



Strategic Report

EEA and Norwegian Financial Mechanisms 2009-2014

Romania

1 January – 31 December 2015

Ministry of European Funds

1 EXECUTIVE SUMMARY

In 2015, following the closure of all calls for proposals, contracting was finalized and implementation of projects began on all Romanian programmes. A contracting rate of 94% of the budget was achieved, which may be improved following reallocation of savings, with over 820 projects (including the 383 projects on the NGO Fund) contracted and in various stages of implementation progress. Approximately 100 projects on the Programmes managed by Romanian entities are estimated to be finalized by the end of August 2016, most of them on the culture programmes.

In parallel, the National Focal Point and Programme Operators have monitored the savings resulted from contracting at programme level, and measures were taken in order to ensure their allocation towards projects and the maximisation of the use of allocated funds. This was the case for programmes RO10 – Children and Youth at Risk, with the open call for additional activities “Plus” being launched at the end of 2015, RO02 – Biodiversity and Ecosystems Services and RO04 - Reduction of Hazardous Substances, RO13 – Promotion of Diversity in Culture and Arts and RO06 - Renewable Energy.

Considering the delays accumulated during the preparation phase of the MoUs and programmes, the Romanian NFP has requested the extension of the implementation period for projects until 30 April 2017, as a measure of mitigating the risk of lack of necessary time for implementation and low level of achievement of results. The positive decision of the Donor States in this respect was communicated on 26 May 2015; subsequently, the extension requests for projects were sent and approved in July/August 2015 and September/October 2015.

In terms of financial progress, at the end of 2015, disbursements made by the Donors to Romanian programmes have reached the level of approximately 70%. The level of payments made within Programmes reached 66% of the total amounts received (disbursed by Donors) and 46% of the total budget.

As programmes moved towards project implementation, certain provisions of Programme Agreements obstructing the pre-financing flow to project promoters have been identified, i.e. conditions related to minimum amount of previous expenditure, number of payment requests/reports etc. Thus, PA amendment requests were sent and approved, a measure which has improved the financial flow to projects.

Significant progress may be demonstrated also in the strengthening of bilateral relations, with important results being obtained through the fund for bilateral relations at national level, as well as donor partnership programmes and projects.

The implementation of the fund for bilateral relations at national level has reached a level of contracting of 72% (82% on the open call and 60% on the predefined activities). The second round of the open call on the bilateral fund at national level was closed on 31 December 2015, and, considering remained available amounts and lack of pre-defined activities, the NFP proposed the re-launching a round of call. A detailed analysis of the results obtained is presented in section 2.2 of the report.

The risks affecting the successful achievement of results continue to be the same as previously identified: delays and errors in public procurement at project level, lack of administrative capacity of certain POs and PPs, lack of co-financing capacity at the level of private project promoters, delays in the process of payment requests verification/authorisation at PO level, etc. The changes in the national legislation which will take place in 2016 (transposition of EU Directives) may represent an additional risks.

2 ASSESSMENT OF THE EFFECT OF THE GRANTS

2.1 Cohesion

The financial allocation of the EEA and Norway Grants 2009-2014 in Romania is contributing the objective of economic and social cohesion with the EEA, through the implementation of the established programmes and projects. However, the overall goal of reducing social and economic disparities should be placed in the context of Romania's position within the EU, continuing to lag behind in terms of socio-economic development, as revealed by relevant studies and statistical indicators.

In terms of economic growth, recent EU level reports, such as the European Commission's Country Report of 2016¹ place Romania on a positive trend. The level of growth is considered to have been "robust" since 2013 and real GDP is estimated to have increased by 3.6% in 2015 on account of consumption and recovering investment.

In the EC's 2016 Winter Economic forecast², Romania is placed **second** among EU member states in terms of **GDP increase** in 2015 and 2016, behind Ireland, while the GDP in the euro area is forecast to only accelerate slightly from 1.6% in 2015 to 1.7% in 2016

Unemployment remained broadly stable at 6.7% in 2015, but is expected to decrease to 6.5% in 2017. The low unemployment rate is to be seen in the context of a continuous decline in the working-age population due to ageing and net outward migration. Employment is projected to grow in 2016 and 2017 along with sustained economic growth. At 17% of the population, the share of **young people not in employment, education or training** is well above the EU average of 12%.

As stated in the European semester's thematic fiche on health and health systems, Romania is the second to last in terms of **lowest public expenditure in health**, as a share of total public expenditure (below 9%), ahead of Cyprus and behind Poland, Hungary, Latvia, etc. (below 11%).

Vulnerable groups such as rural communities, Roma, institutionalised children and people with disabilities rank significantly below the general population in access to education, completion rates and performance. Despite progress, 27% of Roma children still receive education in the segregated schools, as defined by the Roma Inclusion Index. Recent legislative measures aim to increase participation of disadvantaged children in early childhood education and care.

An important issue affecting the delivery of **public services** in Romania is still perceived to be **corruption**: based on regular progress reports, independent reviews and perception survey, corruption continues to be identified by the public as a barrier to quality public services at central and local levels, as a phenomenon that undermines the effective administration of public funds and obstructing justice, also affecting business environment. In Transparency International's Corruption Perceptions Index 2015, Romania is on the 58th place, improving from 69 in 2014.

As also stated in the European Commission's Country Report of 2016, in the recent years, significant steps taken were taken for fighting high-level **corruption**. In 2015 many people involved in high-level corruption

¹ http://ec.europa.eu/europe2020/pdf/csr2016/cr2016_romania_en.pdf

² http://ec.europa.eu/economy_finance/publications/eeip/pdf/ip020_en.pdf

have been prosecuted and tried. There was also an increase of cases of corruption within the judiciary brought forward by the prosecution.

Romania is still characterized by weak **administrative capacity** of public institutions and a predominance of bureaucracy and disproportionate regulation that seriously influence the competitiveness of Romania's business environment. Despite efforts to implement a robust policy process in Romania, reforms are urgently needed to improve the quality of public administration. Romania has taken numerous steps to create a strong, independent and well respected justice system. While progress has been made in many areas, it still remains a need for further capacity-building, reform and modernization.

Romania is a major beneficiary of the European Structural and Investment Funds (ESIF). In December 2015, the absorption of structural funds was close to 70% of the total amount available to Romania in the 2007-2013 programming period.

2.2 Bilateral relations

The objective of strengthened bilateral relations between Romania and the Donor States is mainly supported by implementing the means established in the EEA and Norwegian Financial Mechanisms:

- the Fund for Bilateral Relations at national level,
- the Funds for Bilateral Relations at programme level,
- implementation of donor partnership programmes and donor partnership projects.

Implementation of the Fund for Bilateral Relations at national level

According to the agreed work plan and revised implementation system, the Fund for Bilateral Relations at National Level was implemented through an open call for proposals and through mutually agreed predefined activities.

The **implementation status** of the FBR is summarized in the table below:

	Budget	Contracted	%
Predefined	694,511 €	418,603 €	60.27%
Call	835,239 €	680,180 €	81.44%
Total	1,529,750 €	1,098,783 €	71.83%

I. Open call

The date of closing of the second call (extension) was set for 31.12.2015 or until the funds available are spent. The budget allocated for Measure I – Travel Support was 100,000 Euros and the budget allocated for the Measure II – Priority Sectors was 636,000 Euros.

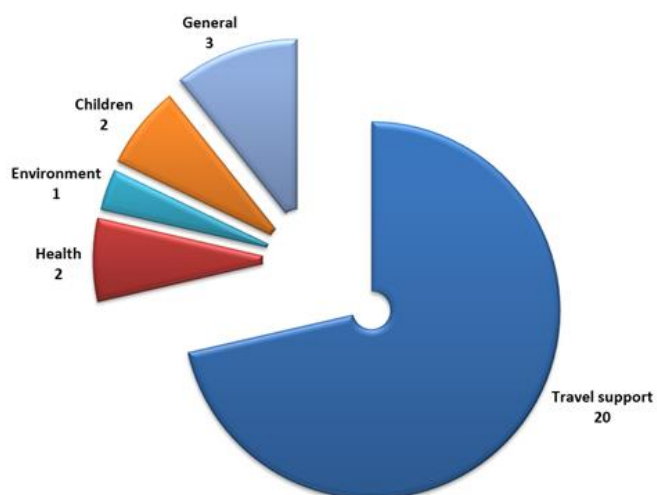
A number of 28 application were approved in 2015, out of a total number of 56 application received, in a total amount of **€209,755**, leading the **total amount contracted** under the call to **€680,180**, with **payments** amounting to **€419,819**.

