



# ANNUAL STATUS REPORT

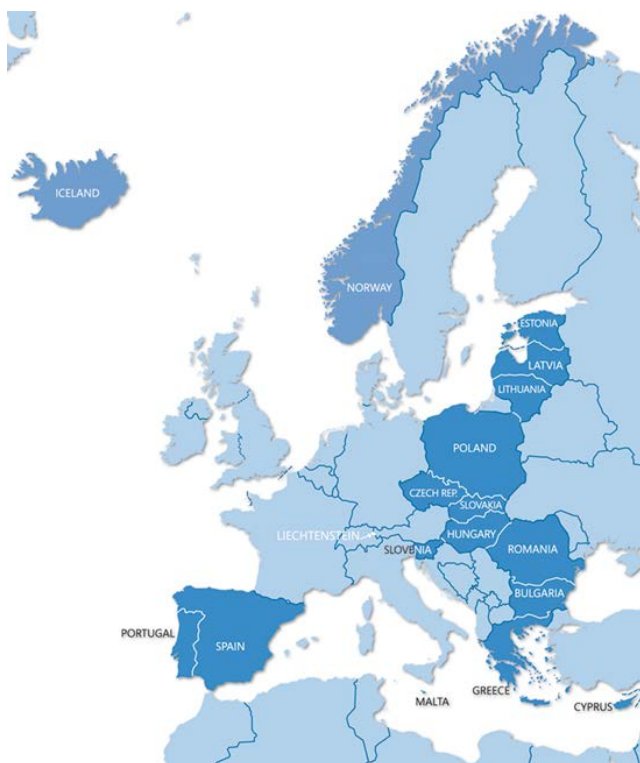
## 2013

Annual Status Report on the EEA and Norway Grants

Submitted by the Financial Mechanism Office

27 February 2014





**Donor countries:** Iceland, Liechtenstein and Norway.

**Beneficiary countries:** Bulgaria, Cyprus, Czech Republic, Estonia, Greece, Hungary, Latvia, Lithuania, Malta, Poland, Portugal, Romania, Slovakia, Slovenia and Spain.\*

\* In 2013, preparations were made for Croatia to become the 16th beneficiary country of the EEA and Norway Grants 2009-2014.

### EEA and Norway Grants: at a glance

Through the EEA and Norway Grants, **Iceland**, **Liechtenstein** and **Norway** contribute to reducing economic and social disparities in **15 EU countries** in Central and Southern Europe.

Strengthening **bilateral relations** is also an overall objective of the EEA and Norway Grants. To enhance cooperation, partnerships between organisations in the donor and beneficiary countries are widely encouraged.

For the period 2009-2014, **€1.8bn** has been set aside under the Grants. Projects may be implemented until 2016. By the end of 2013, funding was being channelled through **143 programmes**.

The priority sectors for these funds are environmental protection and management, climate change and renewable energy, green industry innovation, civil society, human and social development, protecting cultural heritage, research and scholarships, decent work and tripartite dialogue and justice and home affairs. Strengthening fundamental rights, democratic development and rule of law are key concerns in the Grants. Particular attention is paid to social inclusion for Roma, combating discrimination and hate speech as well as promoting tolerance and multicultural awareness.

The EEA and Norway Grants are linked to the Agreement on the European Economic Area through which Iceland, Liechtenstein and Norway participate in the internal market with the European Union.

The annual status report presents an overview of the status and administration of the EEA and Norway Grants for the year ending 31 December 2013. It is prepared by the Financial Mechanism Office, which operates as the secretariat for managing the Grants on behalf of the three donor countries (Iceland, Liechtenstein and Norway).

This report summarises developments and challenges related to the implementation of the EEA and Norway Grants 2009-2014. It underlines the major areas of operational focus during 2013 and the main activities carried out. This report also provides a brief overview related to implementation of the project portfolio from the previous funding period 2004-2009.

A separate annual status report concentrates on the EEA Grants alone (available in March 2014).

An in-depth annual report presenting aims, results and achievements in the beneficiary countries for the funding period 2009-2014 will be prepared during the second quarter of 2014 by the three donor countries.

N.B. (i) The main areas of support for Croatia in the 2009-2014 Grants is under discussion. Programme and sector specific indicators included in this report therefore exclude Croatia.

(ii) Under the 2004-2009 Grants, the Norway Grants 2007-2009 for Bulgaria and Romania were administered separately by Innovation Norway. Except where indicated, figures from these grants are not included in this report.

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## 1 Highlights in 2013

### *Approval and early implementation of programmes under the 2009-2014 Grants*

The programme approach steers the Grants towards two overall objectives – reducing economic and social disparities in the European Economic Area and strengthening bilateral relations between beneficiary and donor countries. Results and focus in 2013 included:

- appraising programme proposals. By the end of 2013, 150 programmes were received and 143 approved by the donors. Three were withdrawn or rejected;
- supporting early programme implementation. By the end of 2013, there were 681 projects in the beneficiary countries, of which 149 had a donor project partner.
- preparations for Croatia to become the 16th beneficiary country of the EEA and Norway Grants 2009-2014;
- ensuring a strong bilateral aspect in all programmes, including through the programme bilateral funds. Moreover, 87 programmes have a donor programme partner, involving 24 different donor state entities and the Council of Europe.
- helping to empower vulnerable groups, such as minorities and Roma. In total there are 54 Roma-relevant programmes taking place in 12 beneficiary countries.
- increasing knowledge about Iceland, Liechtenstein and Norway's contribution. Communication activities have helped to raise awareness about results in the beneficiary countries, as well as opportunities for funding, including via an active social media presence and a new project portal;
- recognition in the performance audit by the Office of the Auditor General of Norway, which highlighted that the Grants are now more focused through the programme approach, and that performance management and bilateral relations have been strengthened.

