

EEA FINANCIAL MECHANISM 2009-2014 STRATEGIC REPORT 2014 PORTUGAL



Reporting Period: 2014

National Focal Point - National Management Unit

MARCH 2015

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ABBREVIATIONS

ADC	Agency for Cohesion and Development
EEA	European Economic Area
EEA FM 2009-2014	EEA Financial Mechanism for 2009-2014
EFTA	European Free Trade Association
EU	European Union
FBR	Fund For Bilateral Relations at national level
FMC	Financial Mechanism Committee
FMO	Financial Mechanism Office
IGF	General Inspectorate of Finance
MoU	Memorandum of Understanding
NFP	National Focal Point
NGO	Non Governmental Organizations
PO	Programme Operator
PP	Project Promoter
PDP	Pre-defined Project

STRATEGIC REPORT 2014

General context of the EEA GRANTS 2009-2014 in PORTUGAL

The European Economic Area (EEA) Agreement between the European Union (EU) and the European Free Trade Association (EFTA) States, entered into force in 1994, established a financial contribution (EEA GRANTS) aiming at reducing economic and social disparities in the EEA.

In 2010, the Protocol 38b to the EEA Agreement established the conditions for the EEA Financial Mechanism 2009-2014 (EEA FM 2009-2014).

The Memorandum of Understanding (MoU) on the implementation of the EEA FM 2009-2014 in Portugal, entered into between Iceland, the Principality of Liechtenstein, the Kingdom of Norway and the Republic of Portugal, was signed on the 29th of March 2012.

For the current EEA FM 2009-2014, Portugal benefits from a total allocation of about 58 Million Euros, with a net allocation of about 53.6 Million Euros.

In accordance with Article 1.10 of the Regulation on the implementation of the EEA Financial Mechanism 2009-2014 (Regulation), the reserve for unforeseen developments in the total amount of €2.897.500, was reallocated in 2014 to the Civil Society Programme Area (NGO Programme) increasing the available fund of €5.800.000 to €8.697.500.

Eight Programme Areas are identified in the MoU to be supported by the EEA FM 2009-2014 in Portugal with the following financial allocations from the EEA GRANTS:

Portugal	EEA FM
Programme Area	Contribution
(PT02) Integrated Marine and Inland Water Management	€19.247.250
(PT03) Renewable Energy	€ 4.000.000
(PT04) Adaptation to Climate Change	€ 3.000.000
(PT05) Civil Society (NGO)	€ 8.697.500
(PT06) Public Health Initiatives	€ 10.000.000
(PT07) Mainstreaming Gender Equality and Promoting Work-Life Balance	€ 2.500.000
(PT08) Conservation and Revitalisation of Cultural and Natural Heritage	€ 4.000.000
(PT09) Promotion of Diversity in Culture and Arts within European Cultural Heritage	€ 1.000.000
Other Allocations	
(PT01) Technical assistance to the Beneficiary State	€ 869.250
(PT01) Fund for bilateral relations at national level	€ 289.750
Net allocation to Portugal	€ 53.603.750

STRATEGIC REPORT 2014

According to Article 2.2 of the Regulation, the National Focal Point (NFP) shall submit to the Financial Mechanism Committee (FMC) an annual Strategic Report. The reporting periods shall follow the calendar year and shall be submitted no later than 31 March each year. The Strategic Report shall form the basis of discussions at the Annual Meeting.

The parties to the MoU agreed to endeavour to hold the Annual Meeting in the month of December every year. According with Article 2.3 of the Regulation, if the date agreed to hold the Annual Meetings is later than 31 August, the Beneficiary State shall submit a brief update of the Strategic Report four weeks prior to the annual meeting.

The NFP prepared in October 2014 a provisional Strategic Report 2014 as an overview on the implementation of the EEA FM 2009-2014 for the reporting period January – October 2014 in order to form the basis for discussions in the Annual Meeting that was held in Lisbon on December 10, 2014, in accordance with Article 2.2 (3) and for the effects of Article 2.3 (3) of the Regulation.

1 EXECUTIVE SUMMARY

The present Strategic Report follows the template adopted by the FMO as communicated by 27th November 2014, although it presents discrepancies with the template adopted by the Regulation (Annex 3), as amended by the FMC on the 1st of July 2014.

An overview of selected development macro indicators for Portugal and the long term goals set for Portugal 2020 are presented, providing the framework in which the EEA GRANTS are implemented and the relevance of the financial support granted. Although with less severe indicators than in 2012 and with some positive progress indicators, Portugal reference situation for 2013 continues to reveal a pronounced economic and social disparity within EU at 28 Member States and with EEA Donor States.

The overall objective of the EEA GRANTS for strengthening of bilateral relations between Donor and Beneficiary States is assessed at Programme and Project level and progress on partnerships at project level represent 44% of the projects approved by the end of the reporting period. The report on the use of the Fund for Bilateral Relations at national level presents the progress on the implementation of the updated Work Plan with a commitment rate of 74% so far.

The overall progress on programmes still shows a low level of implementation although significant progress was achieved in the present reporting period. The summary progress by each Programme provided in section 3 was based on the information resulting from the quarterly reports provided by the Programme Operators to the NFP to support regular and structured monitoring. The Fund for NGO (PT05) is operated directly by the FMO with *Fundação Calouste Gulbenkian*, the selected Fund Operator, with no direct intervention or monitoring by NFP. The overview on the status of implementation and the summary of progress of the Programmes includes data from PT05 based on the respective annual report and information available on DoRIS.

In Section 4 an overview on the Management and Implementation of the EEA FM 2009-2014 is provided with special focus on the results of audits and monitoring form which it is visible a very low rate of execution of programmes.

The NFP view on progress and recommendations for the next reporting period are presented in Section 5 of the present report with special focus on the still low implementation rate on most Programmes.

2 ASSESSMENT OF THE EFFECT OF THE GRANTS

This section aims to assess the expected effect of the EEA GRANTS in relation to the overall objectives of the EEA FM 2009-2014:

- Contribute to reducing economic and social disparities in EEA and
- Strengthen bilateral relations between Donor States and the Beneficiary States.

2.1 Cohesion

Direct contribution of the EEA GRANTS on the national development trends will not be evident but the framework given by the National Development macro indicators will nevertheless provide context for the interventions of the EEA GRANTS and assess where added value can most likely be achieved.

Development Macro Indicators

Between 2011 and 2013, the pace of expansion of the world economy slowed down, with global GDP growth of 3.9% in 2011, 3.2% in 2012 and 3.0% in 2013 (according with International Monetary Fund, IMF, January 2014).

The euro zone recorded in 2013 the second year of recession (-0.4%), although the decline in GDP is less pronounced than in the previous year (-0.7%) (IMF, January 2014). Portugal's GDP growth follows the EU trend with less pronounced recession in 2013 (-1,40%) than in 2012 (-3,30%), however with a much more sharper level of the GDP decline.

Key National Development Macro Indicators are presented in the table below.

NATIONAL DEVELOPMENTS MACRO INDICATORS				
Macro Indicator	Indicator Owner	2011	2012	2013
State of Social and Economic Affairs				
Human Development Index	United Nations	41	43	41
Life Expectancy	United Nations	79,5	79,7	79,9
GDP Growth	Statistics Portugal (INE)	-1,8%	-3,3%	-1,4%
GDP per capita (EU28=100)	Eurostat	78	76	79
Gross Debt (% GDP)	Statistics Portugal (INE)	111,1%	124,8%	128,0%
Gini-Coefficient (0-100) ⁽¹⁾	Statistics Portugal (INE)	34,5%	34,2%	34,5% (Po)
At-Risk-of-Poverty or Social Exclusion	Statistics Portugal (INE)	24,4%	25,3%	27,5%
At-Risk-of-Poverty after Social Transfers ⁽¹⁾	Statistics Portugal (INE)	17,9%	18,7%	19,5%(Po)
Unemployment Rate	Statistics Portugal (INE)	12.7%	15.5%	16.2%
Youth Unemployment Rate	Statistics Portugal (INE)	30.3%	37.9%	38.1%
Gender Inequality Index	United Nations	0,14	0,114	0,116
Population Growth Rate	World Bank	-0,15%	-0,41%	-0,52%

* Youth Unemployment Rate (15 to 24 years)