Applications received, approved and rejected in 2015:

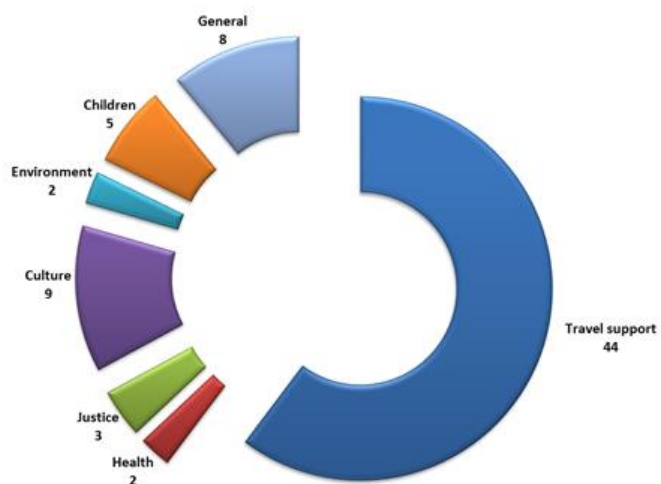
2015	Total	Approved
Applications received	56	28
Public	18	12
Private	38	16

2015	Total	Approved	Rejected
Measure I: Travel Support	32	20	12
Measure II: Priority Sectors	24	8	16

Projects contracted by measure and priority area - in 2015



Projects contracted by measure and priority area – total



In terms of results obtained in 2015, the level of contracting is presented in the table below:

Budget	Contracted - total	Contracted - 2015	% (contracted in 2015 of total contracted)
Measure I: Travel Support	165,728 €	100,246 €	60.49%
Measure II: Priority Sectors	514,452 €	109,509 €	21.29%
Total	680,180 €	209,755 €	30.84%

A list of activities approved under the Bilateral Fund at national level is presented in **Attachment 10**.

Analysis of the results achieved under the open call Bilateral Fund at National Level

Of the total amount of 835,239 euros made available under the two open calls, approx. **81%** were contracted by the end of 2015 (680,179 euros), with a total number of **73 contracts** concluded for the implementation of projects following the calls for proposals.

The above results lead to the idea that the implementation of the open call has been successful and the main factors for these achievements are:

- Using the pre-financing method and the 100% financing rate of eligible costs;
- The variety of priority sectors available and the wide range of categories of eligible beneficiaries;
- Visibility of the call ensured on the eeagrants.ro website;
- The text of the guidelines for applicants is well structured, containing clear and concise information (to be noted that it has been considered as an example of good practice at the level of the Ministry of European Funds is concerned);
- The application form is simple, accessible both to experienced beneficiaries and to those individuals who have not implemented projects;
- The travel support scheme, which has allowed for a great number of bilateral visits and exchanges in an easy and flexible manner;
- The evaluation procedure of submitted applications complies with the four eyes principle and the cooperation with the representatives of the Norwegian Embassy is rapidly established so as to allow a quick circuit of documents, the approval of projects and contracts signing
- The timely assistance for beneficiaries and potential beneficiaries provided by the staff assigned to NBF implementation, on the telephone, in meetings or via e-mail at the dedicated e-mail address: bilateral.relations@fonduri-ue.ro.

The main challenges in the implementation of the funds remains the difficulty in identifying donor states partners, as well as relative low involvement of public entities due to lack of capacity for implementation.

All the projects financed since the launch of calls until the end of 2015 were implemented in good conditions.

The successful implementation of projects depends on a number of factors such as:

- the background history of the applicant / partner and the experience in implementing projects financed from grants (implementation capacity), which are likely to determine the correctness of implementation and the assurance of sustainability;
- the reputation and good name of the applicant / partner in the field of work, with a direct effect on the dissemination area of results and their credibility;
- a good communication relationship between the applicant and the partner;
- good cooperation relationship with the funding authority (pro-active actions and providing assistance during the project implementation);
- the specific funding area.

The specific NBF indicators assumed by beneficiaries, such as:

- the number of participants involved in exchange visits between the beneficiary state and donor states,
- the number of participants from the public sector / civil society,
- the number of public entities involved in solving problems activities concerning the civil society

have been over-achieved in most cases.

The **visibility of EEA and Norway Grants and of donor states** was ensured by various means starting from press releases in partner countries to postings on own websites and social media networks, leaflets, brochures or other publications.

Based on indicators reported by beneficiaries, the **main results** achieved so far are:

- **134 entities** from donor states engaged in various bilateral cooperation initiatives;
- **114 partnership agreements** concluded between entities in Romania and donor states, against an estimated number of 92 agreements;
- over **1,900 persons** engaged in bilateral events such as: experience and good practice exchanges, conferences, seminars, courses etc. (this indicator does not include the number of attendees at TIFF film festival);
- **186 persons** involved in travel with the purpose of identifying potential partners, for the development of partnerships between entities in Romania and entities in the donor states (out of which 98 people from Romania and 88 people from donor states);
- **380 articles** about bilateral events, published in newspapers in Romania or donor states or on the websites of the actors involved, against a number of 307 articles as originally assumed by applications.
- **88 materials/deliverables** resulting from the transfer of knowledge and good practice with the representatives of donor states (training of personnel in a certain field, good practices guides, educational materials for students and teachers, comparative brochures in fields ranging from art therapy practices, cardiovascular research, public procurement, screenplay, etc.)
- As regards qualitative indicators, the satisfaction questionnaires filled in by the attendees at various bilateral events, organized with funding from BFN, showed both a high level of satisfaction and the need to organize such types of events more often. Some participants also proposed new topics for discussion with the partners from donor states.

The sustainability of activities funded by such funds is also supported by the fact that there are beneficiaries that have submitted a second application (Ministry of Justice, National Anticorruption Directorate, Prader Willi Association etc.) and by the increase of number of a certain beneficiaries category (e.g. universities / police inspectorates) that have submitted applications after having received information on funding opportunities from similar institutions that had already implemented such projects and have disseminated the results of those projects in specific environments.

Examples of projects financed under the open call

- ***Norwegian art section at Transylvania International Film Festival (TIFF) under the project Norwave - Focus Norway***

One of the most successful initiatives of bilateral cooperation in the cultural field between entities in Romania and Norway was the organization of a **Norwegian art section at Transylvania International Film Festival (TIFF) under the project Norwave - Focus Norway**.

The project, amounting to approx. 52,000 euro was implemented by the **Romanian Film Promotion Association in partnership with the Norwegian Film Institute (NFI)**. The successful story of this bilateral action is primarily due to the fact that TIFF is already a nationally and internationally known brand and to the experience of the Norwegian partner and beneficiary in organizing large-scale projects. The collaboration between the two partners aimed at an integrated approach to the Norwegian arts through artistic, musical and educational activities and the greatness of the event was reported in local and national media (press, TV, radio reports or the web sites of the two partners). Thus, they provided an extended visibility of donor states, of their contribution and the purpose of this type of funding. The Norwegian section of the festival proved its consistency and impact considering the large number of direct attendees (approx. 7200) and the diversity of their background (Romanian and Norwegian artists and directors, Norwegians lecturers, students, pupils, teachers, representatives of state authorities and of

some cultural institutes, representatives of some embassies and international cultural centers). Furthermore, the two partners have also signed an agreement for future collaborations in the field of cinematography.

➤ ***Seminar on Corruption and Economic Crimes Investigation***

Within the project, promoted by the **National Anticorruption Directorate** in partnership with the Norwegian National Authority for Investigation and Prosecution of Economic and Environmental Crime, a seminar on corruption and economic crimes investigation will be organized, with lecturers from Norway, Liechtenstein, England, France, Romania, the European Commission and the Council of Europe. The project budget is approx. 35,800 euros. Following the financial trail has enabled the exchange of experience and best practices in the so much sensitive and nowadays field of fighting against corruption and economic crimes, of recovering the goods coming from criminal offenses and extended confiscation. The participation of representatives of donor states and of experts from the European Commission and Council of Europe, the wide dissemination in the specific area (police and justice) of the results following the exchange of knowledge and good practices facilitated the understanding of the specificity of each participating entity and determined premises for the extension of further professional cooperation, including the cooperation with experts within Europe.

II. Predefined activities

Regarding **predefined activities**, the NFP has proactively informed the POs and other relevant public entities in order to develop such initiatives. The NFP organised some meetings in order to present the the purpose of the Fund for Bilateral Relations at National Level. The Norwegian Embassy in Bucharest has had a very important contribution in this respect. The following activities have been financed:

- Development of the institutional capacity for management of the collective labour conflict (implemented and paid in 2015);
- Bicentenary of the Norwegian Constitution (implemented in 2014 and paid in 2015).

One approved predefined project was cancelled. The project promoted by the Academy of Economic Studies in Bucharest was approved by the Donor States in March 2015; however, the financing contract was not signed, as the Beneficiary has encountered difficulties in identifying donor state entities to be involved in the activities and the project is thus considered cancelled.

Based on the invitation received from the Czech NFP for Romanian experts in the field of anti-corruption to attend a Conference under the Czech National Bilateral Fund, the participation costs for 2 Romanian participants (expert from the Ministry of Justice and an expert from the NGO Expert Forum) were also covered from the Romanian National Bilateral Fund (outside the call for proposals). The agreement from the FMO was received in July, 2015.

A **predefined projects with significant impact** and which has involved a large number of entities in Romania and Norway is the one implemented by the **Ministry of Labor, Family, Social Protection and Elderly in partnership with FAFO Research Institute in Norway**. The project aimed at training 27 specialists in mediating labour disputes, involved a good practices exchange visit and a training course. The specificity and success of the project were based on the number of participants (12 people / study visit and 27 people attending the course) and at the involvement of some entities in the public and private sectors in both countries, such as MMFPS and territorial subordinated institutions, some national outstanding trade unions and employers' organizations and the Union of Mediators in Romania. The Norwegian practices, the working manner and the extent of involvement of social partners in solving labour disputes through mediation procedure represented discussion topics during the visit of the Romanian delegation in Norway with experts and decision makers from the Norwegian institutions (the National Mediator of Norway, the Labour Court, the National Confederation of Trade Unions, the Confederation of Norwegian Enterprises, the Norwegian Parliament - Parliamentary Committee for Labour and Social Protection, Ministry of Labour and Social Protection and the Ministry of Foreign Affairs).

