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MINISTRY FOR DEVELOPMENT & COMPETITIVENESS

GENERAL SECRETARIAT FOR PUBLIC INVESTMENT-NSRF

GENERAL DIRECTORATE FOR DEVELOPMENT PLANNING
REGIONAL POLICY AND PUBLIC INVESTMENT

DEVELOPMENT PROGRAMS MANAGEMENT
AND MONITORING SPECIAL SERVICE

2nd STRATEGIC REPORT

ON THE IMPLEMENTATION OF THE

**EUROPEAN ECONOMIC AREA
FINANCIAL MECHANISM 2009 - 2014**

IN THE HELLENIC REPUBLIC

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GLOSSARY OF ACRONYMS

AA	Audit Authority
BF	Bilateral Fund at National Level
BS	Beneficiary State
CA	Certifying Authority
DPM&MSS	Development Programmes Management and Monitoring Special Service
GDDPRPPI	General Directorate for Development Planning, Regional Policy and Public Investment
EEA	European Economic Area
FCC	Financial Control Committee
FM	Financial Mechanism
FMC	Financial Mechanism Committee
FMO	Financial Mechanism Office
IP	Individual Project
EMA	External Monitoring Agent
MC	Monitoring Committee
MCS	Management and Control System
MDC	Ministry of Development and Competitiveness
MDCITN	Ministry of Development, Competitiveness, Infrastructure, Transportation and Networks
MITN	Ministry of Infrastructure, Transportation and Networks
MoU	Memorandum of Understanding
MOU	Management Organizational Unit
MS	Member State
NFP	National Focal Point
NGO	Non-Governmental Organization
NMFA	Norwegian Ministry of Foreign Affairs
NSRF	National Strategic Reference Framework
PA	Programme Agreement
PCRs	Project Completion Reports
PD	Presidential Decree
PIA	Programme Implementation Agreement
PIP	Public Investment Programme (of the Hellenic Republic)
PIPs	Project Implementation Plans
PIRs	Project Implementation Reports
PO	Programme Operator
PP	Project Promoter
SC	Steering Committee
TAF	Technical Assistance Fund

1 EXECUTIVE SUMMARY

The purpose of the Strategic Annual Report on the implementation of the EEA Financial Mechanism in the Hellenic Republic is to give comprehensive information on the implementation during the period under review. The strategic report should provide an overview of the implementation of the mechanism with a special focus on the assessment of its contribution through the efficiency and effectiveness of the national management and control structures.

The present Strategic Report consists the second one regarding the implementation of the EEA FM period 2009-2014 and is elaborated in fulfilment of the Beneficiary State's reporting obligation to the EEA Financial Mechanism Committee as stipulated in Article 5 of the Memorandum of Understanding signed between the Hellenic Republic and the donor States (Republic of Iceland, Principality of Liechtenstein and Kingdom of Norway) and in Article 3 of the "Reporting and Monitoring Guidelines" as adopted and amended by the EEA Financial Mechanism & the Norwegian Financial Mechanism.

The reported period covers the time from the previous report October 2012 until September 2013.

During the aforementioned period, the implementation of the EEA Financial Mechanism in Greece has made great progress since:

- a detailed description of the Management and Control System has been submitted for approval by NFP accompanied with a report and an opinion by AA confirming that the implementation system of the BS complies with the Regulation and the generally accounting principles according to article 4.8. of the Regulation;
- due to the aforementioned submission, the FMC has already approved the first programme which is the Programme GR06: "Capacity building of the national asylum and migration management systems" within the framework of the programme area D: "Institutional Framework in the Asylum and Migration Sector" and is in the process of approving programmes GR03 "Renewable Energy" and GR01: "Integrated marine and inland water management";
- the EEA FM 2009-2014 programmes are going to be launched in a workshop that is going to take place in Athens on 17th October 2013 in order, amongst others, to promote the implementation of the EEA Grants in Greece and to increase public awareness;
- the stability, well functioning and well-staffed of the NFP, which was a key objective during the past year regarding the smooth and successful implementation of the EEA Grants as it was:
 - the main agenda issue of the 1st Annual Meeting that was taken place on 5th February 2013 in Athens and of the 2nd extraordinary Annual Meeting on the 13th June 2013
 - the core subject for exchanging a number of correspondence between the FMC Chairman and the Minister of Competitiveness and Development

has now been resolved and after the issuing of the Presidential Decree regarding the new organizational structure of the Ministry of Development and Competitiveness in October 2013, the NFP will fully operate permanently under the GDDPRPPI of MDC. During the transition period until the issue of the

aforementioned PD, the NFP operates as a mixture of the current structure with the support of other units of NSRF special Services and of assisting MOU staff;

- due to the aforementioned situation regarding the NFP stability, some of the activities that NFP was responsible for, such as the TAF, the work plan for BF at national level, the MCS, the communication strategy plan etc were delayed or the Donor States did not proceed to some approvals until the problem's resolution. As, currently, the issue has found a solution, a number of obligations pending by the BS have been fulfilled like the submission for approval of a modified TAF, a work plan for bilateral funds at national level, the establishment of the Monitoring Committee and the communication strategy plan;
- closure of projects funded by the EEA FM 2004-2009 is estimated to be finalized by the end of October 2013 sending out to FMO feedback on the last requested additional information.

Also, Annex A of the MoU has been amended during the 1st Annual meeting as:

1. the Ministry's name has been changed from Ministry of Economy, Competitiveness and Shipping to Ministry of Development, Competitiveness, Infrastructure, Transportation and Networks;
2. It does not exist any more the position of the Deputy Minister responsible for EU Structural Funds and therefore for the EEA FM;
3. The Special Secretariat for NSRF has been abolished;
4. The Secretariat General for Investment and Development has been renamed to Secretariat General for NSRF – Public Investment.

Finally, Annex B has been modified regarding change of the PO of Programme 2 of Programme Area D ("Institutional Framework in the Asylum and Migration Sector"). According to par. 4, article 2.1. of the Regulation, the Hellenic Authorities requested a change (prot.no. 3676/DPM&MSS 1419/21-8-2012) of the Special Service for the coordination and monitoring of ESF within the Ministry of Labour, who acted as a PO to the aforementioned programme by the Directorate for the Management of European Development Programmes of the Ministry of Public Order and Citizens' Protection.

The National Focal Point confirms that the data included in the Annual Report on implementation of the EEA Financial Mechanism is comprehensive, complete and correct.

2 ASSESSMENT OF IMPACT AT NATIONAL LEVEL

2.1 Cohesion

The overall scope of the implementation of the EEA FM 2009-14 is the reduction of the economic and social disparities and the strengthening of the bilateral relations between the donor states and the beneficiary one. All the programmes to be implemented primarily serve the aforementioned scope.

To this context and in accordance with Article 5 of Protocol 38b, a total of € 63,400,000 is made available to the Beneficiary State over the aforementioned period. Also, in accordance with Article 8.7 of Protocol 38b and Article 1.8 of the Regulation, the management costs of the Donor States shall be covered by the overall amount referred to above. Therefore, the net amount of the allocation which is made available to the Beneficiary State is € 58,645,000.

The total allocation of the funds, including the national co-financing via the Public Investment Program amounts to € 71.092.021 and is presented in the following table:

Table 1.: Allocation of EEA Grants 2009-2014 to Greece

S/N	Programme Areas	Programme Operators	EEA FM		PIP		TOTAL (€)
			€	%	€	%	
1	Integrated Marine and Inland Water Management	Special Service for the co-ordination of environmental activities – Ministry of Environment, Energy and Climate Change	9.510.000	85%	1.678.235	15%	11.188.235
2	Renewable Energy	Centre for Renewable Energy Sources and Saving	9.510.000	85%	1.678.235	15%	11.188.235
3	Funds for NGOs	FMO	6.340.000	100%	-	-	6.340.000
4	Institutional Framework in the Asylum and Migration Sector <i>* Donor State Programme</i>		20.873.417	**	2.210.126	**	23.083.543
4.1	Address urgent needs for the reception and screening of new arrivals and for the accommodation of vulnerable groups. Assistance to voluntary returns.	FMO in collaboration with UDI (Donor Programme Partner)	8.349.367	100%	-	-	8.349.367
4.2	Capacity building of the national asylum and migration management systems	Directorate for the Management of European Development Programmes of the Ministry of Public Order and Citizens' Protection in collaboration with UDI ((Donor Programme Partner)	12.524.050	85%	2.210.126	15%	14.734.176
5	Research within priority sectors	General Secretariat for Research and Technology / Ministry of Education and Religion	2.996.311	85%	528.761	15%	3.525.072
6	Technical Assistance Fund	NFP	754.220	100%	-	-	754.220
7	Reserve Fund for unforeseen developments	To be decided	2.419.328	85%	426.940	15%	2.846.268
8	Reserve for projects under FM 2004-09	To be decided	5.924.724***	50%	5.924.724	50%	11.849.448
9	Fund for bilateral relations at national level	NFP	317.000	100%	-	-	317.000
TOTAL			58.645.000		12.447.021		71.092.021

* Programme Area 4 will be implemented in common (donor state programme) with the donor states. The "Donor Programme Partner" is the Norwegian Directorate of Immigration (UDI).

** In general, the co-financing is at a rate of **85%** by the EEA FM and at **15%** by funds from PIP, apart from Programme Area: "Institutional Framework in the Asylum and Migration Sector", of which 40% will be financed at 100% by EEA FM funds and 60% of which by 85% from EEA FM funds and 15% from PIP.

* * * As the projects under FM 2004-2009 have already been completed and they have only absorbed 3.078.835€, a remaining amount of 2.845.889€, which is entitled as unused funds needs to be allocated along with the reserve fund for unforeseen developments.

Programme "Integrated marine and inland water management" is going to contribute to the sustainable management and protection of Greece's inland and marine waters. The achievement of this objective will result in securing increased amounts of good quality of surface / groundwater and drinking water and the protection of the biodiversity, and the adoption of practices that achieve sustainable use and management of the economically and ecologically valuable water and marine resources. Within the programme, small grant schemes are going to be implemented in order to support water-related education programmes in primary and secondary schools, and scholarships for studies abroad in the field of water resources. Finally, the pre-defined project will consist in the implementation of an integrated marine monitoring programme.

Programme Area "Renewable Energy" aims to an "Increased share of renewable energy in energy use". For the design of the Programme Proposal the National Policy for the promotion of RES was taken into account, as expressed by the Ministry of Environmental Energy & Climate Change and the related National Renewable Energy Action Plan in the scope of Directive 2009/28/EC. The achievement of the "20-20-20" goal triplet is a major challenge for Greece, as it will contribute towards ensuring energy supply, reducing GHG emissions, stimulating entrepreneurship and attracting investments. The actions required involve RES applications in all sectors of energy production and consumption, as well as in energy saving.

