

41st Financial Mechanism Committee 2009-14 meeting

7 May 2015

Conclusions

Adopted 1.7.2015

1 Meeting agenda

The agenda was adopted.

2 Draft minutes and conclusions

The draft minutes and conclusions of the previous meeting were adopted.

3 Director's assessment

The Director briefed the Committee on the overall state of play including programme and country progress, disbursements, reporting and communication and upcoming events.

4 Issues for adoption

4.1 Amendment of the Regulation (funds for bilateral relations)

Following the Committee's approval (26 March 2015) of the amendments to Art. 3.6.1 and 7.7 and required references in Art. 3.5.1, 3.6.2 and 7.1 of the Regulation 2009 – 2014 to broaden the range of entities in the Beneficiary States engaged in the enhancement of bilateral relations and widen the scope of eligible costs by moving from the current cost categories listing to an activities based approach, the FMO had (as foreseen in Article 13.4 of the Regulation) consulted the Beneficiary States on the proposed amendments. Eight Beneficiary States had provided comments within the deadline of 21 April 2015.

The Committee approved the amendments of Art. 3.6.1 and 7.7, including maintaining the reference to lump sums for travel costs, and the required references in Articles 3.5.1, 3.6.2 and 7.1(c). The final amendments are attached to the conclusions in Annex II. The Standing Committee of the EFTA States confirmed on 10 June 2015 the amendments to the Regulation decided by the Committee on 7 May 2015.

4.2 Administrative budget – actual expenses 2014

The Committee took note of the FMO's report on the final accounts for the 2014 administrative expenses and approved the overview of the incurred costs.

4.3 Measures to improve implementation and results and 5.2 Programme implementation

The Committee decided to allow an extension of final date of eligibility of those projects that have been contracted and inserted in DoRIS within three months of the date when the

Committee's approval of this option is communicated to the Beneficiary State. The Regulation foresees extensions to the final date of eligibility of expenditures at project level to 30 April 2017 and accordingly this will not require an amendment to the Regulation.

The Committee instructed the FMO to continue the current practice regarding (i) the reallocation of funds to already approved projects (within the same Programme) to increase results and (ii) the inclusion of new pre-defined projects if feasible and effective.

The Committee reiterated that the Beneficiary States, subject to an agreement on a future Financial Mechanism, will have a possibility to complete projects from such a contribution.

The Committee requested the FMO to draft a letter to the Beneficiary States outlining the measures taken by the Committee to improve implementation and results. The letter to the Beneficiary States was sent 26 May 2015.

5 Issues for discussion

5.1 Hungary – Follow-up of the NGO Fund (HU05) audits

The Committee discussed the follow-up of the NGO Fund (HU05) audits.

6 Issues for information

6.1 Sector report

The Committee took note of the 2014 Sector report.

7 Beneficiary States

7.1 Annual meetings

The Committee discussed in detail the beneficiary states for which annual meeting is scheduled to take place in May – June 2015 (Poland 20 – 21 May 2015, Spain 2 June 2015, Latvia 10 – 11 June 2015, Romania 16 – 17 June 2015).

7.2 Critical issues

The FMO informed the Committee of critical issues in the Beneficiary States which were not discussed under agenda item 7.1.

8 Other issues

There were no other issues.

9 Next meeting

The next meeting was scheduled for 1 July 2015.

Annex I

List of participants

Iceland

Mr Angantýr Einarsson, Counsellor for Finance and Economic Affairs, Embassy of Iceland

Liechtenstein

Mr Dominik Marxer, Counsellor, Liechtenstein Mission to the EU

Ms Julia Walch, Mission of the Principality of Liechtenstein to the EU

Norway

Mr Anders Erdal, Deputy Director General, Ministry of Foreign Affairs (Chairman)

Ms Lise Kleven Grevstad, Director, Ministry of Foreign Affairs

Ms Ingrid Schulerud, Ambassador/MoU-Coordinator, Ministry of Foreign Affairs

Ms Signe A. Engli, Senior Adviser, Ministry of Foreign Affairs

Mr Tom Tjomsland, Senior Adviser, Ministry of Foreign Affairs

Ms Aud Hellstrøm, Minister Counsellor, Norway's Mission to the EU

FMO - Secretary

ANNEX II

4.1 Amendment of the Regulation (funds for bilateral relations)

Article 3.6.1:

"1. The Programme Operator shall within each programme set aside a minimum of 1.5% of the eligible expenditure of the programme for a fund to facilitate:

- (a) the search for partners for donor partnership projects prior to or during the preparation of a project application, the development of such partnerships and the preparation of an application for a donor partnership project; and/or
- (b) networking, exchange, sharing and transfer of knowledge, technology, experience and best practice between ~~Project Promoters~~ **entities in the Beneficiary State** and entities in the Donor States and international organisations, **within the relevant programme area.**"

Article 7.7:

"1. Costs incurred related to strengthening bilateral relations between the Donor States and the Beneficiary States within the programmes areas listed in Annex 1 may be eligible under the fund referred to in Article 3.5, provided that the costs are proportionate and directly related to the strengthening of bilateral relations.

2. Costs incurred related to the following activities may be eligible under the fund referred to in Article 3.6:

- (a) the search for partners for donor partnership projects prior to or during the preparation of a project application, the development of such partnerships and the preparation of an application for a donor partnership project; and/or
- (b) networking, exchange, sharing and transfer of knowledge, technology, experience and best practice between entities in the Beneficiary State and entities in the Donor States and international organisations, within the relevant programme area.

3. In justified cases, having regard to the principle of proportionality, travel costs including subsistence allowance may be calculated as a lump sum, on the basis of clearly defined rules."

Article 3.5.1:

"The Beneficiary State shall set aside a minimum of 0.5% of the Beneficiary State's total allocation for a fund to strengthen bilateral relations between the Donor States and the Beneficiary States within the programme areas listed in Annex 1. The fund may, in agreement with the Donor States, also be used for cooperation with international organisations. The eligibility of expenditures to be covered by the fund under this paragraph is detailed in Article 7.7.1. **and 7.7.3.**"

Article 3.6.2:

"The eligibility of expenditures to be covered by the fund under paragraph 1 is detailed in Article 7.7.2. **and 7.7.3.**"

Article 7.1(c):

"Eligible expenditures of a programme are: (c) expenditure of funds for bilateral relations in accordance with Article 7.7.2. **and 7.7.3.**"