Implementation of funds for bilateral relations at programme level

In 2015, the progress in the implementation of bilateral funds at programme level remains low, with a total amount **contracted of 447,963 Euros of the total available budget of 3,970,253 Euro**.

Only a small number of Programmes have reported improved results, such as RO06 - Renewable Energy, RO12 - Conservation and Revitalisation of Cultural and Natural Heritage, RO13 - Promotion of Diversity in Culture and Arts, RO15 - Scholarships and RO18 - Capacity Building and Institutional Cooperation.

For an overview of the implementation of the bilateral funds at programme level, please see **Attachment 11**.

The NFP continuously monitors the risks involved in strengthening bilateral relations at the level of programmes. The NFP and the Programmes Operators closely cooperates with the Royal Norwegian Embassy in Romania.

Donor partnership programmes and projects

Partnership at programme level has continued to be successful in all Romanian programmes with DPPs.

Based on the new approved predefined projects currently 28 of a total of 44 predefined projects are Donor Partnership Projects. A total number of 211 donor partnership projects have been selected as a result of calls for proposals. Proportion of projects with donor project partners is 24.94%.

The results of donor partnership projects may be assessed only at the end of the implementation periods and based on the achieved results.

3 REPORTING ON PROGRAMMES

3.1 Overview of Programme status

Starting from 2015, the programmes entered at the stage of projects implementation. It was the time of completing open calls and signing the financing contracts to match the programmes objectives and outcomes specified in Programme Agreements.

Regarding predefined projects, a number of **44 predefined projects** are currently under implementation in total amount of **98,592,825 Euros, with 5 new predefined projects approved in 2015**. The total amount paid to the Project Promoters at 31.12.2015: **59,127,613 Euro**.

An overview of predefined projects is presented in **Attachment 9**. Moreover, details regarding the implementation stage are presented in the annual reports prepared by the Programme Operators in accordance with the provisions of the regulation.

In terms of **financial implementation** of the programmes, at the end of 2015, disbursements made by Donors have reached the level of approximately **70%**. The level of payments made within Programmes reached **66%** of the total amounts received (disbursed by Donors) and **46%** of the total budget. An overview of disbursements and payments at the level of all Programmes is presented in **Attachment 11**.

As programmes moved towards project implementation, certain provisions of Programme Agreements obstructing the pre-financing flow to project promoters have been identified, i.e. conditions related to minimum amount of previous expenditure, number of payment requests/reports etc. Thus, PA amendment requests were sent and approved, a measure which has improved the conditions of financial management of projects.

Individual Programme summaries

RO02/PA2 Biodiversity and Ecosystem Services

Programme Operator: Ministry of Environment, Waters and Forests

Donor Programme Partner: Norwegian Environment Agency

The evaluation of project proposals received as a result of the open call launched in August 2014 started on 28.01.2015. The Selection Committee was held in Bucharest on 10 March 2015.

On 19th of May 2015, after the Selection Committee approval, 6 financing contracts were signed with Project Promoters (4 financing contracts on Call 1, 1 financing contract on Call 2 and 1 financing contract on Call 3) and later in June 2015, 2 more financing contracts were signed on Call 3 due to some administrative issues reported by the Project Promoters.

In late July 2015 a modification of the Programme Agreement was decided, consisting in:

- Adjustment of the budget, activities and calendar of the predefined project, due to the fact that the financing contract for the predefined project was signed on 16.02.2015, hence shortening of the implementation period of the project. Consequently 613,878 Euro that were not used (under outcome 1) were transferred to Outcome 3, Open call 3, in order to finance projects that were on the reserve list;
- Call 1 budget was supplemented with 1,463,878 Euro hence there were financed (considering the ranking of the projects) 4 projects included on the reserve list.
- Call 2 budget was supplemented with 640,000 Euro (reallocation from cancelation of the SGS), hence one project included on the reserve list was financed;
- Call 3 budget was supplemented with 910,000 (613,878 Euro from the Predefined Project + 296,122 Euro from SGS), hence 1 project included on the reserve list was financed.

The FMO approved the proposed reallocation and 6 more financing contracts were signed with the Project Promoters on 14th of September 2015, 4 financing contracts on Call 1, 1 financing contract on Call 2 and 1 financing contract on Call 3. At this moment 16 financing contracts are signed on RO02 Biodiversity and ecosystem services, including also the predefined project.

During 2015, no significant achievements of the outputs can be reported. The activity plans were extended according with the new eligibility period and the outputs to be realised within each project will be fulfilled at a later date.

Predefined project

The predefined project "Demonstrating and promoting natural values to support decision-making in Romania (Nature4Decision-making – N4D)" was evaluated and approved by external auditors from the Bucharest University on January 2015. The financing contract with NEPA, the Project Promotor of the predefined project was signed in 16th of February 2015 and the implementation of the predefined project has started since.

One aspect that was considered to be threatening to the predefined project was the postponement of the advance payment to the project promoter since the Ministry of Environment, Waters and Forest was reorganized. The Predefined Project did not achieve any indicators during 2015 and it will achieve the intended results during 2016.

No further changes were made in the Management and Control System at the PO level.

Fund for bilateral relations

During the Cooperation Committee held on 21-23 October 2015 in Danube Delta, the first draft of the Plan for Bilateral Relations was discussed and it was agreed on launching the Applicants Guide at the beginning of 2016. The total allocation was proposed to be raised to 200.000 euro and to be awarded in total to the grant applications submitted under bilateral relations. Any more funding that will become available in future will be announced through the same media as the original call. The approach will be 'first come - first served' with reimbursement of costs.

Each activity (one grant application) can be awarded a grant of minimum 1 000 euro and the maximum grant amount for each application will be: 10,000 euro for the organization of events, 5 000 euro for a study tour, 2 500 euro for participation in events.

A proposal for organizing an international conference (BICO - Biodiversity International Conference) was presented to DPPs and it was agreed that this event to be held in Romania having as main target the biodiversity and ecosystem services at national level and its integration in European consolidated database. The first draft of these event agenda and the proposed dates will be sent to DPPs as soon as they will be established with the technical experts from the Biodiversity Directorate from the Ministry of Waters and Forests.

The estimated budget for this event is around 150,000 euro, taking into consideration the proposed number of participants, location, costs related with the accommodation of participants and travel expenses.

The details regarding the programme are presented in the annual report prepared by the Programme Operator in accordance with the provisions mentioned by the regulation.

RO03/PA3 Environmental Monitoring and Integrated Planning and Control

Programme Operator: Ministry of European Funds

The recovery of project implementation delays foreseen in the previous Report was not achieved, as the main activity of the project – production of new maps (digital terrain model, maps and ortophotos) did not start in 2015, due to delays in procurement, which continued to accumulate. Significant progress was noted in Activity 3 related to the acquisition of IT storage equipment, with a public procurement contract being signed in December 2015, while the development of the tender dossier for Activity 2 – Database with geographical names is under development.

In order to mitigate the risk of exceeding the implementation period, the programme operator requested and obtained the extension of the eligibility period of the project until 30 April 2017. The Project Contract was consequently modified by addendum no. 1 and the work plan was updated.

Due to the specificity of the Programme which is implemented through a single project and also the delay in signing the contract for the main activity, of which the other activities of the project are conditioned, some activities for publicity, bilateral relations, complementary action, planned for 2015 have been postponed to 2016, as they were not justified to be achieved in the reporting period.

From the point of view of bilateral relations, the collaboration between the Project Promoter and the Norwegian and Icelandic project partners has continued in the reporting period and brought significant added value for project implementation. The activities related to knowledge exchange with the donor project partners had a significant contribution towards the objective of strengthening the capacity of the Project Promoter.

The Project Promoter faces delays which have the following reasons:

- this is a pilot project in Romania and the Project Promoter has less experience in digitalized mapping;
- time needed for the preparation of procurements (Project Promoter depends on the experience of Donor project partners);
- Seasonality shall be also taken into consideration in the next reporting period.
- National legislation for public procurement which shows large gaps / weaknesses, creating long delays in carrying out procedures.

Taking into account the risks faced in the reporting period and delays incurred in implementing the procurement procedures for the main activity, the indicators will be achieved during the forthcoming period.

Thus, in the reporting period the procurement procedure for activity no. 3 „Equipment for safe storage and efficient distribution of geographical data”, the second largest in terms of funding, was finalized in

December 2015. The delivery of equipment is on-going and acceptance report for the installation of equipment will be issued by the supplier in 2016.

For activity no. 4 “Capacity building, transfer of knowledge and training “, the first study visit took place from 15 to 21 February 2015, in Norway and attended by 11 people and second study visit took place from 10 to 16 May 2015, in Iceland and attended by 9 persons.

The output indicator is fulfilled: 2 study visits were organized. Also, in order to fulfil the output indicators: “10 people trained”, by the end of 2016, the people will be trained in all the technical areas as planned in the project.

With regard to risks, the conditions and the main risk factors related especially to the main activity „New maps (digital terrain model, maps and ortophotos)”, presented in the programme proposal, have persisted, the delays in public procurement process and the nature of the activity of LIDAR scanning dependent on weather and seasonality.

In order to manage the risk “The employees do not have the capacity and competences for quality control of products”, NACLR conducted two personnel training activities during the reporting period. People were trainings in advance in order to have acceptance specialists for the provided deliveries.