Programme "Funds for NGOs" aims to strengthen civil society development and to enhance contribution to social justice, democracy and sustainable development. It focuses on four priority areas: to reduce social inequalities, poverty and social exclusion, to promote human rights including minority rights (especially Roma and migrants), to support democracy, transparency and good governance and to protect the environment.

Programme "Institutional Framework in the Asylum and Migration Sector" focuses to strengthen institutional framework to ensure legal protection and care for the most vulnerable group of migrants, namely unaccompanied children and to address urgent needs for the reception and screening of new arrivals and for the accommodation of vulnerable groups as well as it provides assistance to voluntary returns. Also, it aims in a well-functioning asylum system in place, enabling asylum-seekers to bring forward their claim for international protection, have their claim processed in due time and be offered accommodation during the processing of their case, or to return voluntary to their country of origin. It should be noted that the largest in size and fund allocation programme, which is the "Institutional Framework in the Asylum and Migration Sector", is a Donor Partnership Programme and therefore, according to the Regulation, it is going to be implemented along with a Donor Programme Partner, which is the Norwegian Directorate of Immigration (UDI). For the rest of the programmes, the POs are going to encourage potential PPs to collaborate with donor state project partners.

Programme "Research within Priority Sectors" serves the overall objective of the Programme Area "Research within Priority Sectors" that is to enhance research based knowledge development in the Beneficiary State. It is expected to boost R&D activities in Greece through the implementation of targeted R&D projects addressing the priority sectors of human and social development and protection of cultural heritage as well other supporting activities (i.e. mobility grants).

An overview of the programmes is provided in section 3.3. of the present strategic report.

2.2 Bilateral Relations

Bilateral relations refer to political, economic, cultural and historic ties and cooperation. Strong bilateral relations are characterized by close cooperation between institutions and persons at administrative and political level, as well as in the private sector, academia and

civil society. It includes mutual knowledge, understanding and public awareness about the other countries and the ties existing between them.

2.2.1 Bilateral Fund at National Level

According to the respective Regulation and the Memorandum of Understanding signed between the Hellenic Republic and the Donor States for the implementation of the EEA FM 2009-2014 in Greece, the Beneficiary State set aside a 0,5% of the total allocation, which corresponds to € 317.000, for a Fund contributing to the strengthening of Bilateral Relations between Iceland, Liechtenstein, Norway and Greece in selected priority sectors.

The aim of this Fund is to establish long-lasting cooperation so that mainly institutions and organizations between the Donor States and the Beneficiary State can continue to work together and share experience. The Fund should further strengthen political, professional, social and economic ties and lay foundations between the donor states and the beneficiary country.

According to the Regulation and to the respective MoU, the NFP is the designated entity for organizing, managing and monitoring the bilateral fund at national level in the BS. Also, it is responsible for ensuring that the bilateral activities are implemented in accordance with the Regulation, the EU and national legislation and along with a work plan that it has been elaborated in close co-operation with the Royal Norwegian Embassy in Athens.

Although the BF at national level along with the TA Fund should have been in force immediately after the signing of the MoU, unfortunately, this was not the case due to the figured instability of the NFP. Hence, the DS could not be involved in a negotiation process regarding the use of the aforementioned fund until a solution on the respective matter would have been found and it was solid. Indeed, the matter on the organizational structure of the NFP as well as its capacity was resolved and, therefore, the negotiations with the Royal Norwegian Embassy in Athens acting on behalf of the DS started immediately after the 2nd extraordinary Annual Meeting that took place in Athens on 13th June 2013 and completed on 30th September 2013 with the submission by the NFP to the FMO of a work plan for the BF at national level.

The aforementioned work plan presents the strategy that will be followed by the Hellenic Authorities, mainly by the NFP. In particular, the work plan provides a brief overview of the proposed activities under the fund and a brief description of the system to be put in place for the implementation of the fund for the donors' approval. It should be noted that for the elaboration of this work plan, it was taken into consideration:

- the Regulation on the implementation of the EEA FM 2009-2014;
- the MoU signed between the Hellenic Republic and the Donor States;
- the Joint Ministerial Decision on management and control of the implementation of the EEA FM 2009-2014 (Official Government Gazette 1307/2nd Issue/30-05-2013) and the guidelines issued by the EEA FMC on the aforementioned issue;
- the Guideline for strengthened bilateral relations adopted by the Financial Mechanism Committee on 29-03-2012;
- informal round of consultations between the National Focal Point and the Royal Norwegian Embassy in Athens and finally
- close cooperation with Greek stakeholders (e.g. Programme Operators, NGOs, Port potential project promoters, etc) and relevant line ministries (Ministry of Environment, Energy and Climate Change, Ministry of Labor, Social Insurance and

Welfare, Ministry of Foreign Affairs, etc) in order to identify and assess different interests and needs.

Taking into consideration the expected results of bilateral cooperation, the Hellenic Republic would like to have wider effects as a result of institutions working together and finding common ground for extending their cooperation. Taking the aforementioned into account, the selection of the activity areas and projects as well as the selection of the national stakeholders in the Beneficiary State (Project Promoters) and their relevant donor project partners are the result of negotiation - consultation between the NFP, the Royal Norwegian Embassy in Athens and the FMO.

As a result of negotiations, the main areas for enhancing bilateral co-operation at national level have been identified as follows:

- Energy
- Youth Cooperation
- Social Inclusion
- Good Governance

In particular, identification of the proposed relevant activities under the aforementioned areas to be financed is a result of assessing necessary issues of interest to both donor states and the beneficiary state after:

- ✓ extensive informal round of consultations between the NFP and the Royal Norwegian Embassy in Athens and finally
- ✓ continuous close cooperation with Greek stakeholders and relevant line ministries (Ministry of Labor) in order to map different interests and needs.

For the aforementioned assessment, it was taken into consideration:

1. the common wish between the donor states and the beneficiary state to establish new relations;
2. the economic situation in the beneficiary state that at present must promote actions which reflect solidarity and awareness between the EEA member states in order to reduce social and economic disparities;
3. specific European issues that challenge both the beneficiary state and the donor states so that they could collaborate or promote activities jointly.

It should be noted that eligible project promoters and their donor project partners are public entities or private legal entities who act for the public interest, academic or research centers, POs, NGOs and other national institutions' determined and designated by the Beneficiary State authorities in close cooperation with the Beneficiary State, who have the capacity and the management competence to carry out certain tasks. The implementation system for the BF shall be in line with stipulations of Article 3.1.3. of the Guidelines for strengthened bilateral relations, as well as the stipulations laid down in the Management and Control System approved by the Audit Authority.

A Bilateral Fund Committee with representatives from the Norwegian Embassy, FMO and NFP will be established in order to better identify, assess and monitor the implementation of BF at national level. The NFP is going to establish the Bilateral Fund Committee as soon as the Work Plan will be approved by the FMC and the respective Programme Agreement is signed.

As the total budget of the BF is quite limited, only complementary initiatives such as conferences, workshops, study tours, studies, consultancies, information activities, etc. are going to be financed. Therefore, as the projects are going to be pre-defined and

agreed upon in the work plan and can be revised or updated during the annual meetings, there are no open calls for proposals envisaged within this fund.

The Embassy and the NFP have jointly compiled and agreed on a list of main and alternative potential project proposals which form an integral part of the work plan that was forwarded to the FMO for approval by the Donors. The list of main potential project proposals includes the priority areas, the scope of the potential projects, their objectives, project justification for compliance with the criteria set for BF and national level funding, institutions involved, potential donor project partners, potential project promoters as well as the number, positions and role of participants for the specific projects. Agendas of the events are attached to each application. The list of the main potential project proposals are presented respectively in the following Table 2:

Table 2.: List of main pre-defined priority areas and activities under the BF at national level.

S/N	Project Title	Project Promoter	Donor Project Partner	Priority Area
1	SAFETY IN THE OFF-SHORE OIL & GAS SECTOR	Directorate of Petroleum Policy, Greek Ministry of Environment, Energy and Climate Change	Norwegian Ministry of Petroleum and Energy / Norwegian Oil and Gas Association.	ENERGY
2	Entrepreneurship in Education	SEN/JA GREECE (NGO)	Ungt Entreprenorskap, Junior Achievement Young Enterprise (JA-YE) Norway	YOUTH CO-OPERATION
3	Cooperation in Harbor Management	Piraeus Port Authority	Port of Oslo / Port of Bergen Customs Norwegian police	GOOD GOVERNANCE
4	Identification of best practices within the Norwegian Social Inclusion Model	Directorate of Social Inclusion & Protection, Ministry of Labor, Social Insurance and Welfare.	NORWEGIAN MINISTRY OF CHILDREN, EQUALITY AND SOCIAL INCLUSION LABOUR AND WELFARE ADMINISTRATION - NAV (NORWAY)	SOCIAL INCLUSION
5	Geothermal Training Programme	CENTRE FOR RENEWABLE ENERGY AND SOURCES (CRES)	NATIONAL ENERGY AUTHORITY - ICELAND	ENERGY

As the whole process of the Bilateral Fund at National Level is quite dynamic, an alternative list of potential projects, which is a result of informal round of consultations between the National Focal Point and the Royal Norwegian Embassy, is presented in Table 3 as follows, and other, future suggestions, may be discussed during the Annual Meetings.

Table 3.: List of alternative pre-defined priority areas and activities under the BF at national level.

S/N	Project Title	Project Promoter	Donor-Project Partner	Priority Area
1	Increase business cooperation between Greece and Norway	INVEST IN GREECE S.A.	INNOVATION NORWAY	COMMERCIAL COOPERATION
2	Administrative Coordination of Efforts to Combat Human Trafficking	Greek Ministry of Foreign Affairs / General Secretariat for Gender Equality	Krisesentersekretariat / Rosa Project	SOCIAL INCLUSION
3	SEMINAR ON THE POTENTIAL FOR LNG AS FUEL FOR GREEK FERRY SERVICES	MINISTRY OF SHIPPING & THE AEGEAN	MINISTRY OF TRADE & INDUSTRY / RINA	ENERGY
4	Cooperation in Clean Cities "Rusken"	Athens Municipality	Municipality of Oslo	GOOD GOVERNANCE
5	Engaging youth in Politics	General Secretariat for Youth	The Norwegian Children and Youth Council	YOUTH COOPERATION
6	Assisting women and men to get out of prostitution	TBD	Municipality of Oslo	SOCIAL INCLUSION
7	Academic cooperation	The Technological University of Crete	NTNU (Norwegian University of Science and Technology)	YOUTH EDUCATION

2.2.2 Bilateral Fund at Programme Level

Funds amounting to at least 1.5% of the total programme allocation have been allocated under all programmes for the **Fund for Bilateral Relations**. These funds shall be used to support cooperation and exchange of knowledge and experience, establish and develop partnerships at the project level, thus strengthening cooperation between the potential project promoters and project partners from the Donors States.