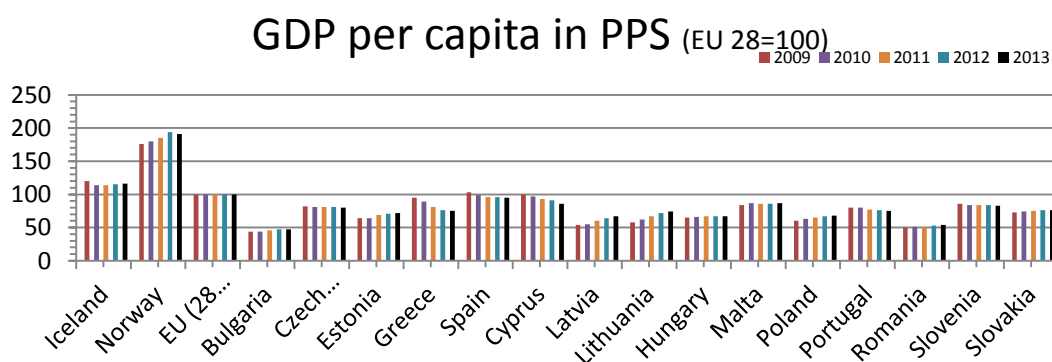
State of Social and Economic Affairs				
TI Corruption Perception Index	Transparency International	32	33	33
Freedom House (status)	Freedom House	Free	Free	Free
Other Macro Indicators				
Labour Productivity per Person Employed (EU27=100)	Statistics Portugal (INE)	74,4	76	76,7
Private Consumption of Resident Households by Durability (nominal change rate)	Statistics Portugal (INE)	-2,13%	-3,84%	-0,74%
Public Consumption (nominal change rate)	Statistics Portugal (INE)	-6,10%	-11%	4,30%
Gross Capital Formation (nominal change rate)	Statistics Portugal (INE)	-13,60%	-13,90%	-6,50%
Imports of Goods and Services (nominal change rate)	Statistics Portugal (INE)	0,90%	-5,10%	1,60%
Exports of Goods and Services (nominal change rate)	Statistics Portugal (INE)	12,40%	4,90%	6,10%

Po-Provisional data

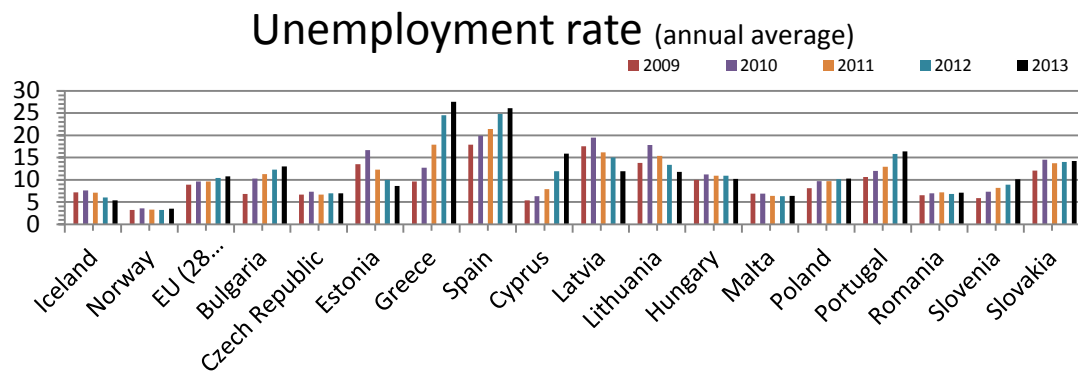
(1) the year is the income reference year

The negative trend of GDP in Portugal is linked with adverse conditions such as difficult access to credit, high levels of corporate debt and weak demand together with the increased uncertainty and a low level of productivity, jointly determining a reduction of loans for the purpose of business investment in most sectors of economic activity, which was also accompanied by a strong reduction of public investment. The recessive economic environment has had very negative consequences in the Portuguese labour market, causing strong net job destruction and a historic increase in the levels of unemployment, in particular and most severely in youth unemployment (according with QREN Annual Report 2012).

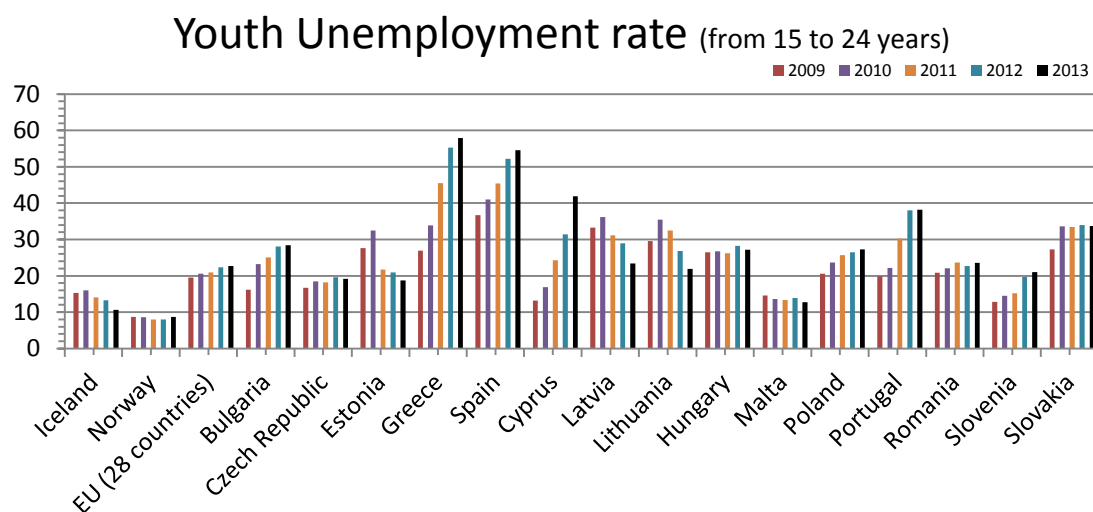
Although with less severe indicators than in 2012 and with some positive progress indicators (v.g. consumption and exports), Portugal reference situation for 2013 continues to reveal a pronounced economic and social disparity within EU at 28 Member States and with EEA Donor States. The relative position of Portugal within the EEA regarding other Beneficiary States and the Donor States (Liechtenstein does not have macro indicators available) is presented in the tables below for GDP per capita, unemployment rate and youth unemployment rate.



Source: Eurostat



Source: Eurostat



Source: Eurostat

Portugal Long Term Goals

The EU 2020 strategy focus on smart growth, through more effective investments in education, research and innovation, on sustainable growth, thanks to a decisive move towards a low-carbon economy and an inclusive growth, with a strong emphasis on job creation and poverty reduction. The strategy is focused on five ambitious goals in the areas of employment, innovation, education, poverty reduction and climate/energy¹.

The main goals for Portugal for the long term are aligned with EU 2020 strategy and focus on I&D and Innovation, Education, Climate and Energy, Employment and Social Inclusion. Under the framework for the EU Funds (designated Portugal 2020) the main goals are increased competitiveness, inclusiveness and sustainability through the Implementation of four thematic

¹ http://ec.europa.eu/europe2020/europe-2020-in-a-nutshell/targets/index_pt.htm

areas such as **Competitiveness and Internationalization, Employment and Social Inclusion, Human Capital and Sustainability and Resource Use Efficiency.**

The following table presents the goals tailored under the EU 2020 Strategy for Portugal and the reference status at 2013:

Portugal goals under the Europe Strategy 2020 and status in 2013

Objective	Indicator	Goal PT2020	2013
Increase I&D and Innovation	Investment: GDP %	2,7% to 3,3%	1,41% (1)
More and Better Education	Early school dropout rate	10,0%	19,2%
	% of population with college education or equivalent between 30-34 years	40,0%	29,2%
Climate/Energy	Greenhouse Gas emissions (% variation from 2005 in emissions outside EU ETS)	+1,0%	-12,0%(2)
	Renewable Energy in the final energy consumption	31,0%	24,6% (2)
	Energy Efficiency (% earnings in primary energy consumption variation form 2005)	20,0%	24,6% (2)
Increase employment	Employment rate (population between 20-64 years)	75,0%	65,6%
Fight on poverty and social inequalities	People at-risk-of-poverty and social exclusion (variation form 2008)	-200.000	-92.000 (3)

(1)Data based on 2012 IPCTN; (2) 2012 data; (3) 2011 income;

Source: National Reform Programme for Portugal, April 2014, updated with final data I&D & Innov., released on September 2014.

The EEA FM 2009-2014 overall objective to contribute to the reduction of economic and social disparities fulfil an important function of supplementing the EU structural funds, covering areas that fall out of scope of other public funding but that are of the outmost importance to progress towards the reducing of disparities.

Visible examples of programmatic areas supported by the EEA FM 2009-2014 in Portugal and that are not covered by the EU funds are the Public Health Initiatives (PT06) that will focus on reducing inequalities between user groups in fields such as nutrition, mental health and communicable diseases.

On the other hand the EEA GRANTS support programmatic areas that are underfinanced at regional or local level like the Conservation and Revitalisation of Cultural and Natural Heritage (PT08) that will protect the important legacy from the Jewish culture in Portugal through disseminated local interventions and the Promotion of Diversity in Culture and Arts within European Cultural Heritage (PT09) that will deliver arts programmes to schools in five regions in continental Portugal.