Also, for the risk: „Claims for procurement procedures will postpone the deliveries” which has materialized, as two complaints have been issued during the procurement procedure for the main activity, which has led to significant delays, the programme operator requested and obtained to extend the eligibility period of the project until 30 April 2017.

In the reporting period, the strengthening of bilateral relations represented a significant added value for project implementation, the collaboration with the donor project partners being a major factor in achieving the main activities. Considering the delays in the main activities of the project, some bilateral activities have been postponed for 2016 and some activities shall be done also in 2017.

In this respect, during the reported period, two events were funded from the project budget for strengthening bilateral relations and one event financed by the bilateral fund at programme level, as other events will take place after achieving the main activity - work training and capacity building started in the reporting period with representatives of NACLR working visits in Norway (15-21 February). The purpose of the visit was the exchange of knowledge between the project partners, as well as producing the technical documentation for the main activity.

In the same context, in week May 10 - 16, 2015, a team from NACLR visited Iceland and the main focuses of this meeting were: presentation of the structure, management and operations of Registers Iceland, the role of Registers Iceland in their country, presentation of the Registers Iceland’s own Data Centre, presentation of the entire IT infrastructure of Registers Iceland, quality and accreditation systems, environmental policy of RI, Registry of population and voters register, etc.

RO04/PA4 Reduction of Hazardous Substances

Programme Operator: Ministry of Environment, Waters and Forests

Donor Programme Partner: Norwegian Environment Agency

After launching the of the calls in August 2014, 22 project applications were submitted by 17 November 2014, and after the evaluation process started on 28 January 2015, the Selection Committee proposed on 10 March 2015 that 5 Projects are to be financed under Call 1 “Decision-making supporting instruments” and 2 Projects under Call no. 2: “Training and awareness campaigns”. Hence, **7 financing contracts were signed on 19-20 May 2015**. In order to finance two more Project Applications from the reserve lists on Call no 2 respectively Call no 1, the Programme Agreement was amended two times to reallocate the necessary amounts for Output 2 “Increased knowledge and experience on hazardous substances and waste legislation” on 20 May 2015 and then for Output 1 “ Strengthened support for the decision-making process in the field of hazardous chemicals and waste” on 7 July 2015, the two outputs corresponding to Call no 2 and Call no 1. Therefore, **two more financing contracts were signed: on 26 June 2015** for the Project “TARCHS Training and awareness campaigns regarding the potential human health and environmental risks associated to hazardous substances and waste”, Project Promoter -National Institute

for Research and Development in Environmental Protection and on 16 July 2015 for the Project “GNM-DPSC Increasing the Capacity of the National Environmental Guard to Apply the EU Legislation and Strategy Regarding Dangerous Waste and Chemical Substances” with Project Promoter National Environmental Guard.

The projects are ongoing and progress in the activities, eight out of ten Project Promoters asked for extension of the implementation period of the Projects and five intermediary reports out of the 10 submitted on 15 September 2015 received authorisation for the expenses from the Programme Operator. The analysis of rest of the intermediary reports is ongoing, being finalized at the beginning of 2016.

Regarding Outcome 1: Strengthened capacity to enforce and implement EU chemicals and hazardous waste legislation, nine financing contracts were signed in 2015 and the projects are going to achieve their indicators, respectively the programme indicators, during 2016.

Regarding Outcome 2 : Improved monitoring of hazardous substances in the environment, the Predefined Project did not achieve any indicators during 2015 and it will achieve the intended results during 2016.

The delays in implementation of the Projects were caused by lengthy or cancelled procurement procedures, however, 8 out of the 10 Project Promoters signed addenda to the financing contracts for extension of the implementation period in order to be able to achieve the project indicators.

The Predefined Project “Towards a proper aquatic environment” received a total amount of 2,104,499 euro out of 2,341,039 euro and had 143,100.45 euro approved by the Programme Operator after the analysis of the second intermediary report submitted on 15.05.2015. The third and the fourth intermediary reports are still in review with the Programme Operators.

Bilateral relations

No actions were financed through the fund for bilateral relations during 2015. The launching of the Applicants Guide on bilateral relations was delayed because the Programme Operator prioritised the signing of the financing contracts for projects financed under the Outcome 1.

During the Cooperation Committee held in October in the Danube Delta, the first draft of the Plan for Bilateral Relations was discussed and it was agreed on allocating 75.000 euro for applications to be submitted on Bilateral Relations during 2016 and an international conference on REACH to be held in November 2016. At this time a draft version of the Applicants Guide for bilateral is in progress at the PO level and it will be sent to DPPs for completions and proposals. The call under Bilateral Relations will be launched in April 2016.

RO05/PA5 Energy Efficiency

Programme Operator: Ministry of Economy, Commerce and Tourism

The Programme Operator planned to launch in the 1st trimester of 2015 the second call for proposals, considering that after the first call for proposals launched in March 2014 no financing contracts were signed.

All documents related to the second call have been completed since the end of 2014. The Minimis Aid Scheme related to the second call was approved by Minister Order no. 271/05.03.2015 and was published in the Official Monitor no. 182/17.03.2015. The guideline for applicants was published on the Ministry of Economy website for public debate before its official launch.

Related to the Fund for bilateral relations at programme level an open call for measure A was planned to be launched at the same time with the call for projects proposals.

Because of the repeated changes in the PO management level, internal bureaucracy, slow decision making in OP departments independent from the PO and general instability and decision level, delays has occurred during the implementation of the programme. Due to these delays, the PO requested in February 2015 the extension of the final date of eligibility for projects to be contracted under the second call, until 30.10.2016. The need for this request was the consequence of the fact that no financing contract was signed, and the implementation period for the projects to be selected under the second call would be too short (until April 2016) and could cause a low interest and a small number of applications

submitted. The PO could not guarantee the completion of the projects activities which will be selected under the call if the extension could not be granted.

Following the FMC response related to the extension issue (dated 9 April 2015), which stipulated that will not take any further decisions to grant general extension to the final date of eligibility for projects and an exceptional individual extensions may be considered at a later stage, the Programme Operator has formally notified National Focal Point about its decision to cease its role of PO for RO05 programme. The decision was motivated by the persistent lack of capacity of the PO structure, repeated reorganisations of the ministry and the major delays. Moreover, given the eligibility deadline of 30 April 2016, the launching of a call for proposals was no longer feasible.

Considering the Ministry of Economy's unilateral decision of ceasing its role of PO, the NFP proposed to the FMC several alternatives in order to avoid the loss of funds committed to the programme, such as the possibility to reallocate the funds to the other advanced programmes, or to designate the Innovation Norway as PO in order to support the projects that have already been selected and which are on the reserve list, or to designate NFP as PO in order to finance predefined projects. In December 2015 the FMC was submitted the agreement on restructuring the programme as proposed by NFP. In this context the NFP will submit the proposed predefined projects which will be assessed by the donors based on their individual merits and their potential contribution to the achievement of the objectives programme and Programme Area within the available timeframe.

The outcomes and output indicators were not met, due to the fact that no projects were contracted.

There is a high risk that the programme does not achieve its expected outcomes, due to the remaining time to implement the predefined projects if will be selected for financing.

RO06/PA06 - Renewable Energy

Programme Operator: Environment Fund Administration

Donor Programme Partners: NVE (Norway), OS (Iceland)

During 2015, 4 grant contracts have been signed within the programme, as follows:

- 1 pre-defined project for the hydropower component - "Gheorghe Asachi" Technical University Iași
- 3 pre-defined projects for the geothermal component (Municipality of Beius; Municipality of Oradea; University of Oradea)

One of the predefined projects included in the Programme Agreement was not signed as the potential promoter has eventually declined undertaking the project. The value of this project was 150 000 EUR.

The values set as targets for the outcomes and outputs are to be fulfilled at the end of the implementing process.

At the end of 2015, one Project Promotor has informed the PO regarding its intention to terminate the grant contract, mostly because of the lack of co-financing funds and its impossibility to find a solution in order to implement the project in due time. The project value was 995,259 EUR.

As the funds for the programme have not been completely allocated, a series of possibilities were taken into consideration: (i) supplementing the value of projects for which the PO already signed a contract; (ii) identifying new pre-defined project(s), if possible.

During 2015 the PO obtained the extension of the eligibility of expenditures until April 2017 for the projects that are implemented within RO06, including the predefined ones.

Regarding the bilateral relations, the Programme Operator organised four events, two in Romania (February 12, 2015 and November 18-20, 2015), one in Norway (May 1-5, 2015) and one Iceland (May 1-5, 2015), in order to facilitate the development of partnerships among entities from Romania and the Donor states. The representatives of the PPs have participated at these events.

The Programme Operator also considered the transfer of knowledge and know-how for the staff by organising/ attending different events: Norway (May 1-5, 2015), Iceland (May 1-5, 2015) and Poland (November 24 – 26, 2015).

RO07/PA7 Adaptation to Climate Change

Programme Operator: Ministry of Environment, Waters and Forests

The Programme is implemented through a single predefined project "A Green Way to Sustainable Development" with a total eligible budget of €4,628,535 (the project budget was increased December 2015 from €4,497,644 to €4,628,535).