Although there has been a focus on ensuring a strong bilateral aspect in all programmes, the edge is captured within the programme area "Institutional Framework in the Asylum and Migration Sector".

Due to its geographical location and having an extensive sea borderline, Greece for many years now accepts on an annual basis thousands of irregular migrants and asylum seekers as it stands in between Europe and the troubling areas of Middle East and Asia, hence functioning as a "gateway" to Europe.

It is understood that this situation puts a huge pressure on the few existing structures destined for the reception of asylum seekers and migrants.

Moreover, Greece is devoted to safeguard people's right to seek asylum and ensure that every asylum seeker receives fair treatment according to UN Conventions and EU rules.

Most centers for asylum seekers and irregular migrants are run by non-governmental organizations (NGOs), and depend on short-term and unstable funding. The reception capacity is inadequate- many asylum seekers and irregular migrants end up sleeping rough in parks or public squares.

Greek authorities, together with the EU, have elaborated an action plan on how to establish a comprehensive asylum and migration system and the EEA Grants contribute to this. For this reason, the Norwegian Directorate of Immigration (UDI) is sharing its expertise and experience with Greece to strengthen its migration management system. UDI is also working closely with the IOM and the UNHCR, who will manage projects and/or provide technical expertise.

Hence, regarding the aforementioned case, bilateral relations are seen as a way of bonding mutual understanding with sister organizations at various European arenas. In other words, sharing knowledge and forming common standpoints as well as solving European challenges together in order to find common solutions. The programme partnerships promote professional cooperation between public authorities at policy level. The DPP cooperates with the programme operator by:

- Providing advice and assistance in the programme strategy, design or implementation e.g. preparing calls;
- Facilitating networking between the programme operator and potential project promoters and/or project partners from the donor countries;
- Advising on and reaching out to possible donor country project partners;
- Advising on possible activities within the programme to strengthen the bilateral aspect.

As far as the DDP is concerned, the expected benefits of the aforementioned partnership are estimated to be the following:

- International exposure and building long-term professional networks;
- Closer cooperation with the EU system in general and with the Greek system specifically;
- Increased staff motivation and satisfaction;
- Access to new knowledge and expertise.

Greece is benefiting from the Norwegian technical expertise, through dialogue and sharing of experiences and best practices with other professionals and gaining more knowledge about the sector policy and culture in the other country.

2.2.3 Bilateral experience during the EEA FM 2004-2009 projects' implementation

Within the context of the EEA FM for period 2004 – 2009 several individual projects have been implemented, enhancing cooperation between the Donor States and specifically Norway and the Hellenic Republic.

Specifically, in 5 out of 38 individual projects (13%) of a total cost of € 4.759.782, official partnership agreements have been signed with Norwegian partners.

These projects lay within the fields of human resources development, academic research and environment and sustainable development. However, the content and quality of cooperation varied.

Boosting of cooperation in education and research was an aim that mostly shared by the beneficiary state and the donors states through the implementation of the "mobility and

scholarship program fund” as well as the completion of individual projects focused on academic research.

The “Mobility and Scholarship Fund Program” was managed by the National Technical University of Athens (NTUA) and with a grant of € 991.527 focusing on mobility grants for Master’s and PhD students in the academic field of environment protection and sustainable development. Following an open call, 25 scholarships were granted averaging € 2.500 each. At least five different higher educational establishments in Norway acted as host institutions. Although the impact was limited, given the small number of people and institutions involved, feedback was very positive.

3 MANAGEMENT AND IMPLEMENTATION

3.1 Management and Control Systems

3.1.1 Structures at National Level

The concluded *Memorandum of Understanding on the implementation of the EEA Financial Mechanism 2009-2014* defines the basic administrative structure including the management and control system in the Hellenic Republic in order to ensure that the principles of economy, efficiency and effectiveness are respected.

Specifically, Annex A of the MoU describes the involved parties on behalf of the BS that are responsible for the implementation of the EEA FM 2009-2014. However, as national elections were organized on 4th May 2012, several administrative changes took place that led to the amendment of the Annex A of MoU.

3.1.1.1 1st Amendment of Annex A of MoU

The amendment of Annex A of the MoU was agreed between the NFP and the EEA FMC during the 1st Annual Meeting on 5th February 2013 and mainly concerned the modification of the name of the Ministry as the Ministry of Development, Competitiveness and Shipping changed to the Ministry of Development, Competitiveness, Infrastructure, Transportation and Networks after the national elections.

Another major modification due to the same reason was the abolishment of the Deputy Minister and of the Special Secretariat for NSRF. The Special Secretariat was replaced by the General Secretariat of NSRF - Public Investment.

Hence, according to the aforementioned modifications, the Special Service for the Management and Monitoring of Other Development Programmes, which acts as the **NFP**, is a unit within the Directorate General of Development Planning, Regional Policy and Public Investments of the General Secretariat of NSRF - Public Investment, reporting directly to the Minister of Development, Competitiveness, Infrastructure, Transportation and Networks, who, amongst others is responsible for the NSRF, the Public Investment Programme and shall have the authority of signature for the NFP.

Similarly, the Single Paying Authority, which is a unit within the General Secretariat of NSRF – Public Investment within the Ministry of Development, Competitiveness, Infrastructure, Transportation and Networks acts as the **Certifying Authority**. The Head of the Single Paying Authority is the Head of the Certifying Authority and reports to the Secretary General NSRF - Public Investment.

The modification of Annex A of the MoU is being attached in the Annex of the present strategic report.

3.1.1.2. Other changes concerning the NFP organizational structure

The Special Service for the Management and Monitoring of Other Development Programmes (SSM&MODP), which acts as the NFP has faced a number of problems regarding its stability, capacity and well – functioning since 4th May 2012. In particular, the last working day before the national elections (7th May 2012), the Special Service was abolished by a joint Ministerial Decision, the result of which was that Unit A of the aforementioned Special Service, responsible for dealing with EEA Grants matters, was merged within a Unit of another special service of the Special secretariat of NSRF. This action provoked:

- ◆ Problems regarding the smooth implementation of the EEA FM 2004-2009 and EEA FM 2009-2014; as well as
- ◆ Work Insecurity and instability to the NFP staff.

Since then, the Government has proceeded in the abolishment of the aforementioned Joint Ministerial Decision and signed a new one which brings back the NFP at its original organizational structure in order to meet MoU obligations. However, as the Greek public administration is currently in the process of reformation, the aforementioned structure of the NFP is transitional. Specifically, the Greek Ministry of Administrative Reformation and Electronic Governance for the past year is in a continuous effort to reform the public administration in close collaboration with the Ministry of Finance and the respective Ministry, in our case the Ministry of Development and Competitiveness. For this purpose, a Government Reformation Council has been established and evaluates the new organizational charts of the Ministries as well as the relevant merges and acquisitions of the Ministerial departments and directorates. The Minister of Development and Competitiveness has already recommended to the aforementioned Government Reformation Council and it was approved the creation and establishment of a new Department entitled: "Department of EEA Planning, Co-ordination and Monitoring" under the Directorate General for Public Investments of the General Secretariat of NSRF - Public Investment. The Director General shall act as the Head of National Focal Point and report directly to the Minister of Development and Competitiveness, who, amongst others, is responsible for the NSRF, the Public Investment Programme and shall have the authority of signature for the NFP.

The new structure is aiming at:

- ❖ a distinctive unit within the Ministry's organization solid administrative organizational chart as it provides:
 1. long term stability
 2. staff insurance
- ❖ clear management structure;
- ❖ adequate staffing of six individuals including the Head of Department;
- ❖ exclusive employment with EEA Grants issues only;
- ❖ avoidance of further delays during the implementation phase.

The elaboration and approval of the new organizational chart of the Ministry of Development and Competitiveness, which will have the form of the Presidential Decree, is estimated to be in force by October 2013.

Until the enforcement of the Presidential Decree, the NFP is going to operate with the form of the Special Service for the Management and Monitoring of Other Development Programmes (SSM&MODP).

It should be noted that the EEA FMC has already expressed its concerns to the Minister and to the Deputy Minister of Development, Competitiveness, Infrastructure, Transportation and Networks regarding the functionality of the NFP on 28th January 2013 and on 3rd June 2013. The aforementioned new structure of the NFP was analytically presented in the 2nd extraordinary annual meeting as well as in the Deputy Minister's correspondence on 20th June 2013 and it was assured by the Minister of Development and Competitiveness in a meeting on 25th July 2013 with H.E. Ambassador Larsen.

Regardless of the forthcoming changes, the roles and responsibilities of the NFP will continue to be as stipulated in the regulation (Article 4.3). Moreover, the NFP will also be responsible for the preparation and submission of the irregularities report.

3.1.1.3 Future amendment of Annex A of MoU

Initially, the 2nd amendment of the Annex A of the MoU must contain the modification of the name of the Ministry as this was changed during the Government re-shuffle on 17th June 2013. Therefore, the Ministry of Development, Competitiveness, Infrastructure, Transportation and Networks shall be replaced by the Ministry of Development and Competitiveness.

Also, the new organizational structure of the NFP should be presented accordingly in the MoU amendment.

3.1.1.4 Amendment of Annex B of MoU

Finally, Annex B has been modified regarding change of the PO of Programme 2 of the Programme Area D ("Institutional Framework in the Asylum and Migration Sector"). According to par. 4, article 2.1. of the Regulation, the Hellenic Authorities requested a change (prot.no. 3676/DPM&MSS 1419/21-8-2012) of the Special Service for the co-ordination and monitoring of ESF within the Ministry of Labour, who acted as a PO to the aforementioned programme by the Directorate for the Management of European Development Programmes of the Ministry of Public Order and Citizens' Protection. The amendment was requested as:

- due to the recent national elections the Ministry of Labour was no more responsible for the co-ordination of migration issues;
- the main objective of the specific programme area includes the operation of the First Reception Centre, provision of Asylum services as well as screening of newly arriving migrants and asylum seekers with a special focus to vulnerable group namely unaccompanied minors. According to the current legislation (Law 3938/Government Gazette A/ Issue 61/ 31-03-2011) the Directorate for the Management of European Development Programmes within the Ministry of Public Order and Citizens' Protection is the responsible authority for the European External Borders and Return Funds within the framework of the General Programme "Solidarity and Management of Migration Flows". Therefore, the competence of the aforementioned service as well as its internal structure and accreditation by the European Commission in managing and implementing similar European Funds consist a guarantee for acting as the PO for the asylum programme area within the EEA Grants ensuring the avoidance of any possible conflict of interests and funding duplication.

