3. Cultural entrepreneurship enhanced & larger audience developed (3 sessions) – 23 projects contracted and 15 to be contracted by September, 4. Roma cultural initiatives developed – 10 projects to be contracted by September and a pre-defined project contracted.

Mr. Trîmbaciu presented a number of projects in more detail. He brought to the donors' attention the need for extension of the implementation period since due to Covid pandemic, some activities were stopped or the public procedure was not finalised/concluded. He also mentioned the increase of materials costs/prices which led to the need of supplementary allocations for the Programme. He underlined the good collaboration with Donor Programmes (Arts Council and Directorate for Cultural Heritage from Norway) which he mentioned was the key in achieving the good results.

The Donors congratulated the PO on the significant progress achieved in the past year with projects selected in all of the calls under the programme.

They expressed their contentment with the open call on 'Roma cultural initiatives' which was supporting some promising project ideas and also with the Pre-defined Project 'ROMaNOR' on the presentation of Roma cultural heritage, for which they were looking forward for the tangible results

Although they agreed with the risks brought by the price increase, they asked the PO to find solution to implement the Programme in the timeframe, according to the current deadline for implementation.

RO-Home Affairs – Mr. Eugen Vălean presented the Programme status, which is ongoing and quite advanced in terms of progress; all predefined projects are in implementation phase and the PO together with the support of the NFP and FMO found a feasible solution for the two small grants schemes. The Programme was well implemented and the collaboration with DPPs was very good. There are some activities already achieved and the savings registered would be reallocated to other activities. The PO would submit a predefined initiative to be implemented using the Bilateral Fund allocation within Programme.

The Donors thanked the PO for all the measures taken to speed up implementation and underlined the importance of following up on the recommendations mentioned in the monitoring report and to permanently update the FMO on the progress of implementation.

They expressed their contentment with the establishment of a Hate Crime unit, but also underlined that the cooperation and involvement of the civil society was a special concern for the donors. In what concerns the bilateral initiative, the donors commend the JCBF for its support to the Home Affairs' initiative through the Bilateral Fund.

RO-Local Development - The status of the programme was presented by Mrs. Carmen Murgoci, the PO's representative. The total allocation of 81.294.117 euros was distributed to the 5 programme Areas for which 7 calls for proposals were launched. 89 projects are contracted and 21 projects are under contracting with interventions on over 990 localities in all 41 counties & Bucharest. presented some relevant projects to the participants.

The Donors mentioned the good progress the PO made in the implementation phase as most projects have been contracted and are starting to show results. However, they agreed that there was still a need to catch up on the activities delayed or cancelled due to COVID-19.

The Donors thanked the PO on an excellent Annual Progress Report and for the very professional way this programme was managed so far.

RO-Health - The NFP representative mentioned that the programme is affected by the persisting low capacity of the PO, which are taking measures to improve. The predefined projects have reached a good level of progress and the open calls have been conducted. As a side note, the project targeting the control of tuberculosis has also contributed to the screening and treatment of Ukraine refugees.

The donors encourage the authorities to ensure that the PO for Health has the necessary human resources to carry out its tasks successfully.

RO-Justice – the NFP representative briefly presented the status of the programme, which is facing delays and is problematic - not due to the capacity of the PO, but to its amplitude. The implementation of construction components in the correctional area will be influenced by rising costs of materials, which are to be assessed later this year. The PO will begin demarches to secure state budget funding for the excess costs. Even though some projects within the Programme are delayed, there is a high level of commitment to overcome the difficulties and recover the delays, as during the previous programming period.

The Donors thanked the PO for prioritizing the remaining procurements and for mitigating the risk of delays. However, they expressed their concern about the construction work which represented a high proportion of the allocated budget in the programme.

RO-Research - the NFP representative stated that this Programme is without risk, as all projects are on a very good track of finishing on time and achieving good results. The Roma indicator is already achieved. Currently the PO has bilateral initiatives to be financed/implemented.

The Donors consider the programme as a "model" with good results and a good example of bilateral cooperation. In particular, they were extremely pleased to see how far the programme has come in achieving the set targets, and, in some cases even exceeding them.

For the *RO-Education Programme* the results achieved so far are good, only a single call for proposal on mobilities/scholarships in higher education is still to be financed. In what concerns the Roma indicator, the results are difficult to be quantified. The PO has bilateral initiatives to be financed.

In what concerns the education, the Donors are pleased that the programme was progressing well, in general, despite the challenges posed by Covid-19. In particular, the Donors congratulated the PO for the high interest in the last VET call that closed in February 2022.

The *programmes managed by FMO* – Mr. Borgar Thor Einarsson, Deputy Managing Director of the FMO, made a presentation of their status:

Social Dialogue and Decent Work managed by Innovation Norway has an allocation of 16.144.150 Euros and two calls for proposals launched, resulting in 8 projects under implementation phase.

The Fund for Youth Employment – managed by FMO with 60,61 Meuro (no country allocation): 34 projects in implementation following 2 open calls and 14 Romanian entities involved in projects.

Fund for Regional Cooperation - managed by FMO with 31,89 Meuro (no country allocation): over 700 applications were received but only 20 were selected and in implementation. 11 Romanian entities were involved in 9 projects financed.