The expected outputs of this projects and the level of their achievement through the activities performed in 2015 are as follows:

- Municipalities with developed local strategies, actions plans and guidelines on adaptation to climate change - According the criteria to evaluate the progress of this project (Technical specification 15%, awarding documents 10%, contracting 5%, implementation 70%), this activity has achieved so far 39% of the output.
- Guidelines for adaptation to climate change at local level in vulnerable sectors developed - The 4 guidelines are to be finalized and printed in October 2016
- Guidelines in developing municipal adaptation to climate change strategies developed
- Meteorological studies aiming at supporting climate change adaptation plans at regional level developed - This activity is in progress and according the criteria mentioned above the completion so far is 78% of the output.
- Electric and communication cables installed underground in Sibiu municipality - In December 2015 took place the opening session of offers for the technical project and executing of works.
- Traffic study for assessing efficient traffic and alternative routes at local level developed - The output was achieved 100% of the output.
- Public institution building in Sibiu adapted to climate change - This activity has achieved so far 0% of the output
- Education and training in adaptation to climate change provided - This activity has achieved so far 90.66% of the output.
- Training module on adaptation to climate change developed - the activities performed so far is 17% of the aggregate outputs
- Information and awareness campaign implemented at local or regional level - The public campaign is underway till the start of the project, at the level of the three municipalities, press releases for events in the project.
- A network of communicators on adaptation to climate change established - This activity has achieved so far 100% of the output.
- Energy efficiency measures in buildings - The completion of the works for the building of the Environment Protection Agency Sibiu, and the Kindergarten "Grimm Brothers" from Sibiu is planned for January 2017

Bilateral relations

No progress has been achieved during the reporting period.

RO09/PA10 Funds for Non-Governmental Organizations

Programme Operator: Civil Society Development Foundation

2015 was the year in which the last 177 contracts, the ones awarded in the Second Round of the NGO Fund in Romania, were signed. A total of 390 projects were funded. EEA Grants is still the most important donor in terms of general allocations for NGOs as well as in key areas such as human rights, democracy, welfare, advocacy, anticorruption, think-tanks, networks and coalitions, some of this areas having as

unique funding opportunity the NGO Fund; more than that, strong partnerships with different important stakeholders at local, regional or national level develop through funded projects.

Romanian NGO Fund addresses all 10 of the specific Programme Outcomes. Through the financed projects, in 2015 there were more than 2,600 volunteers engaged in volunteer programmes. More than 120 reports on public policies were drafted. A great diversity of partners were approached and involved in joint initiatives within projects, with the purpose of facilitating the access to target groups, ensure cross-sectoral interventions, transfer new methods, ensure sustainability of the interventions etc. Over 130 partnerships between NGOs and public authorities at all levels were established, highlighting an increased recognition of NGOs expertise, capacity to adapt to the needs of the beneficiaries, tackle and promptly respond to new and emerging issues at beneficiaries' and communities' levels. A consistent number of partners are institutions/authorities with responsibilities in children/youth field, highlighting the focus of the interventions on this category of population. Almost all major human rights themes are being in focus in the projects, whether they are civic projects, volunteering projects, social services or coalition projects. Another major success is considered to be the number of litigations, as more than 80 cases were taken by NGOs to tribunals and courts, whether they are cases of discrimination taken to the National Council for Combating Discrimination or European Court cases. 326 NGOs are reported to be engaged in advocacy learning opportunities.

The programme has contributed at building or consolidation of 42 networks and coalitions. Out of the 42, 20 new coalitions and networks were created, mostly in areas that needed coalisation and representation, such as: education, fighting violence against women, new media technologies, youth unemployment, Roma inclusion, civil rights and functioning of state institutions, peace building, NGO management, open political market, patrimony and culture.

Over 10,000 *new beneficiaries* have received welfare and basic services due to increased capacity of NGOs. More than 10,000 beneficiaries accessed basic services in *deprived / disadvantaged areas*, such as interethnic, Roma, poor, rural, isolated, etc. On "Rural interethnic communities development subcomponent", a significant number of community actions were organised, bringing together all the ethnic groups and offering the opportunity for sharing experience – around 6,000 members of the community participated, which means over 100 on average per each project, in 166 villages.

Particular risks in 2015, same as in 2014, were related to workload and the number of projects that were signed. Since number of contracts increased exponentially (in the second round being awarded more projects, taking into consideration that the size of grant amounts was lowered in line with the maximum duration of projects), 4 new persons were recruited in CSDF team – 2 financial officers, and 2 grants officers.

In 2015 projects awarded in the second round were contracted. Safety measures were taken before signing contracts, and pre-contracting visits were paid for a series of projects in order to assess the capacity of the organisation.

A risk that appeared in the reporting period is the changing of national legislation concerning procurement. In tackling the risk of poor implementation of specific procedures it is to be mentioned the good practice example of organising Project management and, respectively, financial management training with a common session concerning procurement rules for all project Promoters. This ensures the accurate application of procurement rules within the projects

The 2015 progress towards the goal of **strengthening bilateral relations** could be summarized as follows:

- **44 donor partnership projects** continued implementation, **37** involving partners from Norway and the rest from Iceland;
- Under **Measure b)** of the Fund for Bilateral Relations, **two study visits** - opened to promoters financed within the NGO Fund - were organised in 2015. One took place in **Oslo**, was ***focused on Roma and vulnerable groups*** and **12 Romanian promoters** participated (October 2015). **The** other one took place in **Iceland**, was ***focused on human rights and gender equality*** and **10 Romanian promoters** participated (November 2015).

In December 2015, it was finalised and launched the **Call for proposal under Measure b) of the Fund for Bilateral Relations**, with the aim to facilitate networking, exchange, sharing and transfer of knowledge, technology, experience and best practice between Romanian project promoters and entities in donor states. Proposals are selected and contracted in 2016 and results shall be reflected in the next report.

During 2015 no Call for proposals was launched. The second Round of Call for proposals under the Programme was launched in 2014 and as a result, on January 14, 2015, took place the Second Selection Committee (last one) in order to approve the evaluation reports for the remaining Components within Round 2 of the NGO Fund (Component Welfare and Basic Services and Component Sustainable Development). During this meeting of the Selection Committee it was proposed and accepted to supplement the amount to be contracted for each Component taking into account two factors: 1. a possible maximum absorption rate of 98% at Programme level; 2. the possible budget cuts from projects in the pre-contracting phase for Round 2. After the meeting, a simulation of the available amounts was done by the Programme Operator and received the Committee for approval. As a result, over-contracting was approved as a tool to diminish the rate of unspent amounts at the end of the Programme implementation. The Programme Operator agreed that it will cover from its own funds any exceeding of the allocated amount for grants in case that happens.

After the Second Selection Committee meeting, a total number of 59 pre-contracting letters were sent.

Under Round 2 a number of 177 projects were contracted with the total value of 1,207,543.49 Euro requested as grant. Most of the contracting period lasted from the end of February until the end of June 2015. Only two contracts were signed after June 2015, one in July and one at the end of October and this happened because the two organizations had to solve some issues regarding their official documents and they were allowed to sign late due to the short implementation period of their projects (one of 8 months and one of 6 months).

From the list of projects initially proposed for financing within the 2nd Round, 5 of them were not contracted from different reasons.

The first projects of the Round 2 started their implementation at the beginning of March 2015, those being the projects with the highest implementation period (14 months). The shortest project implemented within the 2nd Round had 6 months period.

The 2015 progress towards the goal of **strengthening bilateral relations** could be summarized as follows:

- **44 donor partnership projects** continued implementation, **37** involving partners from Norway and the rest from Iceland
- **Promoters of 13** of the above projects have previously benefitted of the seed money facility under the NGO Fund (two consecutive calls organised in 2013 and 2014)
- The level of involvement of donors partners varies among projects, not always very intensive, in particular for projects or partnerships at their first cooperation and where activities focus on involvement in events, study visits, valuing expertise of different individual experts, exchange of information, etc. These are important, but most often wider effects and cooperation would imply also larger resources (which sometimes is difficult to include in a financed project where within a limited budget, an organisation would give priority to direct activities benefiting primarily to final beneficiaries). There are still examples where partners build on each other experience and transfer it to the Romanian specific environment.

In 2015, as part of the allocation of Measure b) of the Fund for Bilateral Relations, **two study visits** opened to promoters financed within the NGO Fund were organised, as follows:

- In October 2015, **12 Romanian promoters** were selected in involved in the **study visit organized in Oslo, with focus on Roma and vulnerable groups**. An international workshop has been included in the program, as well as bilateral meeting with both public authorities and private nonprofit organizations dealing with Roma issues in Oslo. The study visit has been also an effective

cooperation with the Bulgarian Operator of the NGO Fund and also with Norwegian Helsinki Committee.

- In November 2015, 10 Romanian promoters were selected and involved in the **study visit in Iceland, focused on human rights and gender equality**. The gender and human rights area has been extensively represented in projects financed under the NGO Fund, and therefore the Icelandic experiences were appreciated as a valuable input.

In December 2015, it was finalised and launched the **Call for proposal under Measure b) of the Fund for Bilateral Relations**, with the aim to facilitate networking, exchange, sharing and transfer of knowledge, technology, experience and best practice between Romanian project promoters and entities in donor states. The focus of proposed activities should be on dissemination and valorisation of overall results, products and achievements of the projects financed under the NGO Fund in Romania (2009-2014). Proposals are selected and contracted in 2016 and results shall be reflected in the next report

RO10/PA11&12 Children and Youth at Risk and Local and Regional Initiatives to Reduce National Inequalities and to Promote Social Inclusion

Programme Operator: The Romanian Social Development Fund

Programme Partner: Council of Europe

During 2015, PO completed the selection and contracting process of the projects for all the 4 calls for proposals. A number of 105 projects were proposed for financing and other 17 were placed on reserve lists. The contracting phase ended in July 2015, 103 projects being contracted, including the predefined project (the other PPs didn't fulfilled the conditions or declined the invitation to sign the contracts). Two contracts were cancelled (one following the dissolution of the NGO management team and the other from local authority internal reasons).