Indeed, during the 1st Annual Meeting, it was agreed that the Special Service for the co-ordination and monitoring of ESF within the Ministry of Labour will be replaced by the Directorate for the Management of European Development Programmes within the Ministry of Public Order and Citizens' Protection. Annex B of the MoU will be changed via an exchange of letter with the FMO.

3.1.2 Management and Control System

The NFP in close co-operation with several entities at national level involved in the implementation of the EEA Financial Mechanism 2009-2014 in Greece has elaborated a detailed Management and Control System (MCS) for the implementation of the EEA FM 2009 – 2014. The entities assisting the NFP regarding the fulfilment of the aforementioned task are the following:

- The Certifying Authority;
- The Audit Authority;
- The Directorate of the Public Investments within the MDC;
- The Directorate of Finance within the MDC;
- The Special Service of the Institutional Support and
- The Special Service for MIS

The detailed Management and Control System has the form of a Joint Ministerial Decision between the Minister of Finance and the Minister of Development and Competitiveness and has been published in the Official Government Gazette of the Hellenic Republic (Official Government Gazette 1307/2nd Issue/30-05-2013).

Furthermore, the detailed description of the Management and Control System has been submitted on 10th June 2013 by NFP for approval to the FMO accompanied with a report and an opinion by the AA confirming that the implementation system of the BS complies with the Regulation and the generally accounting principles according to article 4.8. of the Regulation.

Prior to the AA's report and opinion, it was vital for the Hellenic Authorities to amend Law 3614/2007 (Law 4146/2013) regarding article 15 which concerns the appointment of the Financial Control Committee as the Audit Authority of the EEA FM 2009-2014 and article 29 which concerns the appointment of the Special Service for the Management and Monitoring of Other Development Programmes as the National Focal Point responsible for the implementation of the EEA FM 2009-2014 in Greece.

On 8th July 2013, FMO has sent a request to NFP for additional information on the aforementioned Management and Control System. Requested additional information included:

- further detailed description on the different national entities involved in the implementation of the EEA FM 2009-2014, such as roles of the people involved, their tasks as well as clear definition, allocation and separation of entities' functions including organizational charts and inter-linked work flows;
- adjustments to the amended regulation;
- detailed description of the management of financial set-up and financial flow especially on behalf of the Certifying Authority;
- detailed description on how the programmes are going to be monitored by the NFP;

- description of measures that are going to be taken regarding the handling of irregularities by the NFP;
- on how the programmes are going to be monitored by the NFP;

A technical meeting regarding the aforementioned issues as well as issues that concerned the Programme Implementation Agreements and the work plan of the NFP followed the 2nd extraordinary meeting was taken place in Athens on 25th July 2013. The requested additional information was discussed analytically between FMO and NFP representatives and the NFP responded with a letter on 31-7-2013 (prot. No.: 33955/DPM&MSS 759/31-07-2013) stating the following:

- the Hellenic authorities will proceed until January 2014 to the amendment of the Joint Ministerial Decision in order to include the relevant modifications of the Regulation;
- the NFP shall provide an analytical report regarding the financial flow process through the Public Investment Programme by October 2013;
- the CA will proceed to issue guidelines in a form of a circular describing the analytical process of the financial flow by the end of October November 2013;
- the NFP will proceed to issue guidelines on the management and control system with a specific focus on the monitoring of the programmes by the end of October 2013 in a form of a circular. Also, the NFP will proceed to the appointment of an external Monitoring Agent in order to be assisted on the programmes' monitoring;
- the generally recognized, common and repeatedly forms of irregularities in public works, supplies and services which are reflected in the document of COCOF 09/003/00-EL and in the Guidelines of the NSRF 2007-2013 MCS will be incorporated accordingly within the EEA Grants MCS until January 2014;
- the NFP is going to provide by the end of October 2013 an analytical report to the FMO which will explicitly describe:
 - the provisions of the establishment of the involved parties;
 - roles and responsibilities of the involved parties and their functional correlation;
 - their organizational charts and their staffing.

At this stage, FMO is examining and evaluating in parallel the MCS in order to determine if the BS complies with par. 1 of article 4.8. of the Regulation. However, the EEA FMC has proceeded to the signing of the first Programme Agreement, this of GR06. At present, the Programme Operators are in the process of elaborating their own MCSs that will follow and be compatible with the aforementioned MCS according to par. 2 of the same aforementioned article of the Regulation.

3.2 Compliance with EU legislation, national legislation and the MoU

The EEA FM 2009-2014 implementation in Greece will comply with the EU and national legislation taking into consideration the Regulation and especially focusing on the public procurement procedures, the state aid issues and the environmental awareness matters. For details please see the detailed descriptions of the programmes in section 3.3. of the present report.

3.3 Status of Programmes

According to Annex B of the MoU, the programme areas under which programmes are going to be implemented within the framework of the EEA FM 2009-2014 are as follows:

1. Integrated marine and inland water management (GR02)
2. Renewable Energy (GR03)
3. Funds for Non-Governmental Organizations (GR04)
4. Institutional Framework in the Asylum and Migration Sector
 - a. Programme 1. Address urgent needs for the reception and screening of new arrivals and for the accommodation of vulnerable groups. Assistance to voluntary returns (GR05).
 - b. Programme 2. Capacity building of national asylum and migration management systems (GR06)
5. Research within Priority Sectors (GR07)

Regarding the progress implementation of the aforementioned programme areas immediately after the signing of the MoU, the following Programmes will be implemented:

3.3.1 Environment

Within the field of Environment, the EEA FM intervenes in Greece with activities in two Priority Sectors, these are "Environmental Protection and Management" and "Climate Change and Renewable Energy".

GR02 - "Integrated Marine and Inland Water Management"

Programme Context

The Priority Sector "Environmental Protection and Management" includes Programme GR02 - "Integrated Marine and Inland Water Management". The Programme Operator is the "Special Service for the Co-ordination of Environmental Activities (Ministry of Environment, Energy and Climate Change)".

The Programme's objective is to enhance and ensure a good environmental status of marine and inland waters and to contribute to the protection and management of the environment in general.

The challenges by the implementation of this Programme are numerous and cover a wide spectrum of issues related to water management and environmental protection. In summary, these are:

- Water demand is not satisfactorily met in many parts of the country due to several reasons such as intense urbanization, tourist areas development, irrigation expansion, dry climate. As a result, certain islands and coastal areas are facing shortages.
- As a large part of the country's needs is covered by groundwater abstracted from wells and boreholes, it is important to make the best use of the aquifer.
- Moreover, Greece has a coastline of 16.300 km with a large number of the population living nearby. Hence, the need for an integrated management of marine waters is of crucial importance for the local communities.
- Further to, fishing and fish farming, which is a vital part of the country's agricultural economy, creates pressure on the environment and biodiversity. In Greece and Mediterranean, many species of fish and marine organisms have been over fished (82% of Mediterranean fish stocks). According to the Red Book of Endangered Species

in Greece (2009), 7 out of 9 species of marine mammals in Greece are threatened by pressures such as fishing and pollution. Measures such as promotion of marine protected areas that incorporate the ecosystem approach to management of natural resources are required in order to reduce the pressure.

- Coastal erosion is a growing problem in Greece, threatening natural and cultural heritage. Although erosion is in part a natural occurrence that can not be entirely controlled, it is particularly acute in certain areas due to mounting pressure arising from human activities, including poorly controlled public works along the coast line. Coastal erosion leads to dangers for coastal settlements and swimming shorelines (tourist product) and causes downgrading of the tourist product and/or dangers for the life and the property of the citizens.
- In addition, destructive fishing methods and over fishing are contributing to the reduction of the fish population in Greece. The support of educational and training Programmes for the management of the fishery, the reinforcement of resources and the marine fish farming, could contribute to the problems' solution.

Taking under consideration the aforementioned, an evaluation of the ecological status of ecosystems is needed.

Moreover, the Programme will contribute to the sustainable management of marine and inland water resources by the implementation of specific measures or projects in environmentally sensitive areas, to achieve an increase of the available water reservoirs, both surface and groundwater, to protect and rehabilitate burdened ecosystems and to prevent the deterioration of coastal areas situation caused by pollution and erosion.

Good management of coastal areas and locations goes hand in hand with a systematic assessment of the environmental impact of projects, real time monitoring of shorelines and coastal zones, concerned planning, monitoring of the implementation of measures and the rehabilitation of areas where necessary and/or possible for economic/tourist development.

The coastal communities are the most important factor to be considered in promoting projects for this Programme. Seminars / training activities on the subject of downgrading of marine resources, the dangers occurring from pollution of water resources and the erosion of shorelines are considered necessary.

Education / training / awareness provided on measures for prevention and rehabilitation of water environment will make the people living in coastal areas better understand the importance of the environment for their lives and make them invest knowledge in fishing methods and techniques which apply less pressure on the fish reserves.

In addition to the above, the Programme aims at contributing to the good environmental status of the marine and inland water resources by the development of monitoring Programmes.

Moreover, the Programme focuses on a better implementation of the legislation for the protection of marine and inland water by:

- The improvement of their monitoring and their quality in order to protect the fish-farming as well as the fishery from pollution
- The regaining and the protection of inland waters (surface and groundwater) which flow into the sea and the improvement of their quality

Compliance with the European Commission Directives in all the stages of the Programme, will contribute to the reduction of economic and social disparities in the EEA.

Potential Project Promoters

The primary target groups of this Programme are public entities. Other participants may be Non-Governmental Organizations, social partners, institutions and individuals. In regard to individuals, these are set to be selected mainly out of local communities.

Predefined Project

The predefined project, that is going to be implemented entitled: "*Implementation of an integrated marine monitoring programme in compliance with the requirement of the EU Marine Strategy Framework Directive 2008/56/EC (article 11)*", will deliver results for the on-going assessment of the environmental status of marine areas under Greek jurisdiction, the Ionian Sea, Central Mediterranean Sea, and the Aegean-Levantine Sea. The project will include monitoring and observations from buoys, fixed platforms and through satellite data. Also, it will provide a data managing infrastructure, based on approved standards, analysis and modeling systems. This includes measurements, data collection, data compilation and management, information dissemination. All these measures are based on Annex III and V of the EU Marine Strategy Framework Directive.

EEA FM Contribution

The objective of the Programme is to improve and secure the sustainable management and the protection of Greece's inland and marine waters with general benefits being: increased amounts of good quality water (surface and groundwater), protection of the biodiversity and the adoption of practices that achieve sustainable use and management of the economically and ecologically valuable water and marine resources.