### *Finalising the 2004-2009 Grants*

The key results in 2013 from the 2004-2009 Grants period underline that:

- funding has had a positive impact within the prioritised areas by contributing to specific reductions in disparities, for example through a targeted approach to vulnerable groups<sup>1</sup>;
- 139 projects from the 2004-2009 mechanism were closed. In total, 1 171 of 1 206 projects from the 2004-2009 mechanism have now been formally closed;
- total country disbursements for the Grants 2004-2009 stood at €1.05bn, equivalent to an overall disbursement rate of 88.4% by beneficiary countries.

## 2 The 2009-2014 Grants

As underlined in the performance audit of the Grants by the Office of the Auditor General of Norway, the strategic shift from a project to a programme approach has promoted a more focused approach for the EEA and Norway Grants for the period 2009-2014.<sup>2</sup>

This gives added emphasis to results under two overall objectives: reducing economic and social disparities in the European Economic Area and strengthening bilateral relations between beneficiary

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<sup>1</sup> See End-Review - EEA and Norway Grants 2004-2009.

<sup>2</sup> <http://www.riksrevisjonen.no/en/Reports/Pages/EEA.aspx>

and donor countries. It also aims to encourage a focus on actual outcomes and evidence-based understanding of what works well and what could be improved.

The performance audit also highlighted that bilateral relations have been strengthened, consistent with the additional emphasis on cooperation between partners in donor and beneficiary countries as well as with international organisations. This not only helps to increase the profile of Iceland, Liechtenstein and Norway but also the expertise that is available to support implementation and results. The report notes that more needs to be done to plan and communicate the bilateral relations work.<sup>3</sup>

Risk management has also been reinforced to strengthen understanding and regular monitoring of risks at all levels. As a strategic partner of the Grants, Transparency International contribute to these efforts with a focus on corruption prevention.

In November 2013, the negotiations on Croatia's membership in the European Economic Area were concluded. Upon ratification, Croatia will become the 16th beneficiary country of the EEA and Norway Grants 2009-2014.

## **2.1 Strategic focus of the 2009-2014 Grants**

Providing €1.8bn in funding, the EEA and Norway Grants for the period 2009-2014 target demonstrable needs and priorities in beneficiary countries in line with broader European policies. Environment, civil society, investing in people through human and social development, solidarity and bilateral cooperation are among key focus areas.

The funding comes at a time when many beneficiary countries are affected by continuing financial and economic concerns, while there are some worrying trends regarding equality and diminishing tolerance. Therefore, inclusive societies, tolerance of minorities and improving the situation of vulnerable groups, including Roma, are emphasised in a large number of programmes.

**The EEA Grants (€988.5m)** are available in **15 European countries**, while the **Norway Grants (€800m)** are earmarked for **12 member states** that joined the EU in 2004 or after<sup>4</sup>. Funding is set aside to support donor programme partnerships and provide technical assistance to the beneficiary countries. Additional funding is also available to strengthen bilateral relations.

### **2.1.1 Priorities and expected achievements**

This funding contributes to targeted outcomes under ten priority sectors. The majority of programmes have begun implementation during the course of 2013. In total, the beneficiary countries are targeting 123 different outcomes. The most frequent outcomes in terms of the number of countries that have selected them are shown in Table 1. For example, 13 beneficiary countries expect to have promoted democratic values, including human rights through the Grants,

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<sup>3</sup> Ibid.

<sup>4</sup> Overall, Norway contributes €1,747.1m, Iceland €30.0m and Lichtenstein €11.4m. The overall amount is likely to be lower than €1,788.5 since savings in e.g. management cost are expected. Excludes Croatia, though preparations were made for them to become the 16<sup>th</sup> beneficiary country of the EEA and Norway Grants.

10 to have increased and strengthened institutional cooperation in the education sector and a further eight to have developed strategies and measures for adapting to a changing climate.<sup>5</sup>

Some prominent targets include:

1. Increasing renewable energy production to help reduce greenhouse gases and energy consumption;
2. Promoting democratic values and citizenship in times where diminishing tolerance is a major concern;
3. Improving access to justice and overcoming challenges linked to growing prison populations;
4. Increasing mobility and educational cooperation between students/staff and educational institutions from the donor and the beneficiary countries;
5. Helping to prevent and treat communicable diseases, such as HIV/AIDS;
6. Restoring, preserving and protecting cultural heritage sites.