The priority sectors of environmental protection and management as well as of climate change and renewable energy are key to social and economic development where multiple and important challenges must be addressed at all levels. The EEA GRANTS have a significant

contribution in these priority sectors representing 49% of the current EEA FM 2009-2014, supporting the programmatic areas such as:

- Integrated Coastal and Marine Water Management (PT02) that will contribute to perform a wide range of different actions in order to ensure the sustainable use of marine resources and increase of monitoring capability of environment quality indicators in the significantly large marine area under Portuguese jurisdiction;
- Renewable Energy programme (PT03) where a geothermal pilot plant in Terceira Island will replace ca. of 10% of energy production by diesel increasing the renewable energy production share in the Archipelago of Azores, and
- Adaptation to Climate Change (PT04) where financial support will improve the capacity to assess the vulnerability to climate change and increase awareness and education on this crucial and current theme.

The civil society Programmatic area addressed by the NGO's Fund (PT05) tackling the demanding context of increased social needs and the contraction of public support, representing the most significant fund available for the sector in Portugal (ca. 8,5 million Euros).

2.2 Bilateral relations

The overall objective of strengthening the bilateral relations between Donor and Beneficiary States is a key element of the EEA GRANTS introduced in the current EEA FM 2009-2014. Cooperation through bilateral partnerships increases the exchange of best practices and promotes joint policies.

This broad objective can be difficult to assess and indicators designed over the number of partnership agreements at Project level fall short to measure the full impact of the EEA GRANTS on bilateral cooperation.

Several constraints have been identified regarding the setup of partnerships at project level (short number of Donor States partners available for a high demand of partnerships from 16 beneficiary states, high costs of Donor countries entities participation, lack of commitment to distant projects, etc.) and must be considered in the analysis of the results from partnership indicators. Moreover, 2014 marks the beginning of the full implementation phase for all programmes (except for PT05 the NGO Fund) where projects resulting from calls for proposals are in most cases yet to start.

Partnerships at programme and project Level

In the overall EEA GRANTS (EEA and NORWAY GRANTS) within all the 16 Beneficiary States there are a total of 150 Programmes from which 87 have a Donor Programme Partner ² representing 58%.

² EEA GRANTS/Norway GRANTS Annual Report 2013-14, released in July 2014.

In Portugal eight partnerships between national public bodies and public entities from Donor Countries were set up in the MoU in 2012 (4 at Programme level and 4 for pre-defined projects). In 2014 a partnership was established with a public entity from the Donor Countries in the emblematic pre-defined project for the acquisition of an investigation vessel in the Integrated Coastal and Marine Water Management Programme (PT02) with the Institute for Maritime Research from Norway.

At Programme level, results from partnerships were visible in the preparation of the Programme proposals during 2012 and the preparation of key documents for the implementation of the respective programmes in 2013.

In 2014 Donor Programme Partners were extremely important not only in the preparation of the calls for proposals texts and guidelines but mainly in the identification of potential donor partners that resulted in successful match making.

According with Article 3.6 of the Regulation, each Programme sets aside a minimum of 1.5% of its total eligible expenditure for Bilateral Relations. The total amount of €907.568 is available for bilateral relations at programme level.

Programmes	FBR
PT02 - Integrated Marine and Inland Water Management	€ 339.657
PT03 - Renewable Energy	€ 70.588
PT04 - Adaptation to Climate Change	€ 52.942
PT05 - Civil Society (NGO)	€ 87.000
PT06 – Public Health Initiatives	€ 176.471
PT07 – Mainstreaming Gender Equality and Promoting Work-Life Balance	€ 44.118
PT08 – Conservation and Revitalisation of Cultural and Natural Heritage	€ 70.588
PT09 – Promotion of Diversity in Culture and Arts within European Cultural Heritage	€ 66.204
Total	€ 907.568

The details of use of the Bilateral Relations Funds at Programme level are established by each Programme Operator. In Donor Partnership Programmes the details for the use of the funds are designed together with the Donor Programme Partner. All Programmes with exception of PT08 have submitted or defined the respective Plans for the use of Fund for Bilateral Relations.

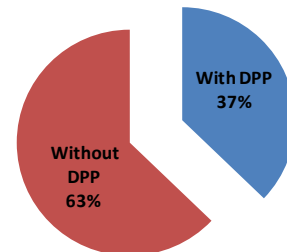
Six Programmes include calls for proposals under the Fund for Bilateral Relations for project promoters selected (PT06 and PT07) or extended to other candidates (PT02, PT04 and PT09) for fostering partnerships and networking. The calls for proposals for the use of FBR in PT09 resulted in 25 projects selected with € 65.974 executed.

The Fund for Bilateral Relations of the NGO Fund was also made available through open calls for proposals from which a total of 27 applications were received in 2014 and 12 projects approved totalizing a total 13 projects (1 in 2013) approved under the FBR.

From the 107 approved projects by the end of 2014 in result of the open calls, 7 projects with Donor Project Partners.

On the remaining 7 Programmes, from the 35 projects approved by the end of the reporting period, 13 Projects present partnerships with Donor Project Partners, representing 44% of the total of the projects approved so far: PT02 (3), PT 04 (2), PT06 (1), PT07 (2) and PT09 (5).

Total Approved Projects (35)



Fund for Bilateral Relations at National Level

According with Article 3.5 (2) of the Regulation the NFP shall manage the use of the Fund for Bilateral Relations at national level (FBR) and report on it on the Strategic Report.

The Agreement on the *Technical Assistance and the Fund for Bilateral Relations at national level* was entered into by the NFP and the Donor States/FMC in September 2012, with the total amount set aside for the FBR of €289.750.

Following discussions started at the Annual Meeting in December 2013, an updated Work Plan for the FBR was proposed by the NFP and approved by the Donors by letter of July 3rd 2014.

The updated Work Plan was set up based on the results of the first implementation period (2012/2013) and on discussions held with the Donors.

The framework presented to update the Work Plan was based on the report provided in the previous Strategic Report that presented the following results: the total committed allocation of the FBR in 2013 was of about €58.706, a total of €162.531 was to be reallocated to new activities, leaving a total fund of €231.044 available for allocation in the remaining implementation period.

A different strategic approach was presented in the updated Work Plan for the re-granting of the FBR where the use of calls for proposals was abandoned due to the limited results from the calls for proposals launched in March 2013 which from a total amount available of €210.000 received 18 applications and approved 13 applications for a total financial support of €47.469.

The updated Work Plan redirected the main use of the FBR to the funding of initiatives that foster bilateral relations between Donor States and national entities on issues of common interest.

In this context the updated Work Plan provides the following provisions for the reallocation of the total amount of €231.044 available for allocation:

1. **€ 22.750** for supporting **participation in events or conferences** aimed at fostering bilateral relations, in particular by the NFP;

2. **€ 23.294** for:
 - a. the production **EEA Grants promotional material**;
 - b. the promotion of **events or workshops of relevance for entities involved on the EEA Grants implementation**.
3. **€ 50.000** for supporting **international events or conferences taking place in Portugal** aimed at fostering bilateral relations in the priority sectors identified in the MoU or other areas of interest for Beneficiary and Donor states of the EEA Grants, namely on fostering new ways to promote employment and entrepreneurship, including through the development of green strategies;
4. **€ 135.000** for supporting **activities, events or conferences, in Portugal or in the Donor states** aimed at fostering bilateral relations with Donor states entities and experts on issues of common interest.

The initiatives to be supported under 2, 3 and 4 referred to above, shall be eligible for funding under the FBR after the FMO appraisal and approval of the respective detailed plans and budgets.

Several initiatives where common interest was identified have been agreed with the Donors under the updated Work Plan, in an estimated total estimated amount of €112.730:

- An International Conference on Youth Employment was held in November 2014 (€27.730) with high level representatives from Norway and Portugal;
- An International Seminar and award on Natural Parks Branding to be held in April 2015 (€50.000) with the participation of entities from Norway and Iceland;
- An International Seminar and award on Analytical Cities to be held in April 2015 (€35.000) with the participation of entities from Norway.

Other agreed initiatives to foster Bilateral Relations on the common area of interest of Green Growth Strategies (Ministerial Mission to Iceland and Norway) will be further developed for final approval by the Donors, to be implemented in the first half of 2015 with an estimated budget of about €50.000.

The total allocated amount of €47.469 committed to the beneficiaries from the 2013 open calls for proposals was meanwhile reduced to €45.144 due to expired funding decision of one project (as the promoter failed to send the signed Term of Acceptance by the agreed deadline - AEISA €1.050) and to the withdrawal of another project by the project promoter (ADPMA - € 1.275). By the end of 2014 a total of €16.48,02 was paid to beneficiaries of the 2013 call.

The low execution of the FBR to date is a result of the reduced financial expression of the 2013 calls for proposals, as mentioned above, and the few payment claims received so far.

The table below provide the financial report of the FBR at national level:

Budget Heading	Total Amount Available	FMO Disbursements	Payments (31-12-2014)	Commitments	Total Commitments	Commitment Rate
	1	2	3	4	5=3+4	6=5/1
Fund for Bilateral Relations	€289.750,00	€204.299,00	€44.974,22	€169.661,97	€214.636,19	74,1%

3 REPORTING ON PROGRAMMES

3.1 Overview of Programme status

This section aims to provide an overview of the implementation progress of the Programmes in Portugal, in particular regarding progress on calls undertaken, amounts involved and total execution percentages by budget line. Due to the particular implementation framework and results from NGO's Fund not all of the aggregated results include data from PT05.