The Programme will be implemented in order to fulfill the requirements of the EU "Marine Strategy Framework Directive - MSFD" in Greece and compliance with the requirements of the relevant EU and national legislation.

The applied legislation bases upon the European Directives and the National Legislation as listed below:

European Legislation:

- *Directive 2008/56/EC (Marine Strategy Framework Directive – MSFD) establishes a framework within which the necessary actions will be taken to achieve or maintain good environmental status in Europe's marine environment by the year 2020:*

For the protection and preservation of the marine environment from deterioration or, where possible, for the restoration of marine ecosystems in areas which have been adversely affected, for the prevention and reduction of burdening inputs in the marine environment, with the aim to decrease pollution, so as to ensure that there are no significant impacts on or risks for the marine biodiversity, the marine ecosystems, human health or legitimate uses of the sea.

- *Directive 2000/60 (Water Framework Directive – WFD) establishes a framework for the sustainable management of water resources and the protection of their relevant ecosystems:*

The primary objective of the Directive is the achievement of acceptable water quality through the implementation of rational water resources' management plans.

- *Directive 91/271/EEC concerning urban waste-water:* Its objective is to protect the environment from the adverse effects of urban waste water discharges and discharges.

- *Directive 2006/7/EC concerning the quality of bathing waters*: The main objective of the Bathing Water Directive is the protection of the public health and the environment from faecal pollution at bathing waters.
- *Directive 92/43/EEC of 21 May 1992 on the conservation of natural habitats and of wild fauna and flora*: It aims to the protection of some 220 habitats and approximately 1.000 species considered to be of European interest.
- *Directive 2009/147/EC of 30 November 2009 on the conservation of wild birds*: The Directive is about the conservation of all wild bird species, their protection and the management of their exploitation.
- *Directive 78/659/EEC of 18 July 1978 on the quality of fresh waters needing protection or improvement in order to support fish life as amended by Council Directive 91/692/EEC (further amended by Council Regulation 1882/2003/EC) and Council Regulation 807/2003/EC*: The aim of this Directive is the protection or improvement of the quality of those running or standing fresh waters, in which fishes belonging to:
 - o indigenous species or
 - o desired species for water management purposes
 Those live or could live, if pollution was reduced or eliminated.
- *Directive 79/923/EEC of 30 October 1979, as amended by Council Directive 91/692/EEC (further amended by Council Regulation 1882/2003/EC) on the required shellfish waters quality*: The aim of the Shellfish Waters Directive is the protection or improvement of shellfish waters in order to support shellfish life and growth.

National Legislation:

- *Law 3983/2011 "National Strategy for the protection and management of the marine environment"*: The law embodies the requirements and objectives of Directive 2008/56/EC regarding marine waters into National Law.
- *Law 3199/03 "Protection and management of water"*: It embodies the requirements and objectives of Directive 2000/60/EC into National Law.
- *Presidential Decree 51/2007*: It defines measures and procedures for the integrated protection and management of water in accordance with Directive 2000/60/EC.
- *Law 1650/86 on the protection of the environment*: Article 10 defines general rules for the protection of water. Article 28 determines the penalties imposed to those, who cause water pollution and to companies that operate without operating permits.

Currently, the FMO and the NFP are in process of finalizing the draft programme agreement and the relevant Programme Implementation Agreement.

GR03 - "Renewable Energy"

Programme Context

The Priority Sector "Climate Change and Renewable Energy" includes Programme GR03 - "Renewable Energy". The Programme Operator is the "Centre for Renewable Energy Sources and Saving – CRES) and is supervised by the Ministry of Environment, Energy and Climate Change.

The Programme Area "Renewable Energy" aims to an "Increased share of renewable energy in energy use". For the design of the Programme Proposal the National Policy for

the promotion of RES was taken into account, as expressed by the Ministry of Environmental Energy & Climate Change and the related National Renewable Energy Action Plan in the scope of Directive 2009/28/EC.

The achievement of the "20-20-20" goal triplet is a major challenge for Greece, as it will contribute towards ensuring energy supply, reducing GHG emissions, stimulating entrepreneurship and attracting investments. The actions required involve RES applications in all sectors of energy production and consumption, as well as in energy saving.

Greece has considerable wind and solar energy potential, which has already attracted investment interest, as well as a promising biomass and geothermal potential, which, still, however, remains untapped. Most of the existing hydro potential is largely exploited, but a further addition of eight large hydro plants including one or two with pumped storage capability and a number of smaller (i.e. of less than 15MW capacity) ones are currently under consideration.

Specifically, the contribution of RES to the national energy balance in 2008 was approximately 7.8% of the gross final energy consumption and around 16.3%, of the primary energy production. Primary energy produced from RES in 2008 was 1.64 Mtoe. Out of these, biomass use in households accounts for 600 ktoe, and the use of biomass in industry for 265 ktoe. Moreover, 285 ktoe are produced by hydroelectric plants, 193 ktoe from wind power plants, 174 ktoe from solar thermal systems, 63 ktoe from biofuels, 35 ktoe from biogas, mainly for electricity generation and 17 ktoe from geothermal energy.

Moreover, the promotion of RES-technology use in the building sector is strongly supported, as it contributes to a substantial amount in the energy balance, in terms of energy consumption for electrical load, heating/cooling and production of hot water. In parallel, the need for higher involvement of RES technologies in the electric power production mix and the transport sector is an important policy priority. In this context, the Programme Proposal includes the following project categories: 1) Integration of RES technologies in the building sector, 2) RES in electric power production and 3) RES in transport.

RES applications in the building sector were encouraged by the law "L3851/2010 (OGG A/85/4th June 2010)" which is of particular importance since it amends significant provisions of the currently applicable legislation, aiming at simplifying the licensing procedure, rationalizing the «feed-in-tariff scheme», tackling existing barriers at local level, as well as establishing specific regulations for the use of RES in buildings in accordance with the recently approved "Energy Performance of Buildings Regulation" - KENAK (OGG 407/B/2010).

Additionally, L3851/2010 sets specific targets for 2020 regarding the share of RES in final energy consumption, electricity generation and contribution in heating, cooling and transport.

Potential Project Promoters

Potential Project Promoters of the Programme are entities operating as public or private legal authorities and non-profit organizations that act towards public interest as well as consortia of them according to the legislation in force.

Predefined Project

A pre-defined project entitled "*Integrated measures for the increased use of renewable energy in a Small Island in the Renewable Energy Area*" will also be selected through an open call and consisted of the following specified actions:

- *RES Powered electric vehicle station:* The installation of RES units for charging electric vehicles and for electrifying other appliances, e.g. street lighting will be funded.
- *Increased RES powered marine port and conventional processes:* Installation of RES PV or wind units for marine port electrification purposes and for facilitating conventional processes such as waste water treatment.
- *RES in building sector:* GHP units are suggested coupled with solar thermal systems.

EEA FM Contribution

The objective of the Programme is to implement projects through which the use of renewable energy will be promoted along with its share while the expected outcomes can be summarized in the phrase: "**A less carbon-dependent economy**".

The applied legislation bases upon the European Directives and the National Legislation concerning: electric power production, desalination, biomass utilization, geothermal energy utilization and the regarding the Environment in general.

Currently, the FMO and the NFP are in process of finalizing the draft Programme Agreement and the relevant Programme Implementation Agreement.

3.3.2 NGO Fund

GR04 Funds for Non-Governmental Organizations

Programme Area 10: Funds for Non-Governmental Organisations

Overall progress as regards implementation of the Programme and projects

The Fund Operator is the Bodossaki Foundation. The Programme was approved on 3 October 2013, the PIA is being finalised and is pending signature. The management team is established and functioning. Call documentation, launch and website information as well as call for experts and publication of bilateral fund information are being developed. An official launch is planned with the Focal Point on 28 November. Staff has attended launch events in other countries and will attend the FRA conference and follow-up meeting. The Programme will launch its first set of calls for proposals on 22 January.

Progress towards expected outcomes

The programme focuses on four priority areas: to reduce social inequalities, poverty and social exclusion, to promote human rights including minority rights (especially Roma and migrants), to support democracy, transparency and good governance and to protect the environment.

Within the above four priority areas the NGO Programme seeks to support a minimum of 75 small and large projects through for example:

- Capacity building to increase NGOs' advocacy and watchdog roles as well as their ability to work in community development;
- Awareness raising and advocacy for human rights, democracy, gender equality, vulnerable groups and environment;
- Advocating for accessible welfare and basic services and combating social inequalities, poverty and exclusion, including in rural areas.
Support shall be provided through 4 open calls.

No progress can be reported on to date.

Outputs achieved

No outputs are achieved to date, since the Programme has not been signed yet.

Potential risks that may threaten the achievement of the objectives

The overall objective of the Programme is strengthened civil society and its contribution to social justice, democracy and sustainable development. The Operator has done a risk assessment of the potential obstacles to achieving the objectives, such as low capacity in sector. In terms of management capacity, the Operator has experience in own grant-making and has limited experience of public funding re-granting. Nonetheless, the team has shown professionalism and commitment to date. The FMO will closely monitor the developments in this programme. Management, reporting and financial flows are in place, a description of such systems will be provided within 6 months of the first IFR.

Major deviations from plan

None identified

The need for adjustments of plans, including actions for risk mitigation

None identified

Funds for bilateral relations

A total amount of €95,100 representing 1.5% of the eligible expenditure is set aside as a fund to facilitate bilateral relations. The Programme aims at strengthening the links and cooperation of the NGO sectors in Greece and in the donor countries in the programme priority areas.

The programme expects to achieve 7 project partnership agreements as well as 7 project activities (conferences, workshops, study tours, consultancies and information activities) shared between Greek and Donor Countries NGOs. Donor state partners may apply seed money from April 2014 in order to facilitate partnerships with Greek NGOs. Applications with partners from Donor state countries can apply for an extra grant amount of €5,000.

3.3.3. Institutional Framework in the Asylum and Migration Sector

According to the MoU, two programmes are going to be implemented under the programme area "Institutional Framework in the Asylum and Migration Sector". 40% shall be allocated to Programme (1) and 60% to Programme (2).

GR05 (Programme 1) – "Address urgent needs for the reception and screening of new arrivals and for the accommodation of vulnerable groups. Assistance to voluntary returns"

Programme Area 18: "Institutional Framework in the Asylum and Migration Sector".

Programme Context:

The Programme Operator is the Financial Mechanism Office (FMO)

Donor Programme Partner (DPP): Norwegian Directorate of Immigration (UDI)

The objectives of the Programme are:

1. Financially enable the United Nations High Commissioner for Refugees (UNHCR) to provide technical assistance to Greek authorities in implementing a reform of the asylum-system.
2. Offer voluntary return to the country of origin under the auspices of the International Organisation of Migration (IOM) to asylum seekers in Greece.
3. Fund reception centres for asylum seekers run by non-governmental organisations.