**Table 1: Top 20 expected outcomes by programme area (no. of countries that selected outcome)**

ProgrammeAreas	outcome	# of countries that selected outcome
PA10 - Funds for non-governmental organisations	PA1004 - Democratic values, including human rights, promoted	13
PA10 - Funds for non-governmental organisations	PA1007 - Strengthened capacity of NGOs and an enabling environment for the sector promoted	12
PA16 - Conservation and revitalisation of cultural and natural heritage	PA1601 - Cultural heritage restored, renovated and protected	12
PA10 - Funds for non-governmental organisations	PA1001 - Active citizenship fostered	10
PA19 - Scholarships	PA1902 - Increased and strengthened institutional cooperation at all levels of the education sector (school education, higher education, vocational training/education and adult education) between Beneficiary and EEA EFTA States	10
PA10 - Funds for non-governmental organisations	PA1005 - Advocacy and watchdog role developed	9
PA10 - Funds for non-governmental organisations	PA1009 - Provision of welfare and basic services to defined target groups increased	9
PA19 - Scholarships	PA1901 - Increased higher education student and staff mobility between Beneficiary and EEA EFTA States	9
PA07 - Adaptation to climate change	PA0702 - Developed strategies and measures for adapting to a changing climate	8
PA10 - Funds for non-governmental organisations	PA1010 - Empowerment of vulnerable groups	8
PA17 - Promotion of diversity in culture and arts within European cultural heritage	PA1701 - Contemporary art and culture presented and reaching a broader audience	8

<sup>5</sup> Note that this shows the most common outcomes across countries, but does not take into account the Grant amount, which may be higher for specific programme areas in a small number of countries.

PA10 - Funds for non-governmental organisations	PA1006 - Developed networks and coalitions of NGOs working in partnership	7
PA11 - Children and youth at risk	PA1103 - Effective and efficient measures addressing vulnerable groups of children and youth facing particular risks implemented	7
PA16 - Conservation and revitalisation of cultural and natural heritage	PA1604 - Cultural heritage made accessible to the public	7
PA06 - Renewable energy	PA0602 - Increased renewable energy production	6
PA10 - Funds for non-governmental organisations	PA1002 - Increased involvement of NGOs in policy and decision-making processes with local, regional and national governments	6
PA10 - Funds for non-governmental organisations	PA1008 - Increased contribution to sustainable development achieved	6
PA29 - Domestic and Gender-based violence	PA2902 - Domestic violence reduced	6
PA32 - Correctional services, including non-custodial sanctions	PA3203 - Increased focus on vulnerable groups in prison	6
PA32 - Correctional services, including non-custodial sanctions	PA3204 - Improved competences of both inmates and prison staff	6

### 2.1.2 Supporting human rights and fundamental values

Strengthening human rights and fundamental values are important concerns for Iceland, Liechtenstein and Norway, and they cut across priority sectors and programme areas in all beneficiary countries, including through the civil society initiatives. Specific attention is given to initiatives supporting the inclusion of minorities and vulnerable groups, combatting discrimination and racism as well as promoting tolerance and multi-cultural awareness. To support these efforts, a strong partnership with the Council of Europe has been created, bringing strategic advice on relevant European and international standards as well as technical expertise.

In 2013, there has been focus on inclusion of the Roma Minority, tackling hate speech online, hate crime and protecting victims of human trafficking.

In addition, the principles of good governance, sustainable development and gender equality are safeguarded by all initiatives supported through the Grants by Iceland, Liechtenstein and Norway.

### 2.1.3 Roma inclusion

The inclusion of the Roma minority is a focus area of the Grants. By the end of 2013, the EEA and Norway Grants 2009-2014 had 54 Roma-relevant programmes taking place in 12 beneficiary countries.<sup>6</sup> The five most involved countries - Bulgaria, Czech Republic, Hungary, Romania and Slovakia – have all submitted concept papers concerning Roma inclusion as a basis for follow-up actions.

In 2013, an independent study on the EEA and Norway Grants contribution towards Roma inclusion in five countries with a sizeable Roma minority - Bulgaria, Czech Republic, Hungary, Romania and Slovakia - concluded that in the 2004-09 Grants, nearly 80% of the Roma relevant projects entailed direct work with Roma at the local level in over 70 localities in the five countries.

<sup>6</sup> Two new programmes are currently under review but excluded from the figures above.

This shows positive direct outreach to Roma communities, contributing to Roma empowerment, increasing inclusiveness of local social and educational institutions and building bridges between Roma and non-Roma. Still, the immediate results on the ground can be considered just small positive steps in the process of Roma inclusion. Sustained change will require much longer and consistent efforts. Roma inclusion is a priority across the EEA and Norway Grants 2009–2014, backed up by new and expanding strategic partnerships. The Council of Europe is a strategic advisor and partner for the 18 programmes in the region, while the Open Society Foundations provides strategic advice and feedback in programmes and projects targeting Roma inclusion.

In addition Iceland, Liechtenstein and Norway cooperate closely with the European Commission and the European Union Agency for Fundamental Rights (FRA) and have joined a number of formal and informal platforms of cooperation on Roma inclusion.

As a result, 36 of the (2009-2014) programmes in the five countries will have Roma relevant components or aspects of work in 13 of the programme areas of the EEA and Norway Grants. In total, there are 54 Roma-relevant programmes taking place in 12 beneficiary countries.

#### **2.1.4 Strengthening bilateral relations**

The EEA and Norway Grants 2009-2014 involve an unprecedented number of institutions and individuals in new partnerships between Iceland, Liechtenstein and Norway and 15 beneficiary countries aimed at reducing social and economic disparities in Europe as well as strengthening political, professional, social and economic ties.

##### ***Donor partnerships***

Throughout 2013 there has been a continued focus on ensuring the bilateral aspect in all programmes. To enhance cooperation and exchange, more than half of the programmes involve cooperation with donor programme partners (DPPs). These partnerships have been consolidated throughout 2013.