At the end of 2015, there were **under implementation 101 projects** (including the predefined project). The total amount contracted for these projects is equivalent to **~23,130,421 Euro**. For all 101 projects under implementation, PO obtained the FMO approval for extension of the period of eligibility to April 2017.

Until December 31, 2015, the total amount released for the projects under implementation was 14,382,222.05 Euro (out of which 12,225,030.86 Euro EEA grant), representing ~53% of the contracted amount. The disbursement rate at the level of the projects is around 65% (according to ad-hoc reports received from the PPs on the account balance at the end of December). The most important risks at Programme level are:

a) about 2% savings at the level of the projects (after projects closure) and at the level of the bilateral fund that will not be possible to be used/ reallocated until the end of the Programme unless PPs will identify other needs to be solved during the implementation;

b) shortage of management funds after May 2017 at the level of PO.

Over the selection, contracting, and project development, there were no relevant deviations from planning. Thus, it was estimated funding 100 projects (out of which 40 LOCAL, 35 SYNERGIES FOR FUTURE, 25 COHERENT) and of a predefined project. Currently, 101 projects are under implementation (1 predefined project, 36 LOCAL, 32 SYNERGIES FOR FUTURE, 32 COHERENT). Still, the total amount contracted for these projects is equivalent to ~23,130,421 Euro (out of 28,123,294 Euro available under the Programme). In order to increase the impact of the financed projects, PO allocated the funds that were not contracted (4,992,872.95 Euro) for PLUS facility. At the end of March 2016, after contracting PLUS, PO will make a new evaluation of the available funds.

Regarding the Programme outputs and outcomes, initially projected indicators are close to be fulfilled or exceeded.

PO permanently adjusted the operational procedures in order to improve Programme implementation. Also the management and control manual is currently under revision to be updated.

An amendment to the Plan for the use of Bilateral Fund and a new planning for the bilateral activities to be organised with CoE involvement should be necessary. Also, a Programme Agreement amendment might be of use, by defining more appropriate the involvement of CoE in bilateral activities financed by the bilateral fund at the level of the programme.

For RO10 CORAI, the delay in organising these activities and the lack of provisions represents an important barrier to organise the planned bilateral activities (the 3 trainings, the international conference, possible study visits of PPs at CoE headquarters) that are in risk not to be organized.

In 2015, PO organized three workshops under Bilateral Fund. As a result of their participation at these events, representatives of 47 projects under implementation, of 5 organizations from Donor states and of the Council of Europe have improved their knowledge in preventing and reducing school dropout and early school leaving by children and youth at risk, in promoting inclusive education and in involving parents in the education of their children, by sharing good practices in these areas. They also have the chance to discuss about future bilateral activities, to be financed under the new call for applications opened by PO in 2015 under the Bilateral Fund at Programme level. Yet, the progress in Bilateral Fund disbursement is low (about 7% - payments made until the end of 2015).

For the reallocation of remaining not contracted funds (4,992,872.95 Euro), PO launched in October 2015, -6th the "PLUS facility". Under PLUS, the grants of contracted projects can be increased in order to develop additional activities using the remaining funds. The applications received (58) totalling about 6 million Euros are under analyse and it is expected that all the available funds to be reallocated. The proposed deadline for the amendments to the contracts following PLUS approval is March 2016.

At the end of December 2015, the predefined project funded under RO10 Programme (implemented by the National Council for Combating Discrimination, in partnership with the Council of Europe) already implemented most of the planned activities.

Currently, the management and control manual is under revision to be updated with the last provisions of the operational procedures.

Nine out of the 101 projects financed (including the predefined project) are implemented in partnership with entities from Donor states, and one (the predefined project) with the Council of Europe (CoE). Some of these partnerships led already in 2015 to shared results, such as (drafts for) a new national anti-discrimination strategy (developed with the CoE support), of toolkits to combat discrimination and social exclusion of people with autistic spectrum disorders in school, in community and on the labour market (developed with the support of The Icelandic Autistic Society), or an assessment report regarding the situation of two buildings of a school, including recommendations for improving the safety of children in that school (made by the Child Safety House, Iceland).

Under PLUS Facility, launched in 2015, 3 new partners (NGOs) from Norway have been identified by PPs: Hedda Foundation, Caritas Norway, and SOS Children's Villages Norway.

During 2015, PO focused its efforts on facilitating networking, exchange, sharing, and transfer of knowledge, experience, and best practice between entities in the Beneficiary State and entities in the Donor States and international organisations. In this respect, PO took the following measures:

1) Launched (on September 24) a **call for proposals for bilateral activities**, addressed to PPs with projects under implementation. The call provides 100.000 EUR to PPs in order to support bilateral activities with entities in the Donor states and international organizations. In order to achieve the objectives of the call, PO launched also an information campaign for PPs, by publishing information about the call on the Programme web site, on Facebook page of the Programme, by sending information by e-mail to the project coordinators and by allocating special sessions during the networking meetings. The call will be closed in September 2016. An extension of the deadline should be considered if necessary.

Also, PO used the opportunity of a study visit in Iceland in order to promote the call also among the Icelandic entities and to identify potential partners for bilateral activities. The information about the Icelandic organizations interested to participate in bilateral activities with Romanian entities was

published on the Programme website and sent to PPs by e-mail (yahoo groups of discussion organized for networking activities).

2) Organized **bilateral activities**, by gathering experts from Donor states and from CoE, on one side, and experts involved in the implementation of the projects financed under the Programme, on the other side, to share knowledge and experiences in the Programme areas. In this respect, PO assessed the needs of PPs and their partners and, based on these needs, organized 3 workshops focused on: (1) prevention and reducing school dropout and early school leaving by children and youth at risk; (2) good practices in inclusive education, and (3) good practices in involving parents/ family in the education of their children.

Despite the difficulties in identifying experts for CoE and Donor states to participate at these workshops, finally at the events participated 10 such experts, 5 from CoE, 3 from Norway, and 2 from Iceland.

Overall, at these 3 events participated representatives of 47 (about 46.5%) out of the 101 projects under implementation (experts of PPs and of the project partners). According to their assessment, the events were well organized and contributed to the achievement of the EEA Grants outcomes.

The details regarding the programme are presented in the annual report prepared by the Programme Operator in accordance with the provisions mentioned by the regulation.

RO11/PA14 Mainstreaming Gender Equality and Promoting Work-Life Balance

Programme Operator: Ministry of Labour, Family, Social Protection and Elderly People

The Programme Agreement for the RO11 programme foresees three main indicators:

- 14 day care centres to be set up;
- 350 beneficiary children, out of which 70 Roma children;
- 14 workshops on gender mainstreaming.

Until the end of 2015, the work has been in progress for all 14 day care centers.

In most of the cases, the activities carried out by the partners of the PPs, mainly NGOs, are ahead of the local public authorities, mainly due to the fact that they are not conditioned by public procurement and public expenditure procedures. Therefore, the information and awareness activities are very likely to be at least 70% completed by the time the day-care centers will be fully functional.

The projects developed by the smaller public authorities, where the director or mayor is directly involved, are much more advanced than the other ones, for examples than the ones implemented by County Councils.

Many of the projects have considerable delays due to the public procurement procedures.

For the bilateral activities under measure A, no expenses were incurred. The Programme Operator is working on designing new activities with a bilateral component to spend the money initially destined for measure A. Aside from this, all 14 selected projects have included in the projects bilateral activities to be implemented under measure B.

RO12/PA16 Conservation and Revitalisation of Cultural and Natural Heritage

Programme Operator: Ministry of Culture

Donor Programme Partner: Directorate for Cultural Heritage in Norway

During 2015, the PO concluded 5 grant contracts for large projects (the Selection Committee meetings took place on 11th of September and 25th of November 2014) and 18 grant contracts selected under the Small Grant Scheme (the Selection Committee meeting took place on 28th of January 2015 and all 18 projects which received a score of at least 70 points were recommended for funding). However, one small project implemented by Craiova Archbishopric was cancelled after submitting the first project interim report, at the request of the project promoter. Thus, by the end of 2015, grant contracts for 28 projects were concluded (11 large projects, including the pre-defined project, and 17 small projects), with a contracting rate of 98.2% out of the available budget.

The progress of **bilateral relations** was obvious and it can be concluded that during 2015 the cooperation between the Romanian and Donor States cultural operators was definitely strengthened. This assertion is supported by the extent of cooperation (out of the 28 financed projects 11 are implemented together with dpps), by the shared results already achieved (bilateral documentation of ethnic minorities' cultural heritage, bilateral drafting of methodologies), study-visits in Romania and the Donor States, joint organization of cultural events (summer school on restoration techniques, seminars, exhibitions). The bilateral cooperation will be even more strengthened in 2016 through the launch of Measure B under the Bilateral Fund and the organization by the PO of bilateral events.

All projects are currently under implementation, none is completed. Some of them have been amended to extend the implementation period. It is expected that a large majority of the PPs will benefit of the extension of the expenditure eligibility deadline that was decided by the Donors.

The outputs achieved during 2015 by the project promoters and dpps include contracting restoration works for 11 historical buildings, restoration of 2017 objects of cultural value, digitization of more than 28.844 cultural items, drafting 1 strategic document for the protection, conservation and valorisation of the cultural heritage, organizing 24 exhibitions and 14 events related to the heritage of cultural minorities.