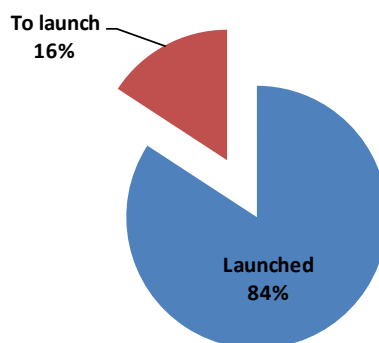
More detailed information on each programme is also presented in section 3.2.

By December 2013, most of the Programme Agreements were signed and ready to start implementation stage (only PT08 signed the agreements by January 2014). PT05 was the first Programme to start implementation stage in March 2013.

In total the EEA FM 2009-2014 supports 10 pre-defined projects, out of which 4 have Donor Project Partners, with a total estimated cost of **€28.106.454**.

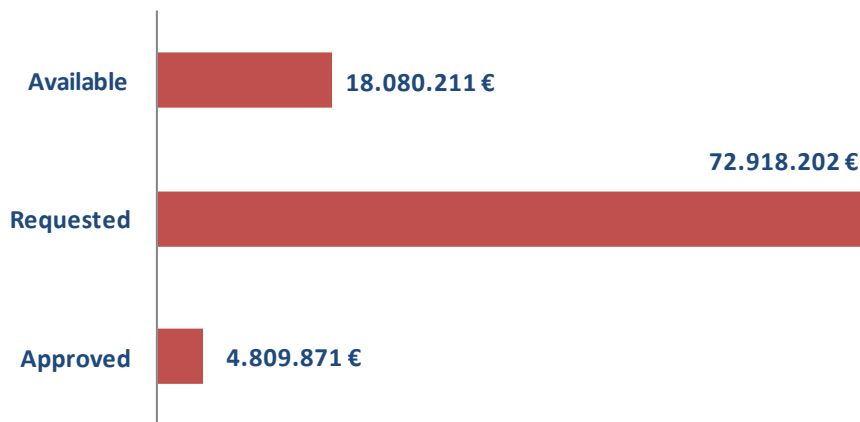
Without considering PT05, the approved 7 Programmes consider a total of 19 calls for proposals with a total available amount of **€20.128.094** and by the end of December 2014, 16 calls had been launched, with a total of 312 applications received and 25 projects approved for funding, from which 9 have Donor Project partners. The remaining 3 open calls (in PT02) are due to be launched by the first quarter 2015.

Calls for Proposals



The total requested amount under the 16 calls for proposals was €72.918.202 from a total amount available of €18.080.211. By the end of the reporting period the total amount of €4.809.871 was approved for funding. Soon the total amount for selected projects will improve when most of the ongoing selection procedures are due to be completed in early 2015.

Calls for Proposals Amounts



The NGO Fund (PT05) launched the 2nd and last period of open calls for proposals in March 2014. Both periods of open calls had a very significant interest with a total 789 applications received and a total requested amount of €60.891.990. The NGO Fund completed the selection of projects of the second period of open calls by July 2014 (53 projects) adding to a total of 107 projects for funding with a total committed global allocation of around € 7.5 million. Selection from the reserve list of applications (possible until 28th February 2015) may determine the grant decision up to 4 more projects dependant on the amounts that remain available for granting.

The overall expenditure on the NGO Fund presents significant progress in all budget headings with a global rate of financial execution of about 34%, where the programme outcomes reach 32% of total expenditure incurred.

PT 05	Total Committed by Budget Line	Total Expenditure by Budget Line
Programme Proposal Preparation	-	-
Programme Management	1.042.750 €	593.399 €
Programme Outcomes	7.453.000 €	2.375.585 €
Fund for Bilateral Relations	130.463 €	9.960 €
Complementary Actions	71.287 €	7.102 €
TOTAL	8.697.500 €	2.986.046 €

Source:DoRIS

The overall expenditure in the remaining 7 programmes that had a later start of implementation still present relatively low figures in financial execution with a total amount spent of €2.738.285 € from the €49.173.245 committed for the 7 programmes, representing an execution rate of 5,6% for the reporting period. The early stage of implementation also explains the small figures presented by the Programme Outcomes budget line.

The table bellow shows the figures for the total amounts committed and spent until the end of the reporting period, per budget line.

	Total Committed by Budget Line	Total Expenditure by Budget Line
Programme Proposal Preparation	76.514 €	74.470 €
Programme Management	3.076.799 €	529.691 €
Programme Outcomes	44.931.921 €	1.959.647 €
Fund for Bilateral Relations	820.568 €	161.938 €
Complementary Actions	267.443 €	12.539 €
TOTAL	49.173.245 €	2.738.285€

Source: Quarter Reports

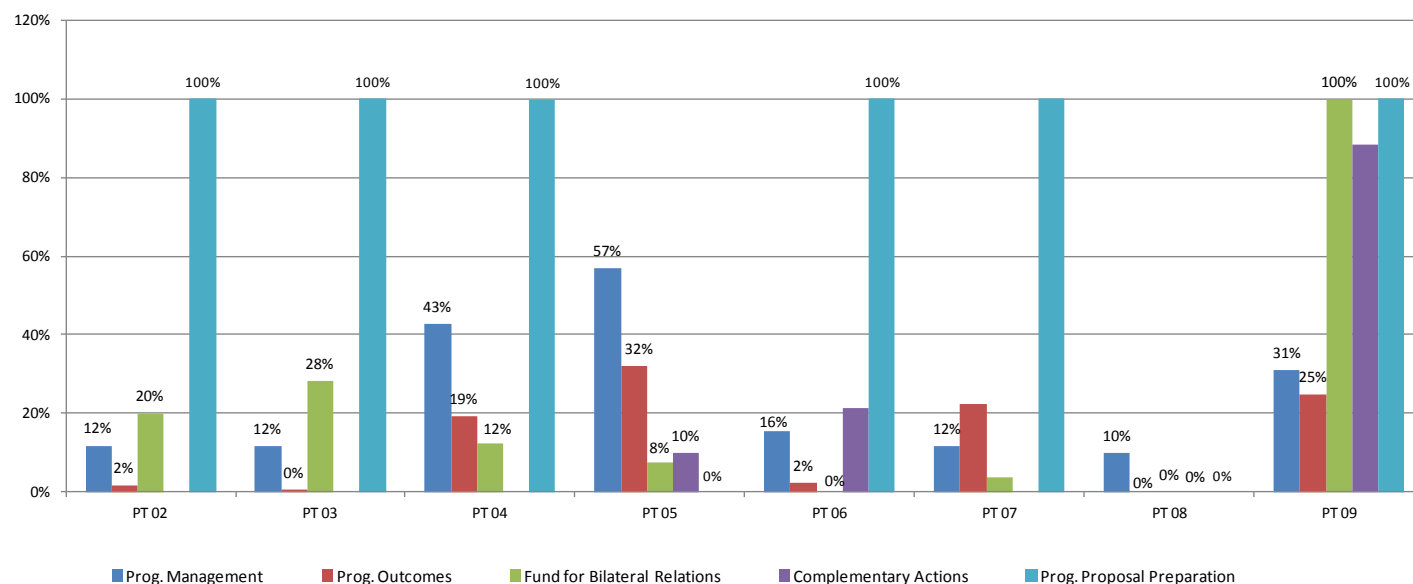
As expected at this stage, the budget line “Programme Proposal Preparation” presents an execution rate of 97%, as almost all PO used the total committed amounts for the proposed expenditure by the end of the final eligibility date. One Programme Operator failed to use the amount available for programme preparation costs (PT08).

The Fund for Bilateral Relations presents an execution rate of 20%, mainly due to programmes PT 03 and PT 09 which already undertook actions under this Fund representing 28% and 100% of the programme total amount available for this budget line, respectively.

The Programme Management budget line presents a total execution percentage of 17%, with each programme execution varying according to the development stage of each one.

In terms of Programme Outcomes PT 04, PT07 and PT 09 present the highest percentage rate of programme execution with 19%, 22% and 25%, respectively, which is in line with the activities already developed by each of these programmes.

The graphic bellow provides an overview of expenditure by budget line by each Programme, including the NGO Fund (PT05).



3.2 Individual Programme reporting

This section aims to provide a summary of progress for each Programme.

The quarterly reports provided by the Programme Operators under the regular monitoring by NFP reflect progress on Programmes and provide details on:

- Overall financial execution,
- Results on output indicators,
- Progress on calls for proposals,
- Progress on pre-defined projects,
- Activities under the Fund for Bilateral Relations and Complementary Actions,
- Actions taken in Communication and Information and
- Risk assessments and mitigation measures by PO.

The summaries on the progress for each Programme were based on information provided by the Programme Operators in the aforesaid quarterly reports, enclosed in Attachment 1 that cover the results achieved by December 31st 2014. For detail information on each Programme please refer to Attachment1.