There are 87 programmes with a donor programme partner, involving 24 public entities from the donor countries as well as the Council of Europe. Furthermore, at the time of writing 149 out of 681 projects starting in or before 2013 have a donor project partner.

The programme partnerships promote professional cooperation between public authorities at policy level. The DPPs cooperate with the programme operators by:

- providing advice and assistance in the programme strategy, design and implementation e.g. preparing calls;
- facilitating networking and advising on outreach between the programme operator and potential project promoters and/or project partners from the donor countries;
- advising on possible activities within the programme to strengthen the bilateral aspect.

Throughout 2013, the DPPs have taken part in and facilitated different events and outreach, such as launching events, matchmaking events, information meetings and networking.

##### ***Bilateral funds at national and programme levels***

In addition to programme and project support, 0.5% of the beneficiary countries' allocation is available to develop bilateral cooperation and activities of bilateral interest with the donor



countries. The National Focal Points are in charge of the funds on the basis of work plans agreed with the donor countries which support bilateral initiatives through open calls or through pre-defined activities. In 2013, numerous bilateral activities have been financed through the bilateral funds at national level across the beneficiary countries.

In each programme an additional 1.5% of funds is set aside to promote partnerships and bilateral cooperation within programmes. Bilateral funds at programme level in 2013 have financed a number of partnership matchmaking events and provided financial support for potential partners looking to establish a partnership.

### **2.1.5 Partnerships with International organisations**

Strategic partnerships are a key feature of the approach to the EEA and Norway Grants for 2009-2014. Partnerships with the Council of Europe, Open Society Foundations, the European Union Agency for Fundamental Rights and Transparency International bring expertise, results and value.

Through the Grants, Iceland, Liechtenstein and Norway have put in place a strategic partnership with the Council of Europe. The Council is involved in 20 programmes in nine beneficiary countries, in 12 of these as a donor programme partner. Vulnerable groups, including Roma are targeted in 17 of these programmes. Furthermore, the Council of Europe is a project partner in 27 pre-defined projects in the areas of human rights, democracy and the rule of law. The Council of Europe provides strategic advice and input on European and international standards as well as technical know-how in its areas of expertise.

The European Union Agency for Fundamental Rights provides expert advice on the protection of fundamental rights of the people in the European Union. Iceland, Liechtenstein and Norway, through the Grants, were key partners of the Fundamental Rights Conference, taking place in Vilnius 12-13 November. The conference focused on 'Combating hate crime in the EU', and was hosted by the European Union Agency for Fundamental Rights in cooperation with the Lithuanian Presidency of the Council of the EU.

Through the framework agreement with Transparency International special attention is being given to corruption risk associated with the grant management processes within beneficiary countries. Such cooperation also aims to provide advice on how to tackle corruption. Together with the Berlin Risk Institute, they assist with the risk filtering exercise for all programmes of the Grants.

An additional arrangement has been developed with Open Society Foundations whereby they provide strategic advice on how to strengthen civil societies in Europe, to promote tolerance and combat extremism and to improve the situation of Roma by focusing on their civic empowerment. The Grants have also been working together with Open Society Foundations in wider cooperation platforms, such as the Roma Decade or the Coalition of International Organisations on Roma Inclusion.

## **2.2 Implementation status**

Significant resources have been dedicated to the programme appraisal process in 2013. By the end of 2013, 150 programmes had been received and 148 grant recommendation documents had been sent to the donors, providing a recommendation and an overall assessment for each programme. Of

those, 143 had been approved by the donors, while three had been withdrawn or rejected. Most programmes are now in an early stage of implementation.

**Table 2: Net allocations, commitments and disbursements by country (EEA and Norway Grants 2009-2014, in million €)**

Beneficiary State	Total net allocation*	Committed	Committed (%)	Disbursed	Disbursed (%)
Bulgaria	117.1	114.6	97.90%	13.7	11.66%
Cyprus	7.3	7.1	97.59%	0.0	0.05%
Czech Republic	121.9	118.0	96.82%	7.9	6.51%
Estonia	45.0	44.7	99.43%	15.3	33.94%
Greece	58.6	49.2	83.95%	6.5	11.07%
Hungary	141.8	139.7	98.55%	7.9	5.59%
Lithuania	77.7	77.2	99.41%	13.1	16.85%
Latvia	67.5	67.1	99.43%	0.8	1.12%
Malta	4.2	4.1	99.62%	0.1	1.72%
Poland	534.7	511.6	95.68%	62.5	11.69%
Portugal	53.6	50.7	94.59%	3.0	5.62%
Romania	283.0	224.7	79.41%	30.3	10.72%
Slovenia	24.9	24.7	99.42%	5.6	22.48%
Slovakia	74.7	70.7	94.61%	22.5	30.16%
Spain	42.4	42.4	100.00%	14.5	34.17%
<b>Total</b>	<b>1,654.4</b>	<b>1,554.8</b>	<b>93.98%</b>	<b>203.7</b>	<b>12.60%</b>

Notes: \* Excludes donor state management costs, participation of the donor programme partners, appraisal, monitoring, evaluation, audit and costs linked to the functions of the FMC.

The majority of funding has now been committed, though rates are lower in Greece and Romania than in other countries. At the end of 2013, total cumulative disbursements for the 2009-2014 Grants stood at €203.7m. The disbursement rate at 12.6% of the total net allocation is largely driven by disbursements in Poland, which has the highest overall allocation.