In 2015 certain risks identified in the Programme proposal have been overcome. However 2 new risks were identified by PO: "Lack of capacity of the PPs to provide proper supporting documents for the incurred expenditures" and "Savings at project level which cannot be reused for the initial activities". The mitigation actions put in place for the first risk was the support provided by the PO for the PPs to submit correct documents or to conclude proper addendums to the contracts with their suppliers. For the second risk the PO recommended to PPs that when significant savings incur, an addendum to the grant contract should be concluded in order to finance additional activities contributing to the achievement of the project objective.

There were no major deviations from the plan during this reporting period.

Under the predefined project implemented by Astra Museum – *Open Heritage. Increased public accessibility to multi-ethnic heritage in Astra Museum, Sibiu* the following results were achieved:

- the *rudar* homestead and workshop from Poiana village, Perisani was rebuilt, the horse-drawn mill from Sanpetru Mare was restored, and other 13 buildings went under preventive conservation works;
- 1985 artefacts from the Museum's heritage were restored;
- the construction of the new Multicultural Museum Pavilion (PaMM) was finished. The new building will capitalize on the heritage from ASTRA Museum of Transylvanian Civilization providing, at the same time, proper welcoming facilities in the museums from Dumbrava Sibiului;
- between June and October 2015 the cultural animation program was held. Thanks to this program, the public was offered an increased access to the multi-ethnic tangible and intangible heritage, through the capitalization of the monuments and artefacts included in the *path of ethnic minorities*. During the program, the public was invited to take part in the educational scenarios through which they were presented the multi-ethnicity and multiculturalism present in the Romanian area. The intangible heritage was promoted through workshops that were organized under the theme *Crafts and craftsmen of yore*;
- two new buildings, both belonging to the Saxon community, were included in the *Path of ethnic minorities*, their reconstruction will be ready in the spring of 2016.

Bilateral relations

Considering the stage of implementation of the selected projects, no calls for bilateral actions were launched during 2015. After FMO amended the Regulation by extending the eligible applicants to legal entities other than project promoters, PO prepared the guidelines for launching Measure B. The documentation was approved by FMO and Measure B will be launched in 2016.

No essential changes have occurred during 2015, but given the dynamic of the activities implemented PO improved the existing operational procedures by adding details to be applied to the implementation process.

RO13/PA17 Promotion of Diversity in Culture and Arts within the European Cultural Heritage

Programme Operator: Ministry of Culture

Donor Programme Partner: Arts Council, Norway

81 projects have been contracted, out of which 45 are large projects and 36 are small projects, animating the Romanian cultural scene all throughout 2015 with music, theatre, photo, fine arts, film and other industry related events. By the end of 2015, **7 projects concluded the implementation period**, whereas the others are continuing to implement their activities throughout 2016. Moreover, some of them have been amended to extend the implementation period to April 2017 at most as agreed upon with the FMO.

The Programme Operator paid special attention to the achievement of the Programme outcomes and opted to present in the Applicant Guide the expected outputs as sub-categories of the two main outcomes set for RO13, namely Outcome 1 Awareness of cultural diversity raised and intercultural dialogue strengthened and Outcome 2 Cultural history documented. Therefore, all 81 selected projects are expected to contribute to the achievement of outcomes.

The selected projects within RO13 supported the Programme outputs as follows:

Outcome 1: Awareness of cultural diversity raised and intercultural dialogue strengthened

- Increased mobility for artists/ culture professionals and their works at international level – 21 projects have involved 703 international artists/ culture professionals out of which 90 persons are from Donor States who travelled abroad in order to perform, to display their works of art, to research or to exchange experience in the field of cultural diversity;
- Education through art and culture reaching a broader audience - 12 of the projects under implementation contribute to the achievement of this output. The results include 120 workshops and seminars targeting educational debates (non-discrimination, combating hate-speech etc.), 566 trained persons in cultural field, 322 films, short movies and web documentaries having an educational purpose, 10 research studies (including history/folklore /cultural architecture etc.);
- Projects concerning music and stage arts – 19 of the projects under implementation contribute to the achievement of this output. The results include 15 short films, 21 theatre shows, 66 music concerts, 39 dance shows/representations, 5 research studies about cultural diversity in music or stage arts;
- Projects concerning fine and visual arts – 11 of the projects under implementation contribute to the achievement of this output. The results include 64 exhibitions, 55 workshops and seminars in the field, 1 awareness campaign, 202 trained persons in this specific area.

Outcome 2: Cultural history documented

- Cultural history of minorities enhanced and promoted – 25 of the projects under implementation contribute to the achievement of this output;
- Events/productions involving minorities (fairs, performances, festivals, productions etc.) – events/productions financed are materialized in 49 films or short movies, 11 theatre shows, 13 music concerts, 10 dance shows/ representations, 5 fairs, 14 exhibitions, 12 festivals, 11 research studies related to minorities and their respective culture.

As far as the implementation of projects is concerned, the PO has identified a common risk in the fulfilment of assumed indicators within the application forms. Nonetheless, given the extension of the implementation period at the level of projects, the promoters can overcome this risk. The PO constantly assessed on a case by case approach all situations that could have jeopardized project implementation; consequently, it defined common sense solutions that generated target adjustments where such changes were justified and contributed to meeting the project's objectives.

Given the structural differences between the legal framework of Romania and that of the Donor States, there were rather numerous situations where potential partnerships could not be materialized; de facto entities from Donor States considered that the legal responsibilities attributed within the partnership agreement exceeded their practice. Consequently, when necessary and possible, the PO has adjusted its internal operational procedures in order to meet the requirements set by the national and Donor States legal framework.

The Programme did not undergo any major deviations that could jeopardize the achievement of objectives.

Within the Programme two calls for proposals were organised: one for large projects (Call 1) and another one for small projects (Call 2). Due to available funds amounting to 157,537 euro following the end of project contracting, and in accordance with Art. 2.9.2 paragraph a) of the Programme Agreement provisions, the PO transferred the amount of 89,720 euro from Outcome 2 to Outcome 1, which made possible to grant financial support to the first project on the reserve list of Call 1/Outcome 1 .

Bilateral relations

The PO launched the 1st call for applications within **Measure B** – Collaboration and exchange of experience with a budget of 48,973 euro. The call was addressed to project promoters within PA17/RO13 wishing to collaborate with entities from Donor States (institutions and non-governmental organizations active in the field of culture, creators, artists and practitioners who intend to initiate and carry out activities/projects in partnership with organizations and institutions from Romania). 7 partnership actions amounting to a total of 32,280 euro were registered. A 2nd call for applications is estimated to be launched mid-2016.

Out of the 81 projects within the Programme, 26 have been implemented in partnership with entities from Donor States. Nonetheless, several project promoters chose not to formalize partnership agreements but to simply undergo specific activities in Donor States with the support of local entities. A good example in this sense is the project implemented by a Romanian NGO which organized two workshops displaying Roma handicraft in Oslo and Fredrikstad with the support of Intercultural Museum from Oslo, Helsinki Committee Norway and Church Mission from Oslo.

There were no changes in the Management and Control System.

RO14/PA18 Research within Priority Sectors

Programme Operator: Ministry of National Education

Donor Programme Partners: Norwegian Research Council – NRC (Norway) and the Icelandic Centre for Research – RANNIS (Iceland)

The Programme has been managed by the Ministry of National Education and since January 23rd, 2015 by the National Authority for Scientific Research and Innovation as the Programme Operator. Under this reporting period, the Programme Operator has continued the implementation of the **23 joint research projects** financed under the four thematic areas: “Renewable energy to fight climate change”, “Health and food safety”, “Environmental protection and management” and “Social sciences and humanities”.

At the beginning of February and of March 2015, the interim payments for the projects (related to annual contract values for 2015) were paid to the PPs, amounting to 6 million euro (representing 90% of the 2015 budget for all contracts).

The Annual Scientific Reports and Annual Financial Reports for 2014 were evaluated and respectively verified, certified and approved by the Programme Operator. The annual scientific reports were assessed by independent external experts, contracted by PO for scientific and technical evaluation services. The result of the evaluation of the annual scientific reports for 2014 was positive for all projects. The submitted deliverables and implementation were in line with the set planning of the projects and therefore evaluators concluded their reports by giving a final recommendation to continue funding of the projects. The annual financial reporting for projects was successfully completed after verification of

reports and proof of expenditure. Remaining funds for 2014 due for only 5 contracts were transferred and notification to all PPs on the results of the first reporting period were sent.

To date, there are **87 research partners and 492 researchers** involved in the joint research projects, out of which **130 PhDs and/or postdocs, and 68 internationally refereed scientific publications** were reported.

There is an increasing number of postdocs and/or PhDs (in total 130) that were pursuing research activities in 2015 compared to the previous year, which gives evidence to the impact this Programme has on strengthening the research capacity by enhancing the role of the young researchers in the research and development area.

In addition, the number of researchers involved in projects during 2015, in total 492, with minimum 7 researchers/project and maximum of 45 researchers/project, shows also the impact of the Programme in terms of increased collaboration in research between Romania and the donor states. Out of the total figure, 160 researchers are counted for the health area, 97 researchers for the social sciences and humanities area, 171 researchers work in the environment area and 64 researchers are affiliated to energy area.