These objectives will be achieved through the implementation of three pre-defined projects.

Pre-defined projects:

The three pre-defined projects are:

1. The **first project ensured** financing to the United Nations High Commissioner for Refugees (UNHCR) to provide technical assistance to Greek authorities in implementing a reform of the asylum-system. The project started 1 September 2011, and was completed 1 March 2013. Total grant: € 2,234,248. Greece is one of the main entry points for irregular migrants to the EU and the borderless Schengen area. The large number of arrivals is a considerable challenge for Greece. The economic crisis continues to hit hard and conditions are notoriously difficult. In response to severe criticism from the UN's refugee agency (UNHCR) and other European and international organisations, the Greek government has adopted a plan to overhaul its asylum and migration system. The objective of the project was to contribute to improving the asylum system in Greece to bring it in line with international standards. The EEA Grants provided funding to UNHCR efforts to ensure better protection and care for migrants in line with its mandate. Funding was used to employ Greek-speaking lawyers (14) to act as observers in the asylum procedures and provide legal advice to refugees as well as information on the home countries of the asylum seekers. UNHCR experts also assisted with developing quality criteria for reception centres for asylum-seekers. The project benefited asylum seekers as well as Greek professionals working in the asylum sector who were offered on-the-job-training.
2. The **second project** offered voluntary return to the country of origin under the auspices of the International Organisation of Migration (IOM) to asylum-seekers in Greece. The project started 1 February 2012 and was completed on 31 January 2013. The total grant was € 1,115,000. Greece is one of the main entry points for irregular migrants to the EU and the borderless Schengen area. According to the OECD (2012), there are approximately 400 000 illegal immigrants in Greece (real figures may be much higher). Most illegal migrants intend to continue their journeys to other European countries but often end up homeless and living on the streets. Given the difficult economic situation in Greece, many wish to return to their home countries. In line with the Greek programme for reform of the migration and asylum sector, which underlines the importance of return, the objective of the project was to assist migrants wishing to return voluntarily to their home countries. The IOM provided pre-departure briefings, obtained travel documents and made travel arrangements

and in some cases assisted with reintegration. A total of 851 migrants (mostly from Pakistan, Bangladesh and Afghanistan) and 23 victims of trafficking (from Romania, Bulgaria and Latvia) were ensured a safe return to their home countries.

3. The **third project** provides financing to non-governmental organisations (NGO) in Greece offering accommodation and services to asylum-seekers. Greece has less than 1000 places in accommodation centres for asylum-seekers. Most of these places are run by NGO's with short-term funding from the EU. This project aims to make it possible for NGOs to offer improved accommodation and services for a longer-term. The project will be completed in 30 September 2016. The project is managed by the International Organisation for Migration (IOM), which launched a call for proposal at the end for January 2013. Through the call, a total of € 4,874,760 was made available. Five NGO-consortia applied for funding, and to date the IOM has signed project contracts with the two NGO-consortia, namely Médecins du Monde/Greek Council of Refugees and with Nostos/IASIS/Ergoerevnikti/Society for the development and Creative Occupation of Children. Médecins du Monde/Greek Council of Refugees was awarded € 1,226,784 for running an existing shelter in the centre of Athens with 70 places. The project will fund rent, running costs, educational/psychological and medical services. The Greek Council of Refugees will provide legal aid. The consortia of Nostos/IASIS/Ergoerevnikti/Society for the Development and Creative Occupation of Children was awarded e 1,361,334 to provide accommodation and services for 100 asylum seekers (60 unaccompanied minors and 46 single parents) in a former hotel in Athens. The project will cover rent, running costs and services (educational, psychological, medical, legal etc).

The Norwegian Directorate of Immigration (UDI) is a Donor Programme Partner (DPP) in the Programme, and has played a professional role in advising the FMO in developing the Programme. UDI is also responsible for managing the bilateral fund under the Programme (€ 125,240). The bilateral fund will partly be used on activities initiated by UDI, and partly on an open call (announced November 2013).

GR06 (Programme 2) – "Capacity building of the national asylum and migration management systems"

Programme Context

The Program Operator is the "European and Development Programs Division / Ministry of Public Order and Citizen Protection".

Donor Partner: "Norwegian Directorate of Immigration (UDI)".

The objectives of the Programme are:

1. To ensure access to the asylum procedure to all third-country nationals present in Greece who wish to do so,
2. To provide third-country nationals arrested at the Evros region with adequate assistance immediately after their entering the country, as well as information on their rights, and identify vulnerable groups and provide for their referral to the appropriate structure of protection/assistance according to their needs, and

3. To ensure that vulnerable groups with particular emphasis on unaccompanied minors, have immediate access to accommodation, right after the conclusion of screening procedures and pending their referral to the appropriate actor of protection.

These objectives will be achieved through the implementation of two pre-defined projects and a third project to be implemented through calls for proposals.

Predefined Projects

The two pre-defined projects are:

1. The **first project** entitled: "*Covering the operational costs of the First Reception Centre, Fylakio, Evros*" consists of covering the operational costs of the First Reception Center (Screening) Center established in Fylakio Orestiadon at premises bordering the existing center in Fylakio Orestiadon (latter falling under the responsibility of the Greek Police). This is going to be the first Center of the kind created in Greece, in accordance with the Greek Action Plan on Migration Management.

The purpose of the functioning of the FRC is to provide immediate assistance to third country nationals after their (illegal) entry to Greece, perform medical controls, identify vulnerable groups and refer all persons to the competent authorities according to their legal status (asylum applicant/returnee) and their status as belonging to a vulnerable group or not.

The operational costs are going to be covered for a period of min. 2 years from the time the FRC becomes operational. They include medical supplies, medicines, tests, vaccinations, personal hygiene items, food, cleaning service, security, interpretation, mattresses, sheets, blankets, clothing and shoes, personal hygiene items for staff (masks, gloves, disinfectants etc.), services provided other than security (administrators, accountants, medical staff, social workers, psychologists, legal information providers etc., support staff for Central Service), utilities (electricity, water, heating, sewage etc.,). The estimated cost arises to the amount of 4.550.000 Euro per year.

Project Promoter is the Ministry of Public Order and Citizen's Protection.

2. The **second project** entitled "*Assistance to the Asylum Service*", which is also a pre-defined project, aims at giving a vital boost to the operation of the Asylum Service and the Appeals Authority, and at ensuring their smooth functioning, in particular as regards services to asylum seekers (provision of information, social workers to counsel vulnerable individuals and in particular unaccompanied minors, psychologists for staff support, certain operational expenses with a view to ensuring adequate infrastructure for the efficient processing of the asylum procedure, and financial incentives for staff to examine additional asylum claims, thereby ensuring faster processing). Services to asylum seekers mentioned above are outsourced to NGOs, through open calls.

According to Greek asylum legislation, the Asylum Service is going to operate five regional offices, the first of which, in addition to Athens, is going to operate in Orestiada within the first FRC to be built in Fylakio. The efficient functioning of the Fylakio regional asylum office is key to the establishment of a fair and efficient asylum procedure overall, as well as swift referral to either open reception centers or pre-removal detention centers, hence safeguarding a comprehensive and seamless asylum and migration management process.

Again, Project Promoter is the Ministry of Public Order and Citizen's Protection.

Open Call

The **third project** entitled "*Temporary accommodation and care for unaccompanied minors*" is going to be implemented through an open call for proposals and the provision of temporary accommodation of newly screened vulnerable groups with particular emphasis to unaccompanied minors. Special attention is given to providing assistance to vulnerable persons who have not asked for asylum and stay in Greece pending their return.

Through the implementation of the aforementioned projects it is expected that receiving/screening procedures for newcomers are going to be improved, the first steps for an adequate and efficient referral system are going to be created and swift access to a fair and efficient asylum procedure is going to be ensured.

At the same time, improvement of coordination between competent authorities and agencies (First Reception Service, Asylum Service, Police, Ministry of Health, Ministry of Labour, UNHCR, IOM, NGOs) will be achieved, as it is a condition for the successful implementation of this Programme.

In addition, the complementarity with Programme 1 – GR05 is going to be achieved, as vulnerable persons and pending asylum applicants are screened in and referred to the reception facilities operated under the Programme 1 – GR05.

Potential Project Promoters

As already mentioned for the two predefined projects, the Ministry of Public Order and Citizen's Protection will act as the Project Promoter.

In regard to the third project (through an Open Call) prospective Project Promoters are NGOs operating in the sensitive field of migration and asylum.

EEA FM Contribution

As already mentioned in section 2.2.2 "Bilateral Fund at Program Level", the Hellenic Authorities stress the importance of close co-operation with the competent authorities in Norway in order to deal with the serious issue of migration and asylum seekers.

For this reason Programme GR06 is implemented in partnership with the "Norwegian Directorate of Immigration" (UDI). The scope for this partnership is twofold: firstly, the Hellenic Authorities to improve methods and infrastructures in relation to dealing with the issue of migration and asylum and secondly to gain valuable expertise through co-operation with the Norwegian counterparts, in order to be able to face more efficient and effective this issue in the future.

To this context, Norwegian contribution and the strengthening of bilateral relations is perceived to be of crucial importance. For a more elaborate analysis in the issue please refer to section 2.2.2.

3.3.4. Academic Research

GR07 - "Diversity, inequalities and social inclusion"

Programme GR07 - "Diversity, inequalities and social inclusion" addresses the Programme area "Research within Priority Sectors" of Priority Sector "Academic Research".

Programme Context

The Program Operator is the "General Secretariat for Research and Technology" of the Ministry of Education and Religious Affairs.

The Programme will contribute to the realization of the first objective by enhancing research based knowledge development in two of the identified priority sectors ("Human and social development" and "Protection of cultural heritage"). Specifically, the Programme will support Research and Development (R&D) projects in the following three Programme areas:

- Local and regional initiatives to reduce national inequalities and to promote social inclusion (*2nd Programme area of the priority sector "Human and social development"*);
- Mainstreaming gender equality and promoting work-life balance (*4th Programme area of the priority sector "Human and social development"*); and
- Promotion of diversity in culture and arts within European Cultural Heritage (*2nd Programme area of the priority sector "Protecting Cultural Heritage"*).

The Programme serves the overall objective of the Programme Area "Research within Priority Sectors" that is to enhance research based knowledge development in the Beneficiary States. It is expected to boost R&D activities in Greece through the implementation of targeted R&D projects addressing the priority sectors of human and social development and protection of cultural heritage as well other supporting activities (i.e. mobility grants).