Of 681 registered projects scheduled to start in or before 2013, 149 had a donor partner. Civil society programmes, which started earlier than most programmes, have already organised a number of calls. Over 450 projects had started in this priority sector by the end of 2013, most in Hungary and Latvia. A large number of Research and Scholarship projects have also been registered (around 70), principally by Poland, and numerous Green Industry Innovation projects and cultural heritage projects (55 and 45, respectively).

Concerning donor partnerships at the project level, thus far, there is concentration in research and scholarships and civil society which, with over 90 projects registered, make up close to two-thirds of the current total (149).

### 2.2.1 Ad hoc requests from the donors

Between May and December 2013, the donor countries sent the FMO 40 requests, covering a range of different subjects. More than half related to mapping, information material, speech writing and preparations ahead of seminars and conferences. Other requests were related to country or programme specific information, reporting, risk analysis and finance.

## **2.3 Results and risk management**

Managing for results does not only mean setting clear objectives and indicators, it also means identifying, analysing and responding to risks. Risk management is an integral part of the management framework of the EEA and Norway Grants and a tool to help achieve goals and expected results.

As underlined in the report from the Office of the Auditor General of Norway, moving to a programme model has given more focus to the Grants, and more comprehensive risk management has been introduced.

In 2013, risk management was reinforced through updating the strategy, the methodology, the risk assessments and the associated mitigation actions. Continued emphasis has been given to managing risk for results and fighting corruption, with the annual risk seminar organised in September 2013 dedicated to this theme.

The cooperation with Transparency International is part of the broader risk assessment conducted within the Grants scheme. To manage corruption risks, Transparency International offers advice to the FMO and the National Focal Points and is helping to assess the potential exposure to corruption risk in the Grants.

## **2.4 Programme performance monitoring and information sharing**

Documentation, Reporting and Information System (DoRIS), the IT system supporting administration and reporting of the 2009-2014 Grants, has been further developed in 2013, adding new functionality, many new reports and improving the overall performance and reliability of the system. DoRIS improves the information flow within the FMO and with the beneficiary institutions and stores both quantitative and qualitative data relating to the Grants.

DoRIS now also provides the grants website with real-time data on crucial information such as programmes, calls for proposals and projects, and will be used to provide a complete overview of the objectives and achievements of the Grants. Although this project has experienced delays, estimates suggest 90% of non-functional requirements were complete by the end of 2013.

## **2.5 Strengthening indicators and reporting system quality**

In 2013, several measures have been taken to strengthen the reporting systems.

1. A review of the programme performance indicators was launched to reduce their number, increase their focus and improve their quality. Improvements have been integrated or are ongoing in a number of areas e.g. Scholarships, Environment, Civil society, etc.
2. A quality assurance exercise was undertaken to improve the internal validity of DoRIS data
3. Training to improve the quality of project level information has been conducted in nine beneficiary countries. Remaining countries will receive training in 2014.

## **2.6 Evaluation**

Evaluation is a key tool to demonstrate achievements of results. In 2013, consistent with the early stage of the programme cycle, a tool was developed to help the Programme Operators establish a baseline and develop targets for measuring strengthened capacities among supported NGOs. An overall plan for evaluation activities in 2014 has been developed and includes mid-term evaluations

on civil society and for the protection of cultural heritage together with a review of decent work and tripartite dialogue.

## **2.7 Training and capacity building**

Seminars and workshops organised with focal points, programme operators, donor programme partners, donor country embassies, potential beneficiaries and partners have aimed to provide guidance and a full understanding of roles, responsibilities and the regulation for the 2009-2014 Grants. Further attention has been given to training in results-based management, DoRIS, financial reporting, and risk and results reporting in, for example, the Annual Programme Reports and the Strategic Reports. During 2013, 24 such trainings were organised.

## **2.8 Monitoring and control systems**

To respect the principles of economy, efficiency and effectiveness, the management and control systems established in the beneficiary countries provide for clear allocation and separation of functions, procedures for ensuring the accuracy and regularity of expenditure as well as reliable accounting, monitoring and financial reporting systems.

They also provide systems and procedures to ensure an adequate audit trail, and reporting and monitoring procedures for identifying irregularities. By the end of 2013, audited descriptions of management and control systems were received from all beneficiary countries.

### **2.8.1 Irregularities**

Zero-tolerance to corruption and mismanagement is a guiding principle for the Grants, along with transparency at all levels to ensure their efficiency and to keep the public informed on the implementation and achievements of the funding.

Aiming to explain the control mechanisms in place to ensure that the money is spent correctly, how checks are performed, and what action is taken in cases where funds are not being managed well, a report on irregularities is updated and made accessible to the public on a quarterly basis.<sup>7</sup> If any resources are unduly paid or lost to corruption, fraud or mismanagement, the beneficiary state is responsible for refunding the donor states either by reclaiming it from the project promoter or from their own national funds.

## **3 Communication and events**

Throughout 2013, increasing the knowledge about Iceland, Liechtenstein and Norway's contribution and support through the Grants has been a continuing priority. Communication activities have helped to raise awareness about new opportunities for funding.

The communication activities have often focused on new funding opportunities to encourage take-up and partnerships at this early stage of programme implementation. A further shift towards highlighting results and achievements is expected in 2014. To this end, a new project portal was launched in November on the EEA and Norway Grants website to make results, achievements, key facts, summaries and partnership information more accessible.