The progress on Programme PT05 was provided by the Annual Report uploaded on DoRIS.

PT02 - Integrated Marine and Inland Water Management

PT02 have the highest financial contribution from the EEA FM 2009-2014 (€19.247.250). The Programme is directed toward marine investigation and management and a key element of the programme is thus to increase the national capacity for marine environmental monitoring.

It will be implemented through two pre-defined projects (PDP):

- PDP#1 - aims to acquire a Dynamic Position vessel to support scientific investigation and has a partnership agreement with one Donor Project Partner, the Institute for Maritime Research from Norway, and
- PDP #2 - the development and consolidation of an integrated geographical data base for management of marine and coastal waters, with two Donor Project Partners: the Norwegian Mapping Authority (Statens kartverk) and the National Authority for Land Survey of Iceland (Landmaelingar Islands).

The Programme also includes the opening of 6 open calls and a Small Grant Scheme that will contribute for capacity building in marine environmental management, for the increase of mapping and monitoring capability and the collection of critical data, as well as for education and training and public awareness on marine protection.

Programme Operator	Programme Proposal submission to the FMO	Programme approval by the FMO	Programme Agreement signature	Programme Implementation Agreement signature	Programme Launching
Direção-Geral de Política do Mar (DGPM)	13.11.2012	07.10.2013	16.11.2013	16.11.2013	16.11.2013

PT02 started its implementation stage by November 2013. The Programme shows low financial execution and no progress on Programme Outputs indicators, except for the bilateral indicators.

However, monitoring to the Programme shows that conditions are set for the implementation of the two pre-defined projects where partnership agreements with Donor entities were entered into during last summer and project contracts signed in October 2014 with advance payments.

From a total of 7 calls for proposals including the Small Grant Scheme, 4 calls were opened for a total amount available of € 4.093.358 together with a call under the Fund for Bilateral Relations for the total amount of 94.657 €. A total of 26 applications were received. The selection procedure for 3 calls was concluded by the end of the year with the selection of 10 projects.

The remaining 3 calls for proposals are expected to be launched in the first quarter of 2015 together with a second call under the Fund for Bilateral Relations and a second call for the funds not granted in the first call of the Small Grant Scheme.

No major deviations on the Programme are identified by the PO at this stage.

Programme website: www.dgpm.mam.gov.pt/Pages/eea_grants_projects.aspx

PT03 - Renewable Energy

PT03 is directed for geothermal energy. The preparation of this programme was developed in conjunction with the National Energy Authority of Iceland (OS) as Donor Programme Partner. The programme will be implemented through a Small Grant Scheme for short and medium term courses on geothermal energy and a pre-defined project for the construction of a pilot geothermal power plant of 3 MW in Terceira Island aiming to increase the installed capacity of renewable energy in Azores.

Programme Operator	Programme Proposal submission to the FMO	Programme approval by the FMO	Programme Agreement signature	Programme Implementation Agreement signature	Programme Launching
Electricidade dos Açores, SA (EDA)	29.11.2012	31.05.2013	11.11.2013	18.12.2013	31.03.2014

PT03 started its implementation stage by December 2013 and the first calls for the short and medium term training courses were launched by January 31st 2014. Results on the Programme are visible through the training courses completed. The last call for selection of ultimate candidates for graduate training was open by the 9th December 2014.

The pre-defined project will benefit from a contribution from the Programme of €4.389.423. Tests on the geothermal resource were conducted by independent experts from August 2013 to April 2014 and the overall assessment of the results attained indicate that geothermal wells at Pico Alto in Terceira Island have sufficient productivity to sustain the project of 2.5 to 3.0 MW Pilot Plant (net) and that there is adequate heat in the geothermal reservoir to sustain a larger capacity of at least 10 MW. The international public tender for the construction of the power plant was launched on October 14th 2014 with a deadline for proposals until 16th December 2014. This deadline was extended until the 6th January 2015.

No major deviations on the Programme are identified by the PO at this stage.

The Fund for Bilateral Relations has been used for different activities fostering cooperation with Icelandic institutions.

Programme Website: www.eeagrants-azores.pt

PT04 - Adaptation to Climate Change

PT04 Programme aims to develop and disseminate tools to support the process of adaptation to climate change, given that there is a need for advocacy on this issue in Portugal.

The preparation of this programme was developed in conjunction with Norwegian Directorate for Civil Protection and Emergency Planning (DSB) as Donor Programme Partner. The Programme is expected to engage municipalities, schools, public agencies and other entities that are key stakeholders on the adaptation to climate change.

The Programme has four major components: i) training for technicians of local government units for development of local adaptation strategies, ii) education on climate change, iii) creation of a website to monitor and disseminate information on "climate trends" in Portugal; and iv) support projects in sectors vulnerable to climate change. It will be implemented through 2 open calls and a Small Grant Scheme that will make available a total of 2.690.000€ and a pre-defined project for the Local Warming Website.

Programme Operator	Programme Proposal submission to the FMO	Programme approval by the FMO	Programme Agreement signature	Programme Implementation Agreement signature	Programme Launching
Agência Portuguesa do Ambiente (APA)	15.11.2012	22.04.2013	07.10.2013	07.10.2013	07.10.2013

PT04 started its implementation stage by October 2013. The two open calls were launched on April 2014 and the Small Grant Scheme was launched by July 2014 making available a total of €2.690.000. A total of 55 applications were received for a total requested amount of €17.344.163. Selection procedures on the two open calls were concluded in October 2014 with the selection of 2 projects. The SGS will have the selection procedures concluded in the first quarter of 2015.

The Project contract for the pre-defined project was signed on the 6th October 2014 and the project contracts of the selected projects from the calls were signed by the 1st December 2014.

Results on the Programme are not yet visible and financial execution remains low since projects are yet to start its implementation.

The PO identifies as major deviation on the Programme the late start of the implementation stage. A major deviation should also be noted in the timing for the launch of the two calls for proposals. Mitigation measure adopted by the PO to reduce to the extent possible the timing for project selection has proved efficient with decisions on the first call to be delivered by October 2014. Concerns with the final eligibility date on projects are still highlighted by the PO.

The Fund for Bilateral Relations support costs related with the match making session organized for the launch of the 2 open calls and other activities are yet to be determined with the Donor Programme Partner.

Programme website: <http://www.apambiente.pt/index.php?ref=x164>

PT05 – Fund for Non-Governmental Organizations

The Programme, designated as *Cidadania Activa*, supports Non-Governmental Organizations (NGOs) with the ultimate goal to strengthen the Civil Society organizations in Portugal. The total Programme amount was substantially increased from 5.8 million to 8.7 million, in March 2014 by the Donor Countries after the reallocation of the existent reserve.

The Programme supports projects under four fields of intervention:

- A. Participation of NGOs in the implementation of public policy design and instruments at the local, regional and national levels;
- B. Active role in Human Rights, minorities and anti-discrimination;
- C. Effectiveness of NGO action;
- D. Youth employability and inclusion.

Programme Operator	Fund Manager	Programme approval by the FMO	Programme Implementation Agreement signature	Programme Launching
Financial Mechanism Office (FMO)	Fundação Calouste Gulbenkian	06.12.2012	22.03.2013	22.03.2013

PT05 started its implementation stage by March 2013 with signing of the Programme Implementation Agreement and launching of the first round of open calls for proposals. In March 2014 the second and last round of open calls was launched.

In total the programme has approved 107 projects for funding with a total committed global allocation of around € 7.5 million.

The Programme has an open call for Bilateral Relations since March 2013 that will remain open until the end of the programme or the exhaustion of funds. In 2013 only one project was submitted and approved. In 2014 27 applications for the FBR were received and 12 projects approved. The 13 projects approved until 31st December 2014 have a total allocation of €51.973.

Programme website:

<http://www.gulbenkian.pt/Institucional/en/Activities/ProgrammesAndProjects/CidadaniaAtivaProgramme>

PT06 – Public Health Initiatives

PT06 is the second largest Programme with a grant of 10.000.000 €. The programme is directed at reducing and preventing inequities and at capacity building for health management. The Programme will address the following areas: i) Nutrition, reducing the impact of socio/economic status in families eating habits in order to reduce the incidence of diabetes, cancer and cardiovascular diseases, ii) Mental Health, improving the well-being and reducing the length of treatment; iii) Communicable diseases, preventing infections by improving the information and prevention measures; iv) Collection of health data with special focus on child health, nutrition and communicable diseases supporting health management by the National Health System. The preparation of this programme was developed in conjunction with the Donor Programme Partner Norwegian Institute of Public Health (FHI).

It will be implemented through 1 open call that will make available 9.064.654 € and a pre-defined project aiming to improve the epidemiological health information to support public health decision and management in Portugal. The department of Epidemiology of Norwegian Institute of Public Health is Donor Project Partner in the pre-defined project with maximum grant amount of 1.352.404 €.