The Programme is fully aligned with national R&D priorities. In 2011, the Ministry for Education and Religious Affairs, defined four strategic pillars for all Research and Development activities of Greece as follows:

- Strategic Pillar 1: "Strengthening Research & Technology in two directions: scientific human resources and research infrastructures".
- Strategic Pillar 2: "Linking R&D to the economy's production base for promoting innovation".
- Strategic Pillar 3: "Externalisation. Promotion of European, International and inter-state programmes".
- Strategic Pillar 4: "Linking science and society".

In accordance with guidelines stipulated by the Ministry for Education, GSRT is responsible for designating all R&D projects (irrespective of their source of financing) since 2011 under one of the four pillars above. The present Programme is aligned primarily to the 3rd Strategic Pillar since the projects to be financed will promote international collaboration between Greek and EEA EFTA R&D actors through the exchange of knowledge and know-how. Moreover, the Programme will contribute to the realisation of the 1st Pillar's objective as it will strengthen the efforts of Greek researchers in the identified priority sectors.

Furthermore, international R&D collaboration is a key dimension of the National Strategic Framework for Research and Innovation (ESPEK) that is currently being developed by GSRT for the period 2013-2017. ESPEK will constitute the first comprehensive national RTDI strategy of Greece, with a view to concentrating the RTDI effort in areas of strategic importance that will facilitate recovery of the economy and meet key societal needs. ESPEK will identify at a strategic level the RTDI goals & priorities of Greece, the key means to attain these goals within the given timeframe and performance indicators in order to measure the extent to which the goals have been realized.

The Programme is moreover compliant with national legislation on R&D.

Potential Project Promoters

Eligible applicants (Project Promoters) for this call are entities, public or private, commercial or non-commercial and non-governmental organisations legally established to implement R&D activities (given the research nature of projects' activities). Eligible

partners in projects can be any entity, public or private, commercial or non-commercial and non-governmental organisations established as a legal person.

EEA FM Contribution

The Programme's scope is to address from a research / scientific perspective the rising social and income inequalities in Greece as a result of the ongoing economic crisis.

Key socio-economic challenges faced in Greece today include the sharp rise of unemployment and in particular of youth unemployment (approx. 50%), deterioration of social and health services (with a higher impact on immigrant communities), deterioration of working conditions for employees in terms of wage cuts, working hours and work-life balance (with a higher impact on working women/mothers) and reduced living standards for pensioners due to state pension cuts.

Moreover, to address the insufficient level of funding for R&D activities in Greece across thematic areas and with respect to social research in particular. Based on the latest available data, gross expenditures on R&D represented only 0.58% of GDP in 2007 which is significantly lower than the average EU R&D intensity for the same year (1.85% of GDP).

Finally, the level of government financing for social research in Greece is relatively low in comparison to other fields of research. As portrayed in the figure below, the government budget appropriations for research on "social structures and relationships" was approximately 5% in 2005 (the latest year for which relevant data is available).

As a result, the leverage of funding for social research through the proposed Programme will constitute a significant contribution to the sustainability of relevant R&D activities and will also have a positive effect on the economic viability of R&D actors in this field (i.e. Universities, Research Centres and Institutes, firms involved in R&D activities etc.) that constitute the direct target groups of the Programme.

The Programme complies with both EU and Greek legislation on R&D and protection of IPR.

3.4 Irregularities

Given that the programme proposals were submitted between July and August 2012 and NFP functional problems were existing provoking thus delays in the approval and launching of the programmes, no irregularities have been observed.

In the Hellenic Republic, NFP is responsible for preparing and submitting irregularity reports. The procedure to deal with irregularities shall include registration, investigation and reporting of the suspected and actual cases of irregularities, their further monitoring and, in specified cases, also recovery of funds affected by the actual case of irregularity.

As it was mentioned before, the NFP will proceed in the preparation and elaboration on a circular regarding the management and control system of the co-financed programmes and projects, which will describe in a detailed manner amongst others procedures on handling irregularities and fiscal corrections. Finally, the generally recognized, common and repeated forms of irregularities in public works, supplies and services which are reflected in the document of COCOF 09/003/00-EL and in the Guidelines of the NSRF 2007-2013 MCS will be incorporated accordingly within the EEA Grants MCS.

3.5 Audit, monitoring, review and evaluation

Given the state of preparation, submission and approval of the draft programmes, there is no information available to be included in this Strategic Report. However, the NFP and the responsible entities such as the CA and the AA are in the process of planning their activities regarding mainly the issues of monitoring and auditing.

In principle, regarding the monitoring of programmes, by December 2013, the NFP will proceed to issue a manual regarding the management and control system of co-financed programmes and projects which will be proportional to the one issued for the NSRF 2007-2013. The aforementioned manual / guideline will be in a form of a circular and will describe in a detailed manner the following procedures amongst others:

- Evaluation and approval of projects;
- Public Procurement Procedure;
- On – the – spot verifications
- Irregularities and fiscal corrections;
- State aid issues

Also, the NFP will proceed to the hiring and appointment of a Monitoring Agent through the Technical Assistance Fund in order to be supported in its tasks.

Currently, the CA is preparing to issue guidelines in a form of a circular for the POs, which will indicative include the following:

1. Preventive sampling control of expenses as well as of tendering and award procedures of public procurement registered by the Programme Operators to the MIS – Ergorama;
2. Control of data registered to MIS – Ergorama using parameters and criteria through electronic reporting beyond the automatic controls of the computer system;
3. Control of financial data based on rules and provisions set in the Regulation and in the MCS;
4. Compliance verification with the programmes' conditions;
5. Control of project promoters' payment confirmation (national contribution and EEA Grants funding);
6. A template of a Protocol Certification Report which is going to be used by the POs after the finalization of the amount of the financial report for confirmation purposes.

At the end of the reporting period, the Certifying Authority will present to the FMO a detailed work plan which is going to be followed regarding the submission of financial reports to the EEA FM as well as points and/or issues to be *ad hoc* addressed by Programme Operators in order acceptability of disbursement request to be ensured. These issues are mainly related to the eligibility of expenditure, audit findings, recommendations etc.

The Certifying Authority will support the Programme Operators through the existing Helpdesk.

3.6 Information and Publicity

The National Focal Point is the responsible body for setting out and implementing a Communication Strategy that will ensure transparency regarding the promotion of the EEA Grants for the period 2009 - 2014, as in Annex 4 of the Regulation. The Communication Strategy is estimated to be sent to the FMO for approval in early October 2013.

3.6.1 Aim of Communication Strategy

The aim of the Communication Strategy is to communicate to the public in Greece the existence, the objectives, the possibilities and the actual results of the EEA Grants 2009-2014 programmes. This strategy also targets all potential beneficiaries and relevant stakeholders.

The implementation and the overall impact of the Financial Mechanism on the related issues of concern in Greece will highlight the strengthening of the bilateral relations of the Donor Countries and Greece.

To this end, cooperation between the National Focal Point and the Programme Operators will be pursued so as to ensure that through interconnection and joint activities, whenever possible, the messages will reach their targets efficiently.

Moreover, the National Focal Point shall ensure that Programme Operators fulfill their information and publicity obligations (Annex 4, Information & Publicity Requirements, Section 2.1).

Through the communication measures set out in the Communication Strategy the NFP will seek to:

- raise awareness
- increase citizen engagement
- strengthen partnerships' building
- increase public understanding and find approaches to societal problems (social, economic, environmental)

3.6.2 Target Audiences

The communication targets are defined in the following six (6) major groups:

1. Potential Beneficiaries:

Potential Beneficiaries are all the organizations which may be interested in applying for a project grant, as listed in the calls for proposals of the Programmes 2009-2014.

2. Actual Beneficiaries / Project Promoters:

The Actual Beneficiaries or the Project Promoters are all the organizations which have submitted the project application and which have concluded the Project Contract.

3. Potential Partner Entities/ Actual Partner Entities:

The Project Partners are all the organizations which have co-submitted the project application on which the Project Contract has been concluded. The Project Partners may also be entities from the donor states.

4. Stakeholders:

Cooperation with all relevant stakeholders will be critical in achieving the aim of this Communication Strategy:

- Programme Operators and Project Promoters;

- Donor States;
- Other national stakeholders (The Monitoring Committee, the Certifying Authority, the Audit Authority and all the related Ministries);
- Media / Journalists;
- General Public.

3.6.3 Communication Strategy

As mentioned, the overall objectives of the EEA FM 2009-2014, are:

- to contribute to the reduction of economic and social disparities in the European Economic Area (EEA), and
- to strengthen bilateral relations between the Donor States and the Beneficiary States.

Moreover, the communication objectives that form the NFP strategy are:

- to increase public awareness of the objectives and results of the grants;
- to ensure transparency and openness;
- to provide easy access to relevant information;
- to promote and facilitate partnerships;
- to contribute towards successful implementation;
- to dispel misapprehensions and to prevent misuse of funds.

3.6.4 Communication Tactics

Brand Building

The maximization of the communication effect will be achieved through synergies, coherence, homogeneity and the coordination of information activities. A central element of this strategy is the uniformity of communication for the messages, image and style, with texts that will be interesting and easily perceived by the audience.

The EEA logo will be visible on all promotional and information material, according to guidelines described in the Communication and Design Manual provided by the FMO. The Manual (which sets out detailed technical requirements on the use of logos, as well as billboards, plaques, posters, publications, websites and audiovisual material), will be available to all communication partners.

Additional guidelines will be issued by the NFP to assist the Project Partners in using the recommended text in English and Greek so as to ensure the uniformity in our communication.

Use of Website

- The official website dedicated to the EEA Grants in Greece is www.eeagrants.gr. Although, the specific link exists, it is not functional and operational yet. NFP is going to proceed in January 2014 to the appointment of an external consultant for the creation of the "eeagrants.gr" web site of a total cost of € 52.000 through a call. The external consultant's fee is going to be covered by the TAF.

The aforementioned link is going to be used as the main information channel for the programs and will provide bilingual information (Greek and English) on:

- The overall objectives of the financial mechanism,
- Bilateral cooperation with Donor States,
- All Programmes including an overview of open calls as well as links for downloading the entire open calls,

- Impact from the financial mechanism support, including photographic material of projects of previous funding periods.
- Relevant documents, including Strategic Reports and data from Annual meetings,
- Links to the website of the financial mechanisms, Programme Operators websites, the Norwegian Embassy in Athens website, and other relevant institutions websites,
- Contact information.

Additionally, the National Focal Point will make sure that each Programme Operator will use an abbreviation, adapted for the web that will redirect to the appropriate URL, as: [www.eeagrants.gr/\[adapted Programme name\]](http://www.eeagrants.gr/[adapted Programme name]).

All printed communication, press releases, audiovisual productions etc, will include a reference to the official website address, in order to maximise its visibility.