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<sup>7</sup> The first such report for the 2009-14 Grants will be made available in 2014. Irregularities reporting for 2004-2009 is covered in section 4.2.1 of this report.

### **3.1 Web and social media**

The new EEA and Norway Grants website was launched in early 2013. The revamp aimed to make relevant information more accessible, improve the content and reflect the new visual identity of the Grants. The website also provides stakeholders with easy access to the information they need to get involved. The website had around 20 000 unique visitors a month in 2013. Among these, around 14% were from Romania, 13.4% from Greece, 9% from Norway and 6% from Poland.

The EEA and Norway Grants also increased its presence and activity in social media, mainly on Facebook and Twitter. In early December 2013, the Grants' Facebook page reached 3 000 followers.

A new project portal was launched in November on the EEA and Norway Grants website to make results, achievements, key facts, summaries and partnership information more accessible.

Acting on request of the donors, a project to develop an image bank for the EEA and Norway Grants website was launched in 2013 to assist the FMO, donor states, National Focal Points, embassies and other stakeholders of the Grants with the communication activities. The image bank is expected to be launched early 2014 under the name the EEA and Norway Grants Media Library.

### **3.2 Publications**

The main publication in 2013 was the Annual Report 2012 which provides an overview of how the EEA and Norway Grants are contributing to reducing disparities and strengthening relations within the various sectors and countries involved in the 2009-2014 period. This publication is directed towards all involved stakeholders. In addition, specific annual reports to the donor countries were elaborated, and contributions were made to a number of EFTA reports and publications. Several newsletters, fact sheets and brochures were also produced on a needs basis, such as 'Words matter – taking a stand against hate speech', a brochure that provides a comprehensive overview of the Grants' involvement on action against hate speech.

### **3.3 Events**

In 2013, a large number of events were held in the donor countries, beneficiary countries and in Brussels to launch programmes and inform about upcoming opportunities for funding and partnerships.

A number of high profile events took place during the course of 2013.

Right-wing extremism and hate crime were the topics when international experts and stakeholders gathered in Oslo, Norway (May, 2013). With the aim to identify trends, gather information on emerging policy responses and good practices, and discuss options for the way forward, recommendations in eight different fields related to right-wing extremism and hate crime came out of the conference. The need for more information about right-wing extremism, such as the inner motivation of those who commit hate crimes and mapping of actors, were identified as special concerns. The conference was organised by the Norwegian Ministry of Foreign Affairs and sponsored by the EEA and Norway Grants.

The question of hate speech emerging in public and political debates was addressed in Warsaw, Poland (September, 2013). Knowledge and emphasis on diversity and human rights in education of children from an early age was underlined as important preventive measures against hate speech.

Conclusions from the conference were brought further to a Ministerial Conference on freedom of expression and democracy in the digital age organised by the Council of Europe in Belgrade 7-8 November. Among the keynote speakers were the Secretary General of the Council of Europe, Thorbjørn Jagland. The event was organised in cooperation with the Council of Europe and the Polish Ministry of Administration and Digitization.

In Lisbon, Portugal (October, 2013) the European conference 'Too Much, Too Little – The Role of Water in Adaptation to Climate Change' focused on reducing the vulnerability to climate change and recommended early action to save damage cost and a stronger emphasis on tailored local solutions. The conference, which included recent research and exchange of experiences, was organised in cooperation with the Portuguese Ministry of Environment, Spatial Planning and Energy, The Portuguese Environment Agency (APA) and the Norwegian Directorate for Civil Protection (DSB).

The EEA and Norway Grants were also a key partner of this year's Fundamental Rights Conference focusing on the issue of 'Combating hate crime in the EU', taking place in Vilnius, Lithuania (November, 2013). A study on hate crime in Lithuania, funded through the Grants, was presented at the conference. The study provided an extensive up-to-date analysis of the hate crime-related situation in Lithuania (with a particular focus on victim support), comparing current practices in Lithuania with EU standards. This has complemented the work being carried out by FRA and filled a gap in data collection. The conference was organised in cooperation with the European Union Agency for Fundamental Rights (FRA) and hosted by the Lithuanian Presidency of the Council of the EU.

The victims of trafficking in human beings were the focus of a pan-European conference held in Warsaw, Poland (November, 2013). The aim of this conference was to provide a platform for the exchange of knowledge and best practices as regards protection of the rights of victims of trafficking in line in with the second "P" (protection) of the Council of Europe Convention on Action against Trafficking in Human Beings. This included victim identification, standards of safe accommodation of victims, legal redress, victim compensation and rehabilitation. The conference was held in cooperation with the Polish Ministry of Interior, the Council of Europe and the International Organization for Migration.

## **4 The 2004-2009 Grants**

Through €1.31bn in support, the EEA and Norway Grants have sought to contribute to reducing economic and social disparities in 15 beneficiary countries in Central and Southern Europe. The EEA Grants (€672m) were made available to 15 beneficiary countries, while the Norway Grants (€635m) were provided to the 12 member states that joined the EU in 2004 or after.<sup>8</sup>

The Grants provided support in the main areas of protection of environment and sustainable development (€244.9m), cultural heritage (€241.6m), health and childcare (€161.2m), human resource development (€119.5m) and Schengen and judiciary (€117.0m).<sup>9</sup>

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<sup>8</sup> Bulgaria and Romania became eligible upon joining the European Union (EU) and European Economic Area (EEA) in 2007.