Programme Operator	Programme Proposal submission to the FMO	Programme approval by the FMO	Programme Agreement signature	Programme Implementation Agreement signature	Programme Launching
Administração Central Sistema Saúde (ACSS)	23.11.2012	15.04.2013	28.11.2013	02.12.2013	16.01.2014

PT06 started its implementation stage by December 2013. The call was launched between February and the end of April 2014 making available €9.064.654. An Audit by the FMO and an Audit by the Audit Authority (IGF) confirmed the existence of deficiencies on IT System web application used for the submission of applications that caused distortions in the equal access from applicants to the call for proposals. An extended period of time for applicants to submit proposals in hard copies was granted between 3 and 21 November 2014. A total of 138 applications were received requesting a total amount € 37.46.568.

The project promoter for the pre-defined project (National Institute of Public Health - INSA) started the project set up in December 2013, long before the formal initial implementation stage by July 2014.

The demanded extra time for submission of applications imposed a major deviation in the results of call for proposals and the start of the projects that will face significantly reduced time for completion.

The Fund for Bilateral Relations (€176.471) will be made available through an open call to foster bilateral partnership at project level.

Programme website: <http://www.dgs.pt/acss/>

PT07 – Mainstreaming Gender Equality and Promoting Work-Life Balance

The Programme aims to develop targeted projects for gender equality and projects focused on work-life balance as a basis for gender equality. The Programme will be implemented by 3 pre-defined projects that will address i) the role of man and woman in the balance of active life ii) a national survey on time use by men and woman iii) sexual and moral harassment in the workplace, with shared experiences and best practices between Portugal and Norway through the Donor Project partner KS-Norwegian Association of Local and Regional Authorities.

Two open calls and a Small Grant Scheme will make available the total amount of 1.170.699 € and will be directed to the following areas: i) the impact of national legislation in the promotion of gender equality, ii) the promotion of gender equality through the role of man and woman in the balance of active life, iii) in the production of methods and tools to reduce the wage gap between the genders to be applied by companies.

Programme Operator	Programme Proposal submission to the FMO	Programme approval by the FMO	Programme Agreement signature	Programme Implementation Agreement signature	Programme Launching
Comissão para Cidadania e Igualdade (CIG)	22.11.2012	12.04.2013	12.11.2013	29.11.2013	12.02.2014

PT07 started its implementation stage by December 2013 and the first open call was launched on February 2014. The remaining calls were launched by the end of September 2014 and remained open until December 1st 2014. Selection procedure on the first call was completed with the selection of two projects and project contracts were signed in November 2014.

The 3 pre-defined projects are all in implementation stage which is already reflected on the Programme's financial execution and results.

The PO identifies as major deviation the modification on the pre-defined project "National Survey on time use by men and women" motivated by the late start of implementation of the Programme and which determined that the project promoter, the National Institute for Statistics (INE), could not accommodate the original planned project. The modification of the pre-defined project was completed and the project is already in implementation with a different project promoter (CESIS).

The Fund for Bilateral Relations is made available under each open call and will also support costs related with Donor Project Partner on the pre-defined project.

Programme website: <http://www.eeagrants-cig.com/>

PT08 – Conservation and Revitalisation of Cultural and Natural Heritage

PT08 aims to contribute for the strengthening of the knowledge and the recovery of the cultural, historical and religious heritage of the Sephardic Jews in Portugal. The Programme foresees the involvement of numerous entities from municipalities, regional tourism, cultural and private entities. The Programme will be mainly implemented by one pre-defined project that will establish a cultural Jewish route aimed to disclose the historical and cultural heritage at national and international level.

Programme Operator	Programme Proposal submission to the FMO	Programme approval by the FMO	Programme Agreement signature	Programme Implementation Agreement signature	Programme Launching
Direção Regional de Cultura do Centro (DRCC)	01.02.2013	17.06.2013	09.01.2014	09.01.2014	26.07.2013

PT08 started its implementation stage by January 2014 and the pre-defined Project Contract was signed by June 27th 2014 but still the financial execution is almost null and very few results are foreseen by the PO for the next quarter report.

Several risks are identified by the PO at project level.

The major deviation identified by the PO regards the delay on the public works for the recovery of several buildings. Mitigation measures do not seem to tackle the delay.

The Fund for Bilateral Relations still lacks a plan for execution. Search for a Donor project partner is ongoing.

Programme website: <http://www.drcc.pt/ros/site/>

PT09 – Promotion of Diversity in Culture and Arts

The Programme adopted the name "Cultural Footprint" and seeks to stimulate supply and demand for artistic projects by placing strong emphasis on the educational component. For the implementation of this Programme 5 projects were selected by open call to be implemented in 5 different regions of continental Portugal by artistic entities in partnership with schools. The experiences created in each school will then be shared. The open call for proposals made available 825.000 €. The preparation of this programme was developed in conjunction with the Arts Council of Norway, as Donor Programme Partner and Donor States partnerships at project level where conditional for the selection.

A pre-defined project for capacity building for arts and education projects aims to reinforce the project promoters selected and a small grant scheme will make available through a new call 136.000 € to support smaller projects with the same outcome.

Programme Operator	Programme Proposal submission to the FMO	Programme approval by the FMO	Programme Agreement signature	Programme Implementation Agreement signature	Programme Launching
Direção-Geral das Artes (DG Artes)	22.01.2013	05.05.2013	11.11.2013	29.11.2013	05.11.2014

PT09 started its implementation stage by November 2013 and the open call was launched by December 2013, where the Fund for Bilateral Relations was made available to facilitate partnerships by applicants.

Projects were selected by July 1st 2014 and projects contracts were signed by September 2014. Financial execution and results already reflect the implementation of the projects selected through the open call.

The pre-defined project was redesigned with the selection of a project promoter (INA – Public Institute for Administration) with installed capacity for e-learning courses with a significant reduction of estimated costs that released the remaining amount to the Small Grant Scheme. The respective modification of the Programme Agreement was concluded by September 2014. The project contract is to be signed in early 2015.

The Small Grant Scheme call was launched by December 2014.

No major deviations on the Programme are identified by the PO at this stage.

The Fund for Bilateral Relations was used under a call for proposals for support of partnerships between Portuguese artistic entities and donor countries cultural entities with 27 applications approved.

Programme website: <http://pegadacultural.pt/>

4 Management and Implementation

4.1 Management and control systems

National level

Complying with article 4.8 of Regulation, the NFP sent to the FMO, on the 8th of March 2013, the detailed description of the Management and Control Systems (MCS) for the Financial Mechanism 2009-2014 dully adopted between the NFP, the Certifying Authority and the Audit Authority and the correspondent Report and Opinion issued by the Audit Authority.

The MCS establishes the procedures related with the institutional relations between the NFP, the Certifying Authority, the Audit Authority and the Programme Operators, the roles of each entity involved in the management and control systems at national level, namely regarding reporting on the implementation of programmes and monitoring, expenditure certification, payments, programme and project audit procedures and audit trails.

By letter of November 18th 2013 the FMO acknowledged the receipt of the description of the management and control system at national level and confirmed that it complies with paragraph 1 of Article 4.8 of the Regulation.

By July 2014, the NFP, together with the Certifying Authority, provided the Audit Authority a proposed updated revision of the description of the MCS in order to accommodate the institutional changes on the NFP and Certifying Authority, discussed with the Donors on the Annual Meeting of 2013. Moreover, clarifications were made to the operational, financial and material monitoring by the NFP and the level of information Programme Operators are to provide to the NFP for this effect. The 1st Revision of the MCS at national level was completed on October 22nd 2014 and an updated version is published in the national EEA GRANTS website.

Programme Level

The compliance assessment regarding all descriptions of the management and control systems at programme level (except for PT05 the NGO Fund which is operated directly by the FMO) was concluded by the Audit Authority by March 2014, well ahead the deadline foreseen in the Regulation (6 months after the 1st Interim Financial Report of each Programme). Submission to the FMO through NFP of the compliance assessments was completed between October 2013 and July 2014.

4.2 Compliance with EU legislation, national legislation and the MoU

The MoU, the Regulation and the Programme Agreements have an executive nature to the binding Agreement on the EEA and its Protocol 38B and the EEA FM 2009-2014 legal framework is fully applicable in Portugal in the terms of the Agreement, in particular Article 8º § 8 of Protocol 38B.

The MoU entered into force in the 30th March 2012, the following day of the last signature.

Due to Government and Public Administration reorganization and to the reallocation of the Reserve for unforeseen developments, amendments to Annexes A and B of the MoU were subject to review in the Annual Meeting in December 11th 2013 and exchange of letters with the Donors were concluded in February 2014 for Annex B and in November 2014 for Annex A.

According with Article 4.7 of the Regulation the Programme Operators are responsible to ensure that all relevant local, national and EU legislation (including legislation on state aids and competition, public procurement and environment) are complied with.

In the current implementation stage the Programme Implementation Agreements signed between the NFP and the Programme Operators (except for PT05 which is operated directly by the FMO) are part of the legal framework applied to the Programmes and provide adequate guarantee for Programme Operators and Project Promoters to comply with obligations set on the Regulation, the Programme Agreement and the EU and national legislation.