Additionally, banners or links to the website are added to the official webpage of NSRF in Greece and the Hellenic Ministry for Development and Competitiveness.

Major Information Activities

Three major activities are to be held in the current period until 2017:

- A launching event, open to all target groups, which will present an overview of the EEA Grants the Programme areas, objectives and possibilities. This event is scheduled to take place on 27th November in Athens.

During this event a brief presentation on projects from previous programming periods will be given, so as to emphasize the already achieved results and prepare the audience for the future projects.

Additionally, a photo exhibition, presenting some of the projects will be hosted in the lobby area during the event. The visual identity will be presented through all printed and audiovisual material, and a CD with the official logos and the Design Manual will be included in the Press Kits. The Press Kits will also include media fact sheets for previous and future projects and photos of the completed projects.

- A mid-term event will present the overall progress and impact from EEA Grants, to stakeholders and the media. Depending on the progress, some good practice examples may be presented by Project Operators. The event will be held in 2015.
- A closing event, open to all target groups, with an emphasis at the active participation of Project Operators, will be organized at the end of the Programming period, in 2017.

This event will be a major opportunity for presenting the outcomes of the EEA Grants in social and economic terms for the current period and a vehicle for introducing the forthcoming period priorities. A video production and an informative leaflet presenting the most important features of the projects will be prepared for this event.

News – Press Releases

The significant progress of the programs, events and other interesting data will be regularly published through press releases. These will be available at the official website and they will be sent to journalists in mainly national and wherever applicable regional media.

Printed and Audiovisual Information Material

Printed and audiovisual information material of the programme will mainly be used during the major information activities.

Additional Activities

Additionally to the above mentioned measures, the NFP will also perform at least the following communication related activities:

- Working meetings with stakeholders,
- Seminars and/or conferences on project related subjects,
- Participation and presentations at international network organisations and international meetings,
- Photos and general data collection, reports and publications

3.7. Reserve for Projects under FM 2004-2009

According to par. 2 of Article 1.10 of the Regulation the DS and the BS agreed to set aside a maximum of 10% of the total contribution from the EEA Financial Mechanism 2009-2014 to fund the completion of specific projects selected within the framework of the EEA Financial Mechanism 2004-2009. The total amount of such a reserve, which is 5.924.724€ contribution from the EEA FM resources, and the projects that were funded from this reserve are confirmed and stated in the MoU. The rules of the EEA Financial Mechanism 2004-2009 apply to the implementation of such projects and the final date of eligibility was no later than 30 April 2012. It should be noted that the co-financing was 50% from resources of the Public Investment Programme. From the aforementioned amount, approximately 3.078.835€ from EEA FM resources have been absorbed and the remaining 2.845.889€ is unused. NFP has submitted via the CA all the completion project reports to the FMO. However, requested by the FMO additional information for some of the aforementioned projects is needed to be forwarded from the NFP. The main goal by both the NFP and FMO is to close the EEA FM 2004-2009 at the end of October in order by December 2013 a closure event to be organized.

3.8. Reserve for unforeseen developments

According to par. 1 of article 1.10 of the Regulation, the DS and the BS shall in the MoU decide to set aside a reserve, consisting of a minimum of 5% of the Beneficiary State's total allocation in order to react to unforeseen developments in the Beneficiary State. Indeed, this allocation amounts to 2.419.328€. The NFP submitted to FMO a proposal in January 2013 regarding the allocation of the reserve within the framework of the EEA Financial Mechanism 2009-2014, as an addition to the existing programmes. However, the EEA FMC, during the 1st Annual Meeting on 5th February 2013 expressed its wish to allocate the aforementioned amount either to Municipality of Athens or to Municipality of Thessaloniki in order to address immediate needs of vulnerable groups of citizens affected by the financial crisis.

During the 2nd extraordinary Annual Meeting that took place on 13th June 2013, there was a proposal by the Donors' side to allocate the aforementioned fund along with the remaining reserve for projects under FM 2004-2009 EEA FMC to a new social programme led by the FMO using pre-defined projects and therefore pre-defined project promoters as there is a lot of sympathy in the Donor countries for what is happening in Greece as a result of the economic crisis.

The Minister of Development and Competitiveness with a letter to the EEA FMC Chairman (prot. No.: 4383/23-09-2013) agreed on the social character of the proposed re-allocation. However, the Hellenic authorities strongly believe that further consultation between the Donor States and the Beneficiary State is vital, especially regarding the selection criteria of the project proposals before any decision made quoting relevant justification. Therefore, the Minister proposed a Programme as a continuation of the consultation phase, which consists of seven (7) pre-defined projects focusing on sensitive vulnerable target groups covering at least 20 Municipalities, involving 3 out of 13 regions

(Attiki, Crete and West Greece) and suggested that co-financing should be used as well as the FP should be appointed as the PO.

On Monday 23rd September 2013, a technical meeting took place in Oslo between FP and EEA FMC regarding various aspects of the EEA Grants 2009-2014 in Greece. One of the major issues that discussed was the allocation of the reserve fund for unforeseen development and of the remaining fund of the EEA FM 2004-2009 projects. Following the aforementioned Minister's letter, it was decided that both the NFP and the FMO are going to exchange the suggested project proposals in order this to be an issue for discussion during the 3rd Annual Meeting that it will be organized in Athens on 27th November 2013.

3.9. Risk Management

One of the main key issues that need to be assessed in regard to the implementation of the EEA FM 2009 – 2014 is the means to be used in order to tackle uncertainty, which are identified as **Risk Assessment** and **Risk Management** as referred to at the "Risk Management Strategy, EEA & Norway Grants 2009-14". Particular concern is given to successful implementation and to the measures that will be undertaken to ensure this.

To this context the NFP participated in the Risk and Results Seminar that was held in Oslo on the 23rd and 24th of September 2013. The challenges (including potential impediments) in respect to the implementation of the EEA Grants as well as the required transparency are issues of high priority for the Hellenic Authorities.

Taking into account the experience earned from past financial mechanisms, the key issues that affect implementation and expected results and need to be addressed can be summarised as follows:

- Evaluation of projects to be selected/approved: thorough and specialized assessment is required in order to identify weakness regarding maturity of proposals, legal implications arising from implementation and managerial weaknesses.
- Status of prospective Project Promoters:
 - o Management capability, including management structure and ability to monitor and report;
 - o Financial capability (that is ability to pay for expenditures on time);
 - o Ability to manage and control effectively a partnership scheme (where applicable).
- Sufficient monitoring from the side of the Hellenic Authorities and in the case of the EEA FM 2009 -14 both from the Program Operators and the Focal Point.
- Sufficient Audit and Control System, including a manual regarding on-the-spot checks. That is in order to implement a prescribed systematic approach on inspections, hence ensuring that all aspects and parameters of a project will be checked, enabling immediate action and eliminating or reducing any negative impacts.
- Managerial and administrative procedures in force, to be the least affected as possible by legislative and administrative changes.
- Realistic planning and setting of indicators. Over-optimistic approach during project planning often results in inability to attain expected results. Thorough assessment of the proposed outcomes and indicators during evaluation of projects is required.

The aforementioned should be regarded as lessons learned and constitute a solid ground for deliberation with the Program Operators in order to determine any further risks and encounter impediments.

It should be noted that in the approved Management and Control System, these issues have been regarded during elaboration and specific instructions and guidelines will be issued, following the deliberation with the Program Operators.

In regard to the critical issue of financing, under the new structure where the Focal Point will be a unit under the General Directorate of the Ministry of Development and Competitiveness, no complex bureaucratic procedures will be required for the approval of financing, since the General Directorate is responsible for the financing of all bodies receiving it.

This fact leads to the minimization of risk and uncertainty, taking into consideration that the financing of projects will include financing of any failures. The goal is to be proactive and the projects to be functional even in cases where audit reports might raise questions regarding several aspects of these projects. Hence, project financing is ensured 100% covering all risks involved in the implementation of a project.

The system guarantees payments to be made on time regarding the projects (through adequate financing) and the corresponding disbursements by the FMO may follow. Moreover, through required audits transparency and smooth implementation is safeguarded as Greece has a very good audit system that ensures normality and eligibility of expenditures.

The likely risks that foreseen in Greece during the implementation of the EEA Grants 2009-2014 are the following:

- Financial crisis;
- Limited time for projects' completion;
- Limited administrative capacity of the Project Promoters and their partners;

To summarize, there will be quick issuance of financing decisions and with the cooperation of the Single Paying Authority that possesses great experience on financing matters.

Finally, it must be pointed out that issues such as Publicity and zero Corruption Tolerance are to be dealt as appropriate as this has been also the case in the past.

3.10. Work Plan

In view of the fact that all the programmes are going to be approved and launched by December 2013, the following work plan has been prepared by the NFP:

- Amendment of Annex A of MoU regarding the new organizational structure of the NFP after the issue of the PD;
- Publishing of an Open call for expressing interest in staffing the NFP;
- Signing of the GR06 Programme Implementation Agreement and its publishing in the Official Government Gazette;
- Signing of the PAs and PIAs of GR03 and GR02 and their publishing in the Official Government Gazette;
- Preparation of the PA and PIA of GR07;
- Launching of the Programmes on 17th October 2013 in Athens;
- Organizing the 3rd Annual Meeting in Athens on 16th October 2013;
- Amendment of the Joint Ministerial Decision regarding incorporation of the updated version of the regulation;

- Signing of the Technical Assistance Fund programme agreement;
- Publishing of the open call for tenders for the establishment and creation of the EEA FM 2009-2014 MIS;
- Publishing of the open call for proposals for the appointment of an external Monitoring Agent;
- Responding to the FMO by sending an analytical report explicitly describing the roles and responsibilities of the involved national entities and their correlation within the MCS;
- Elaboration and issuance of guidelines on the management and control system with a specific focus on the monitoring of the programmes by the end of October 2013 in a form of a circular;
- Incorporation of COCOF guidelines within the EEA Grants MCS;
- Publishing of the open call for proposals for the appointment of a consultant regarding the creation of the EEA Grants website;
- Co-ordination of the POs regarding the preparation and elaboration of their MCSs;
- Co-ordination of the POs regarding scheduling and preparing the Open Calls for proposals under their programmes.

4 REPORTING ON PROGRAMMES

Given the state of preparation, submission and approval of the draft programmes, there is no information available to be included in this Strategic Report.

5 SUMMARY LISTING OF ISSUES AND RECOMMENDATIONS

Consultation between BS and EEA FMC should be continued regarding the allocation of the reserved and unused fund.

6 ATTACHMENTS TO THE STRATEGIC REPORT

Due to the early stage of the programme implementation phase, no attachments regarding the programmes are provided. The monitoring plan is included under point 3.5 in the Strategic Report.