<sup>9</sup> See annex for details.

## 4.1 Implementation status

In 2013, 139 projects from the 2004-2009 financial period were formally closed, bringing the total number of closed projects to 1 171 (of a total 1206). Total disbursements at end-2013 were €1.05bn. This is equivalent to an overall disbursement rate of 88.4% (compared to net allocations).

**Table 3: Project status and disbursements per country by end-December 2013 (EEA and Norway Grants 2004-2009, in million €)**

Beneficiary State	Projects	Current commitment*	Disbursement*	Disbursed % of net allocation**	Expected disbursement*	Expected disbursed % of net allocation**
Bulgaria***	65	37.6	16.9	81.86%	16.9	81.88%
Cyprus	6	4.4	4.3	97.65%	4.3	97.65%
Czech Republic	144	104.6	101.9	96.25%	102.5	96.80%
Estonia	35	30.4	29.2	93.48%	29.2	93.48%
Greece	37	22.7	14.0	42.57%	14.5	44.06%
Hungary	90	112.5	33.1	75.15%	107.0	83.03%
Latvia	75	49.7	107.0	83.03%	45.9	89.51%
Lithuania	84	62.4	58.4	91.06%	58.4	91.06%
Malta	8	3.4	45.9	89.51%	3.4	98.70%
Poland	418	518.0	3.4	98.70%	496.4	93.04%
Portugal	32	28.8	496.3	93.03%	26.4	87.68%
Romania***	71	90.3	26.3	87.47%	38.1	78.63%
Slovakia	95	59.3	36.9	76.11%	56.0	83.47%
Slovenia	25	17.4	16.5	93.07%	16.5	93.30%
Spain	21	41.5	56.0	83.47%	34.4	78.26%
<b>Total</b>	<b>1,206</b>	<b>1,118.3</b>	<b>1,046.2</b>	<b>88.38%</b>	<b>1,050.0</b>	<b>88.70%</b>

\* Includes appraisal, monitoring and evaluation. \*\* Disbursements are calculated as a % of the net allocation to countries i.e. excluding donor country management costs. \*\*\* Includes Innovation Norway for BG and RO.

## 4.2 Main results and key findings from monitoring, review and evaluation

An evaluation report and an end-review from 2012 alongside post-completion monitoring on a sample of projects to accompany the regular monitoring exercises underlined that:

- the completion rate of all the projects was very high at 97%;
- funding has had a positive impact within the prioritised areas by bringing about specific reductions in disparities, in particular where EU funding is limited, for example through a targeted approach to special vulnerable groups;
- projects have contributed to reducing specific, local disparities;
- the majority of project promoters with partnership arrangements considered the partnerships with donor country institutions to be important.

A Roma inclusion study concluded that nearly 80% of the Roma relevant projects in the 2004-09 Grants entailed direct work with Roma at the local level in over 70 localities in the five countries. This shows positive direct outreach to Roma communities, contributing to Roma empowerment, increasing inclusiveness of local social and educational institutions and building bridges between Roma and non-Roma.

No further evaluations have been conducted in 2013.

### 4.2.1 Irregularities

The irregularities report shows that of all the projects funded in the 2004 to 2009 period, the FMO has registered 225 cases that might involve a breach of rules in using the grant. The FMO has completed and concluded the investigation of 206 cases. Of these closed cases, errors were

confirmed in 156 cases and seven cases involved fraud. An error is any non-compliance with the conditions for receiving the grant, and does not necessarily mean that funds have disappeared, been lost or wasted. Common errors in the management of the EEA and Norway Grants at a national level include, for example, contracts awarded without following the correct tender procedure or errors in payment claims.

## 5 Administrative issues

The donor management costs are fixed at 7.5% for the EEA and Norway Grants in 2009-2014 and, in addition to management costs for running the FMO, include such costs as participation of the donor programme partners, appraisal, monitoring, evaluation, audit and costs linked to the functions of the FMC. Some further administrative costs exist in the beneficiary countries. Table 4 summarises the budget for 2013. The figures for the beneficiary countries represent the claims from the technical assistance funds in the countries in 2013 (Table 5).

**Table 4: Administrative budget in 2013**

	FM 2004-2009 (€ in 2013)			FM 2009-2014 (€ in 2013)		
	EEA	NRW	Total	EEA	NRW	Total
FMO Administrative Costs	219,672	185,328	405,000	6,708,616	5,429,281	12,137,897
of which appraisal, monitoring and evaluation*	0	0	0	243,188	196,812	440,000
Programme level administrative costs**	n/a	n/a	n/a	3,026,382	3,288,598	6,314,980
Project level administrative costs**	172,466	88,364	260,830	4,645,855	5,054,801	9,700,656
<b>Total administrative costs</b>	<b>392,138</b>	<b>273,692</b>	<b>665,830</b>	<b>14,380,853</b>	<b>13,772,680</b>	<b>28,153,533</b>

\* Appraisal, monitoring and evaluation of FM 2004-2009 are covered from the net country allocation.

\*\* Overall administrative costs are estimated based on a sample of programmes/projects.