Further training to Programme Operators on public procurement could prove beneficial to ensure full compliance at project level. A workshop for PO promoted by the NFP, FMO, Audit and Certifying Authorities is schedule to take place in Lisbon, in January 2015 covering risk assessment, irregularities, public procurement, financial reports, etc.

Irregularities

By appointment in MoU the NFP is the national entity responsible for the preparation and submission of irregularities reports to FMC, according with the Article 11.5 (2) of the Regulation.

No irregularities were reported until the end of the reporting period (30th December 2014).

The description of the MCS at national level establishes the procedures and measures regarding the prevention, investigation, reporting, recording, resolution and recovering of funds unduly paid. The set up of these procedures reflect a share commitment between all entities involved directly in the management and control of the programmes in Portugal (NFP, IGF, ADC and POs).

A number of complaints were brought to the NFP by applicants of calls for procedures in 2014 involving PT04 (2), PT05 (1) and PT06 (3). In some cases the Complaint Mechanism was used by complainants (3 in PT06). All complaints were briefly assessed by the NFP in order to verify if the allegations were substantiated by the complainant and if the PO complied with selection procedures, in particular, if transparency and equal treatment of all applicants and appeal procedures were ensured by the PO.

The complaints received by the Complaint Mechanism were registered in an incident database, the Audit Authority was informed and a reply was sent to the complainants within the stipulated deadline of 10 working days.

In case of PT06, the complaints from applicants to NFP, FMO and to the Programme Operator determined that two IT System Audits were carried out to the web platform which received applications to the call for proposals, by the Audit Authority (IGF) and by external auditors contracted by FMO.

The findings of both these Audits identified deficiencies in the IT web application through which applicants submitted their applications. Corrections to the system used for the submission of applications were set in place by an extended deadline for applications by hard copies in order to ensure equal opportunity for access to the grants and transparency.

None of the cases handled at this stage were qualified as irregularities, no expenditure was affected and no financial corrections were determined.

4.3 Audit, monitoring, review and evaluation

Audit

In the second half of 2014 the Audit Authority undertook audits intended to assess the effective functioning of the management and control systems in place in the NFP and the PO (except for the Fund Operator of PT05 the NGO Fund not subject to such audits and for PT08 for the limited execution reported).

The final report on the aforementioned audits was delivered on the 23rd December 2014 and mainly highlights the short rate of execution of Programmes, stating that delay in the implementation of programmes may prove to be an important constraint on the respective completion.

Following complaints about the procedures associated with the receipt of applications by the Programme Operator of PT06, the Audit Authority performed an audit to the IT system used, targeting in particular the process for submitting applications. After this case, an assessment was determined by IGF to take place at the other PO which resort to electronic applications in order to measure the risk associated with electronic procedures for receipt of applications.

According with the Audit Strategies presented to FMC by the Audit Authority actions foreseen for 2014/2015 period will include:

- a) Follow-up of recommendations of the performed Audit to Management and Control Systems;
- b) Annual Report to FMC by 31st December;
- c) Audit to other IT System;
- d) Other justified Audits to Management and Control Systems (PT06, PT08, etc.).

Monitoring

The NFP is responsible to carry out regular monitoring of the progress and quality of the implementation of the programmes (except for PT05 the NGO Fund). To this end the NFP shall continuously and in a structured manner assess the risks in the implementation of EEA FM 2009-2014 (Article 4.3 (6) of the Regulation).

The Annual Report on Programmes that must be provided by the 15th February each year and the Interim Financial Reports provided every four months by the Programme Operators are insufficient source of information to ensure a continuous monitoring and a base for a risk assessment on progress and quality on Programmes.

The description of the MCS determined that quarterly reports should be provided by the PO to the NFP and the Programme Implementation Agreement between the NFP and PO determined this as a binding obligation to ensure that the NFP is provided by the Programme Operators with a continuous progress overview on programmes, as well as a baseline for risk assessments.

On the other hand, the NFP Strategic Report can provide a substantial overview of results at the end of the reporting period once the available quarterly reports provided by the PO cover the

aggregate results until 30th December 2014 and support the reporting on Programmes provided in section 4 below.

Although contact with PO are permanent, the NFP promotes at least two control meetings a year with each of the PO where a comprehensive follow up on pending issues and particular concerns can be assessed.

Questionnaires are also used for monitoring of particular issues such as communication and publicity compliance, management structure updates, etc.

The Monitoring plan for the NFP is provided in Attachment 6.

Evaluations

The Beneficiary State shall carry out evaluations of programmes to assess actual and/or expected effects at the outcome level. Evaluations shall be carried out by experts or entities independent of the NFP, the Certifying Authority and the Programmes Operators in accordance with the Evaluation Guidelines.³

The Technical Assistance Agreement entered with the Donors in September 2012 does not cover cost with evaluations on Programmes by the NFP and in the Annual Meeting in December 2013 Donors confirmed that financial support cannot be covered outside the budget set for Technical Assistance.

Financial support to cover cost regarding Evaluations on Programmes by the NFP were not foreseen in the proposed national budget for NFP for 2015 due to the current restrictive national budgetary policy.

The NFP will present FMO a plan for the Evaluations to be carried out once the necessary financial resources are guaranteed and will launch a tender to outsource this task in 2015. Risk assessment will provide the criteria by which Programmes will be selected for the Evaluation exercise.

4.4 Information and publicity

At the current stage of the implementation of Programmes, the focus of the NFP in 2014 was directed mainly to promoting and facilitating the dissemination of information on events and launching of open calls for proposals promoted by each programme operator in order to maximise information and publicity on EEA GRANTS.

During the reporting period the following activities were carried out:

- EEA Grants Portuguese website was constantly updated with news on the launching events on Programmes, links to open calls for proposals and results, other related events and issues;
- In August 2014 release of the 3rd newsletter with information about Programmes and open calls for proposals. All newsletters are available at the Portuguese EEA Grants webpage in English and Portuguese;
- A workshop promoted by the FMO and the NFP on “Project Level Information” for PO was held on April 2014;

³ <http://eeagrants.org/Results-data/Results-overview/Documents/Legal-documents/Guidelines-mandates-and-strategy>

- A roll-up promoting the EEA Grants is always displayed at events and at the NFP office. All written official documents, e-mails sent, business cards and posters include the EEA Grants logo;
- There was relevant media coverage in the major public events related to the launching of programmes/calls. One issue of the quarterly magazine “I Like This”, published in the first quarter of 2014, was dedicated to the EEA Grants and the different Programmes.

In the approved Communication Strategy, indicators were identified, as well as their objectives, targets and source of verification for the monitoring and assessment of the results. These indicators have been clarified as a result of the Communication Strategy update discussed during the annual meeting in December 2013 (table below).

Objective	Indicator	Target	Source of Verification	Results
Increase Awareness	Average of website visitors	2.000/year	Google Analytics tool	8.178/year. This number considers unique visitors visiting national EEA Grants webpage since its launching on August 2012
	Degree of attendance of entities representing target groups at events held	70%/Event	Attendance records	100% of the target group entities expected attended the workshop promoted in 2014
Transparency	Number of complaints reported through website (irregularities complaint mechanism)	<5/Year	Complaints counting	3 (on Public Health Initiatives Programme)
	% of Programmes that published all the criteria for the selection of projects through open call	100%* *Regulation and PIA demand	Verification of publications	100% for all the Programmes that launched open calls on 2014
Dissemination	Events, conferences and seminars (partnerships with the FMO and Norwegian Embassy included)	4/Implementation period	Holding of Events	One workshop for PO
	Articles published in the media	4/Year	Article Archive	At least eight press articles published in the national press, including widespread circulation newspapers. One magazine largely devoted one number to the EEA Grants
	Press Releases	10/Implementation period	Press Releases Archive	The dissemination of press releases is done through the Press Office of the Focal Point Ministry (MAOTE) and the Norwegian Embassy's Public Relations Agency. In this period no press releases were prepared by the NFP

During the reporting period the NFP acknowledged that interest on the EEA Grants remained at a very good level, as the number of phone calls, e-mails and meeting requests received asking for information on the EEA GRANTS, the Programmes, the open calls was higher than in the previous reporting period.

All Programme Operators presented Communication Plans in the Programme Proposal. The monitoring procedures undertaken by the NFP took into consideration the measures indicated by the PO in these Communication Plans. In this respect, the following is to report:

- All PO released information about open call procedures on web pages in both Portuguese and English languages. PT08, although with no calls for proposals to release, has a dedicated web page to present news and initiatives about the Project Routes of Sepharad. In most cases the Programme Operator's web pages also present information on the objectives and implementation of the Programme, as well as, the cooperation

with Donor State Entities. Only one PO is still setting up a dedicated web page for the Programme (PT07);

- Major big events were developed by almost all PO in the initial phase of implementation of programmes (PT03, PT04, PT06, PT07, and PT09) either to present the Programme or launch the calls for proposals. Dedicated sessions for matchmaking between Donor States entities and national project promoters took place for PT09 and PT04. A stakeholders meeting was promoted by PT07 and workshop and information sessions were provided by PT04 and PT06.