Energy - managed by Innovation Norway with an allocation of 62,826,500 Euros. The calls were launched for Renewable Energy (3 calls and one SGS) – 22 projects on implementation, Energy Efficiency – 30 projects under implementation, Increased knowledge – call still open until 30/06/2022, Research and development – 4 projects selected and one pending to be contracted, Electrification of households – 8 projects have been selected and Capacity building at the Government level in the area of geothermal – a revised proposal for a project with aprox 300,00 Euros being assessed by the FO.

Business Development, Innovation and SMEs - managed by Innovation Norway with an allocation of 45,000,000 Euros. 14 projects were approved and signed on the first round, in SGS 1 – 4 projects selected and other projects from the next round were under evaluations. On the second call – 21 projects were selected.

Active Citizens Fund – Mr. Ionut Sibian presented the programme: the selected projects cover all Romanian regions and all social sectors. The PO's representative mentioned that the EEA grants were very important for the NGO sector, and they were open and flexible to find collaborators in special in public sector with local council. They are now directly involved in helping the Ukrainian people and hope for supplementary allocation concerning this issue.

The Donors thanked all the parties involved for reaching an agreement on the reallocation of €2 million from RO-Innovation to RO-ACF, to contribute to alleviating the refugee crisis.

The Donors thanked for promoting the values of the Grants and for being very active on communicating the results and impact of the Grants. Also, The PO was praised for the brilliant way they have adapted to COVID.

The high quality of applications and the continued oversubscription to calls showed the importance of the programme for the civil society in Romania.

[6. Presentations by Certifying Authority and Audit Authority](#)

The representative of the *Certifying Authority* informed the participants that more than 50% from the grants was submitted to the programmes, but only a small percent was certified. However, the CA mentioned that, for the next year, this percentage would increase following the payments within the projects.

There are a few irregularities following the public procedures and due to salaries, but in a limited number and they would be solved. Many irregularities were discovered by the POs themselves, which meant that the Management System and Control functioned. Also, regarding the forecasts, the PO started to understand how these needed to be reported/submitted to the CA.

The Donors' representative pointed out that a new workshop on this subject will be organised in Brussels, in June. They took the opportunity to underline once more, the special importance for the donors of the precise and better forecasting.

The representative of the *Audit Authority* pointed out that all the people involved in the management of the grants had experience on EEA & Norway Grants. The AA brought to the participants' attention RO - Environment Programme which had a red flag because they did not have a proper management system in order to implement allocated grant.

Another red flag is related to RO - Health programme, where the same mistakes made during the former programming period were perpetuated. Also, the management system was not properly functioning.

The Donors thanked CA and AA for the good cooperation and the efficient work accomplished.

The Donors also reminded all the participants of the Grants zero-tolerance approach to corruption and thanked the CA (irregularities authority) for their good cooperation with the FMO.

7. Bilateral cooperation including status of the Joint Committee for Bilateral Funds (national and programmes levels)

For RO-Environment programme, it is very likely that the Bilateral Funds within the Programme to be reallocated to the Ukraine Fund, since there were no activities of such kind. Taking into consideration the Ukrainian crisis, all programmes would be analysed and a decision would be taken in order to transfer, if the case, funds to the Ukraine Fund.

The Donors' representative pointed out that it was important to help the Ukrainian people, however the bilateral needs within the Programmes would prevail.

The Donors noted that allocation had improved considerably recently, notably thanks to three Expressions of Interest, leaving about 18% to be allocated.

Also, they talked about the relaunch of the Timisoara open call, which was successful in terms of interest and thanked the NFP and the JCBF for the approval of the ranked list of projects.

It was underlined that the recent decisions related to Timisoara European Capital of Culture 2023, as well as the decision related to the invasion of Ukraine, showed that the JCBF was very capable of taking quick and targeted decisions, and of being both strategic and pragmatic.

The Donors were confident that the JCBF would work in this same determined way to spend the remaining Bilateral Funds on creative bilateral initiatives at national level.

Overall, the Donors were satisfied with the implementation status of the Bilateral Fund and with the solutions applied case by cases. The Norwegian Embassy recommended to communicate better what was done concerning the bilateral cooperation. The representative of the Embassy further noted that the Embassy will soon share ideas for initiatives relevant to the green deal.

The NFP will send to the Donors the reallocation proposals.

8. Publicity and communication

The Donors appreciated the communication activities undertaken, and emphasized the increased opportunities presented by projects being implemented or finalized to showcase the results of the grants, also in relation to the new negotiations starting.

The NFP representatives underlined that they were in permanent contact with the FMO and the Norwegian Embassy on this subject and that they were aware about the necessity to implement more publicity and communication activities to spread the news about projects and their results.

The Donors asked the NFP to communicate more on projects and results in cooperation with the FMO and with the Embassy in Bucharest, since this is of utmost importance at this stage of the implementation.

9. Conclusions and closing remarks

The NFP stated that in Romania all programmes are properly implemented, all the Romanian authorities managed to find solutions during Covid pandemic to minimise the risks/delays, all parties being flexible and willing to solve problems. Some funds from the Fund for Bilateral Relations and from certain programmes would be reallocated to fund activities in the field of Ukrainian assistance, as appropriate.

There are a few programmes which needed one-year extension of the programming period and their needs would be analysed case by case.

The Donors concluded the meeting expressing their appreciation for the professionalism the Romanian authorities continued to display during COVID and the war in Ukraine. They also presented their appreciation for the good cooperation with the international organisations in helping strengthening the human rights, the rule of law and good governance aspects through different programmes.

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