**Table 5: Technical assistance and cooperation costs in 2013**

	FM 2004-2009 (€ in 2013)			FM 2009-2014 (€ in 2013)		
	EEA	NRW	Total	EEA	NRW	Total
Donor Programme Partners				2,794,135	4,568,930	7,363,066
Technical Assistance in the Beneficiary country	18,532	85,324	103,856	1,998,597	1,303,971	3,302,568
<b>Technical Assistance and Cooperation Costs</b>	<b>18,532</b>	<b>85,324</b>	<b>103,856</b>	<b>4,792,732</b>	<b>5,872,902</b>	<b>10,665,634</b>

As of 31 December 2013, the FMO had 53 fixed-term staff positions, encompassing 15 different nationalities. With higher than usual turnover, 11 recruitments were conducted in 2013 to replace outgoing staff members.

**Table 6: Financial Mechanism Office: staffing statistics**

Category	Number
Fixed term staff	53
Gender balance (m/w)	23/30
Management gender balanced (m/w)	3/3
Staff nationalities	15



## Annex

Table: Distribution of funds by country and priority sector, 2009-2014 (net allocations in million €)

Beneficiary State	Environmental Protection and Management	Climate Change	Civil Society	Human and Social Development	Protecting Cultural Heritage	Research and Scholarship	Carbon Capture and Storage	Green Industry Innovation	Decent Work and Tripartite Dialogue	Justice and Home Affairs	Beneficiary states' administration and funds for bilateral relations	Total
Bulgaria	16.0	13.3	11.8	23.6	14.0	1.5		13.7	0.5	19.4	3.4	117.1
Cyprus	1.2		1.3	2.3	0.6	0.0			0.0	1.7	0.2	7.3
Czech Republic	15.4	3.1	9.8	30.0	21.5	16.3	7.0		0.7	15.5	2.6	121.9
Estonia	6.9	0.0	2.3	17.4	4.5	4.6		6.0	0.3	2.0	1.0	45.0
Greece	9.5	9.5	7.3	25.1	0.0	3.0					4.2	58.6
Hungary		23.1	13.5	38.7	12.6	27.1		22.9	0.8		3.1	141.8
Latvia	0.0	10.4	10.4	5.0	10.0	5.5		11.3	0.4	13.1	1.5	67.5
Lithuania	11.5	0.0	5.5	20.3	10.0	1.4		8.0	0.5	18.8	1.7	77.7
Malta		1.4	0.5	0.3	0.8	0.0			0.0	1.1	0.1	4.2
Poland	35.0	75.0	37.0	85.5	80.0	77.8		90.0	3.1	40.0	11.3	534.7
Portugal	19.2	7.0	5.8	12.5	5.0	0.0					4.1	53.6
Romania	33.2	25.3	36.3	59.6	20.8	24.0		29.7	1.2	25.3	27.6	283.0
Slovakia		12.5	7.4	13.7	11.9	1.9		16.8	0.4	8.4	1.6	74.7
Slovenia	3.8		1.9	11.7	5.1	1.8			0.1		0.5	24.9
Spain		18.2	4.6	10.2	4.6	3.9					0.9	42.4
<b>Total</b>	<b>151.6</b>	<b>198.6</b>	<b>155.4</b>	<b>355.9</b>	<b>201.4</b>	<b>169.0</b>	<b>7.0</b>	<b>198.4</b>	<b>8.0</b>	<b>145.3</b>	<b>63.6</b>	<b>1,654.4</b>

Table: Distribution of funds by country and sector, 2004-2009 (net allocations in million €)

Beneficiary State	Academic research	Conservation of European cultural heritage	Environment and sustainable development	Health and childcare	Human resource development	NGO funds	Regional policy and cross-border activities	Schengen and judiciary	Seed money funds	Technical assistance	Total
Bulgaria	0.3	4.1	4.1	4.3	3.2	2.1	0.4			0.2	18.7
Cyprus		1.7	1.2			1.5				0.0	4.4
Czech Republic	8.5	43.3	5.9	18.3	14.0	10.0		2.1	0.6	1.9	104.6
Estonia	0.9	8.2	6.4	6.8		2.3	4.6	0.6		0.6	30.4
Greece	1.7	4.0	10.9	1.8	3.7					0.6	22.7
Spain		14.4	18.7		7.3		0.5			0.7	41.5
Hungary	11.9	25.8	24.0	14.3	22.7	7.9	2.8		0.3	2.9	112.5
Lithuania	1.7	11.2	1.9	28.7	3.3	5.0	6.2	2.6	0.5	1.3	62.4
Latvia	0.5	2.7	8.8	5.6	7.2	5.7	8.5	8.6	0.5	1.6	49.7
Malta		1.1	1.4					0.8		0.1	3.4
Poland	42.8	95.6	118.5	57.2	40.4	37.4	12.1	101.8	1.8	10.6	518.0
Portugal	3.1	6.3	15.3		1.4	2.0				0.8	28.8
Romania	3.4	7.1	8.4	13.8	5.6	5.1	0.3			0.9	44.5
Slovenia		6.4	4.2	3.1	1.3	1.5	0.5			0.4	17.4
Slovakia	5.7	9.8	15.1	7.4	9.3	5.0	5.0	0.6	0.3	1.3	59.3
<b>Grand Total</b>	<b>80.2</b>	<b>241.6</b>	<b>244.9</b>	<b>161.2</b>	<b>119.5</b>	<b>85.3</b>	<b>40.8</b>	<b>117.0</b>	<b>4.0</b>	<b>23.8</b>	<b>1,118.3</b>