The NFP understands that cooperation and exchange of information between all entities operating the EEA Grants in Portugal is an important factor for the success of the Communication Strategy and keeps a close relation with all entities involved.

In particular, a close cooperation for the Communication of the EEA GRANTS is in place with the Royal Norwegian Embassy where dissemination of results takes a central interest in the Communication of the EEA GRANTS in Portugal.

Given the current stage of implementation of the programmes and considering that the planned measures are appropriate to the phase in question, any revision of the Communication Strategy is considered to be unnecessary at this time.

4.5 Work plan 2015

The following table presents the milestones for the activity of the NFP in 2015.

Work plan for the NFP

	Activities	J		F		M		A		M		J		J		A		S		O		N		D	
		1	2	1	2	1	2	1	2	1	2	1	2	1	2	1	2	1	2	1	2	1	2	1	2
NFP	Final Strategic Report 2014 submission to FMO																								
	Tender for Evaluation of programmes																								
	On-The-Spot Verification of activities under FBR																								
	Update Strategic Report (Provisional 2015 SR)																								
	3rd Meeting of Monitoring Committee																								
	Updated Strategic Report submission to FMO																								
	Annual Meeting																								

5 SUMMARY LISTING OF ISSUES AND RECOMMENDATIONS

The most outstanding issue lies in the low level of execution achieved by most Programmes by the end of the reporting period (with exception of PT05 and PT09) when most projects have less than 18 months for completion, with critical concern for the projects resulting from the calls for proposals in PT06 Public Health Initiatives and the pre-defined project “Routes of Sepharad” in the PT08 Conservation and Revitalization of Cultural and Natural Heritage Programme.

Quarterly Reports on Programmes and control meetings with the Programme Operators have proven to be crucial for a structured and regular monitoring and risk assessment by the NFP and special follow up of Programmes with outstanding difficulties will be increased in the next reporting period.

Further training to Programme Operators should be delivered by the NFP and FMO advisably with the cooperation of the Certifying and Audit Authority on risk assessment and with the aim of preventing irregularities at project level.

Communication on results will be actively promoted by the NFP in close collaboration with the Royal Norwegian Embassy.

The next reporting period will represent the most crucial year for the EEA FM 2009-2014 and success in implementation will depend on the capacity of Project Promoters to adjust to a short timeframe for completion.

Lisbon, 27th March 2015

6 ATTACHMENTS TO THE STRATEGIC REPORT

- Attachment 1** Quarterly Reports on Programmes (by 31st December 2014)
- Attachment 2 & 3** Table with information on Donor Partnership Projects (DoRIS Extracted)
- Attachment 4 & 5** A list of irregularities at Beneficiary State, at programme and project level (DoRIS Extracted)

ATTACHMENT 1

Quarterly Reports on Programmes

**Mecanismo Financeiro do Espaço Económico
Europeu**

European Economic Area Financial Mechanism

Unidade Nacional de Gestão

National Focal Point

ATTACHMENT 2 & 3

[DoRIS Reports extracted]

Annex - Strategic report attachment 2 & 3

17-Mar-15

Projects with donor project partners in Portugal

Supported export format word, excel and .pdf

PT02 - Integrated Marine and Coastal Management

Project id	Project Name	Pre-defined project	Donor state	Donor project partner	Type of organisation
PT02-0001	Acquisition and fitting of a dynamic position (DP) vessel equipped with marine surveying equipment	Yes	Norway	Institute of Marine Research	University, college or other teaching institution, research institute or think-tank
PT02-0005	Preparation of integrated geographic information for marine and coastal water management	Yes	Iceland	National Land Survey of Iceland	Government ministry
			Norway	Norwegian Mapping Authority	National agency
Projects with donor project partners 2 out of 10 (20.0%)			Planned grant amount for projects with donor project partners € 12,295,710		

PT04 - Adaptation to Climate Change

Project id	Project Name	Pre-defined project	Donor state	Donor project partner	Type of organisation
PT04-0005	Clim@EduMedia - Climate Change: Learning through student media	No	Iceland	University of Iceland	University, college or other teaching institution, research institute or think-tank
PT04-0007	ClimAdaPT.Local	No	Norway	cChange AS	Micro-enterprise
Projects with donor project partners 2 out of 3 (66.7%)			Planned grant amount for projects with donor project partners € 1,671,111		

PT05 - Funds for Non-governmental Organisations

Project id	Project Name	Pre-defined project	Donor state	Donor project partner	Type of organisation
PT05-0045	exCHANGE Enable Female Entrepreneurship	No	Norway	Nordland Research Institute	Social enterprise (NGO)
PT05-0054	Marcos' Centre-Information and Training	No	Norway	Frambu – Resource Centre for Rare Disorders	Other type of NGO
PT05-0079	InSOCIALCHANGE - Integrating Mentoring, Coaching and Teaching to support youngsters	No	Norway	Stiftelsen Mangfold i arbeidslivet (MIA)	Other type of NGO
PT05-0091	Eyes set on the future	No	Norway	Norwegian Association of the Blind and Partially Sighted	Other type of NGO
PT05-0108	Youth for Green Entrepreneurship and Employability	No	Iceland	Bifrost University	University, college or other teaching institution, research institute or think-tank
			Norway	Nordland Research Institute	Social enterprise (NGO)
PT05-0117	Democratic Values Laboratory	No	Norway	Organisasjonen Voksne for Barn	Other type of NGO
PT05-0129	We Stand For Human Rights	No	Norway	Human Rights Academy	Other type of NGO
Projects with donor project partners 7 out of 106 (6.6%)			Planned grant amount for projects with donor project partners € 622,011		

PT06 - Public Health Initiatives

Project id	Project Name	Pre-defined project	Donor state	Donor project partner	Type of organisation
PT06-0001	Improvement of epidemiological health information to support public health decision and management in Portugal: Towards reduced inequalities, improved health and bilateral cooperation.	Yes	Norway	Division of Epidemiology of The Norwegian Institute of Public Health	National agency
Projects with donor project partners 1 out of 1 (100.0%)			Planned grant amount for projects with donor project partners € 1,149,543		

PT07 - Mainstreaming Gender Equality and Promoting Work-Life Balance

Project id	Project Name	Pre-defined project	Donor state	Donor project partner	Type of organisation
PT07-0001	MORAL AND SEXUAL HARRASSMENT IN THE WORKPLACE	Yes	Norway	Norwegian Association of Local and Regional Authorities	Other
PT07-0008	Promotion of Gender Equality in decision-making positions and reduction of the gender gap in the business sector: from the diagnosis to intervention.	No	Norway	Center for Gender Research at the University of Oslo	University, college or other teaching institution, research institute or think-tank
Projects with donor project partners 2 out of 5 (40.0%)			Planned grant amount for projects with donor project partners € 513,363		

PT09 - Cultural Diversity and Cultural Exchange

Project id	Project Name	Pre-defined project	Donor state	Donor project partner	Type of organisation
PT09-0001	CIRCUS LAB	No	Norway	Cirkus Xanti	Other
PT09-0002	MOTHERS	No	Norway	Visjoner Teater	Other
PT09-0003	The Giant and the Little	No	Norway	Adam Bartley	Other
PT09-0004	WRITE A SCIENCE OPERA (WASO)	No	Norway	Bergen Nacional Opera	Other
			Norway	Stord Haugesund University College	University, college or other teaching institution, research institute or think-tank
			Norway	University of Stavanger	University, college or other teaching institution, research institute or think-tank
PT09-0005	OTHELLO'S ANATOMY - ARTS AND EDUCATION FOR CITIZENSHIP	No	Norway	Teater Ibsen/Skien Kulturskole	Other
			Norway	The Barratt Due Institute of Music	University, college or other teaching institution, research institute or think-tank
Projects with donor project partners 5 out of 5 (100.0%)			Planned grant amount for projects with donor project partners € 689,519		

Portugal - Summary

Project grant amount total	€ 31.838.524
Number of projects	133
Number of projects with donor project partners	19
Proportion of projects with donor project partners	14,286%
Number of programmes *	8
EEA and Norway grants committed	€ 53.603.749

* Excluding Technical assistance programmes and PA22

ATTACHMENT 4 & 5

A list of irregularities at Beneficiary State, at programme Level and at project level

[DoRIS Reports extracted]

Annex - Strategic report attachment 4 Programme and country irregularities in Portugal as initially reported

17-Mar-15

Reported by designated entities in or before 2014

Supported export
format word and excel

Irregularities detected at Beneficiary state level

No irregularities have been reported

Irregularities detected at Programme level

No irregularities have been reported

Annex - Strategic report attachment 5 Project irregularities in Portugal as initially reported

17-Mar-15

Reported by designated entities in or before 2014 on project level

Supported export format
word and excel

No irregularities have been reported