An important indicator measuring the joint research projects' results is the number of internationally refereed scientific publications. There is also progress achieved in the evolution of this indicator from the previous reporting period. In 2015, the project promoters reported 54 internationally refereed scientific publications, in comparison with 14 in 2014, out of which 21 are internationally refereed joint scientific publications.

The risks identified in the previous reporting period were successfully mitigated due to the measures taken by PO to smoothly implement the 23 joint research projects during 2015. As such, the PO staff quickly adapted to the new status and conditions generated by the setting up of the new PO (National Authority for Scientific Research and Innovation) on January 23, 2015, in order to mitigate or reduce delays in the Programme implementation (e.g. financial management, interim payments at project level due at the beginning of the current fiscal year, etc.). Other risks identified in programme or project implementation were closely monitored and mitigated and they did not affect the achievement of the planned Programme outcome.

There are no deviations to report on from the initial planning of the Programme.

Bilateral relations

The main activity pursued in 2015 under the bilateral relations fund - Measure B "Networking and exchange measures" was the Projects' International Conference "Achievements and future steps", held on December 10th in Bucharest. It brought together more than 100 participants: all the project promoters and also their partners from Romania, Norway and Iceland, representatives of donor programme partners, national entities involved in the implementation of the EEA and Norway Grants, embassies, members of the Programme Committee, other Programme Operators acting at national and EU level, other relevant stakeholders. The Conference addressed mainly the promotion of the mid- term results generated by the 23 joint research projects funded by the programme, after one and a half year of collaboration between the project promoters and their project partners from Romania and donors states.

Within the total budget (352,942 euro) foreseen for the "Fund for Bilateral Relations", 264,705 euro were set aside for measure A "seeking partners" and 88.237 EUR were to be used under measure B "networking and exchange measures". Due to the fact that the number of payment requests for the reimbursement of project's preparatory costs was far below expectations, most of the budget remained unused. Consequently, a draft Action Plan was prepared by the PO based on the Programme proposal and suggestions made by the representatives of DPPs. In July 2015, the Programme Committee members approved an Action Plan for the use of the bilateral relations fund and also the reallocation of funds by transferring 240.970 euro from measure A to measure B.

Under the objective of strengthening bilateral relations, there were no risks identified by the PO.

Since January 23rd, 2015, the Programme Operator has been reorganized under the National Authority for Scientific Research and Innovation. In order to remove the obstacles in implementation of activities at

Programme level, due to legal changes and mostly to bureaucratic procedures, the PO structure suffered reconfigurations during 2015 (April, June and August), followed by intensive training of new PO staff and frequent operational meetings with the PO staff.

RO15/PA19 Scholarships

Programme Operator: The National Agency for Community Programmes in the Field of Education and Vocational Training

Donor Programme Partners: The Norwegian Centre for International Cooperation in Higher Education (SIU); Icelandic Centre for Research (RANNIS); National Agency for International Education Affairs (AIBA) in Liechtenstein

The continuation of the Scholarships and inter-institutional cooperation Programme in Romania in 2015 was visibly affected by the negative factors described in the previous report, therefore there was registered a decrease of the interest of the universities to apply for funds at the Call 2015: only 14 applicants for Mobility projects (compared to 17 in 2014) and only 4 for cooperation projects (compared to 10 in 2014). Also, the analysis of the final reports of the Mobility projects financed in 2014 shows an absorption rate of only 52% (at the end of the projects) and the volume of mobility was not as foreseen (in the area of students' mobility): 98 outgoing students, 6 incoming students, compared to an estimation of around 292 mobile students; the staff mobility registered the following figures: 39 outgoing staff, 12 incoming staff.

The two factors described in the previous report as affecting a good implementation of the programme continued to be present in 2015:

- The limited capacity of the HEIs from Donor States to absorb the mobility flows from all the Beneficiary States, especially because the increased volume of the flows (as compared to the previous Programme), due to increased budgets; as a result, there were very few Preparatory Visits (i.e. 10 visits that have been realised with the kind and effective support of the NO DPP-SIU, in the form of a round trip), and, although there are many bilateral agreements concluded between RO and DS HEIs, the number of participants accepted finally by the DS HEIs (especially students) was considerably lower;
- The financial mechanism put in place at national level for the management of the funds, through the State Treasury, remained very complicated and required additional bureaucratic and unnecessary burden for the Romanian HEIs as Programme Promoters but also for the Programme Operator. In this respect, the PO organized in September a debate with all Romanian HEIs, regarding the possible future of a Scholarships programme in Romanian, financed by EEA Mechanism; the general view of the universities is as follows: all expressed their interest in implementing a future programme, with 2 conditions, though: a better size and tailoring, allowing the NO, IS and LI universities to smoothly absorb the waves of students coming from at least 10 Beneficiary states and a framework similar to Erasmus+ (i.e. the same flexibility and the use of Euro, as currency for the implementation of the projects, through a commercial bank).

The areas where the Programme performed well were the probable achievement of the target foreseen for the staff mobility, for the number of students benefitting from placements, strengthening of bilateral relations and promotion of results. The fact that the number of bilateral agreements concluded between RO HEIs and those from DS is already higher than the target established for the whole period of the programme is encouraging and it creates opportunities for further enhancing of the bilateral relations between universities, no matter the source of funding, EEA grants or Erasmus+.

Also, one could highlight the fact that at the end of 2015, the absorption rate (at commitments level) was of 97.64% from the budget allocated to Mobility and Cooperation projects.

In 2015, **14** applications were received for **Mobility projects** (all of them eligible and financed) and **4** applications for **Cooperation projects**, all of them being financed.

The analysis of the Mobility applications shows the following numbers (based on the bilateral agreements):

- Number of students(both incoming and outgoing) who are estimated to go in mobility during the academic year 2015-2016: **294**;
- Number of staff (both incoming and outgoing) who are estimated to go in mobility during the academic year 2015-2016: **209**

Thus, when summarising the figures so far, it is estimated the surpassing of the targets for the majority of the indicators assumed in the programme Proposal, except for the number of mobile students, this particular target will not be probably met until September next year (for the reason mentioned before, related to the inadequate capacity of the DS universities to host too large volumes of students coming from BS). Also, the conditionality related to Roma will not be entirely met, for the reasons argued by the PO in various reports so far.

In short, all the explanations regarding the negative factors that could jeopardise the full achievements of the programme (including a lower absorption rate at the end), largely presented in the 2014 report, remain valid in present as well.

Measure 1-Preparatory Visits:

The Programme Operator received **11** applications in 2015 and **10** of them have been financed. They took place at the beginning of May, when SIU organised a round trip, *providing opportunities for 9 Romanian HEIs to get in contact with universities from 3 cities in Norway ; the Romanian HEIs were funded from the bilateral fund, through preparatory Visits.*

The analysis of the final reports shows that they were successful in terms of putting the basis of future bilateral cooperation. The Call for PVs ended in spring 2015 but in the 4-th quarter the PO requested an amendment to the Programme Agreement, for the transfer of 400.000Euro, from the Management Costs and Mobility Projects Funds to the Bilateral Fund, in order to optimise the absorption rate. A new Call will be launched at 1-st of March, with rolling deadlines, covered through this budget. HEIs will be invited to submit small projects for bilateral cooperation activities, projects that could run until the beginning of 2017.

However, one of the outputs indicators, i.e. the number of bilateral agreements concluded between RO and DS HEIs was already achieved (53 agreements, out of which 35 new ones-as compared to the situation before the beginning of the programme) as a result of the PVs ran so far. Another output indicator (the number of applications submitted for cooperation projects) was surpassed: 18 applications received in total in 2013, 2014 and 2015 more than 15 estimated in the Programme proposal, which could also be considered as a result of the PVs.

Measure 2 - Mobility projects:

In 2015, received **14 applications** were received and all have been financed. As explained above in the Summary, the decrease registered in 2015, as compared to 2015 is due to the financial mechanism put in place at national level for the management of these funds, through the State Treasury, which led to work overload for the staff in HEIs managing the projects, disproportionate when comparing with Erasmus+ or with the level of the funds; on the other hand, some universities felt disappointed by the low interest of the potential partners in the Donor States.

According to the applications, the estimated number of students (both incoming and outgoing) who will go in mobility during the academic year 2015-2016 is of 294 but probably only about 60% of them will be finally realised, since the figures agreed in the bilateral agreements were never met until the end of the financial year, because the DS HEIs were not capable to host the whole flows.

The number of staff (both incoming and outgoing) estimated to go in mobility in the academic year 2015-2016 is of 209. At this point, there is, probably, no problem to meet the target.

The results of the Call for this Measure are considered as fair, with a satisfactory potential contribution to the programme outputs, although the results reported for 2013 and 2014 show a big difference between the estimations (i.e. numbers agreed in the bilateral agreements) and the mobilities that really took place;

especially the incoming students` mobility remained at a very low level, because of the low interest of the DS students to come to Romania.

Regarding the results already achieved for 2014, the figures reported by the HEIs in their final reports show that during the academic year 2014-2015 there were **98 outgoing students** (with **451.75** mobility months and **2222,5 no. of ECTS received**), **6 incoming students** (for **20.5** months in total), **39 outgoing staff** (for **35** mobility weeks)and **12 incoming staff** (for **10.8** weeks). There is to be noticed the fact that **49** (out of **104**) students benefited from a placement mobility (which explains the relatively low number of ECTS credits received, because only study mobilities are awarded big numbers of ECTS credits), which will increase their opportunities for better jobs in the future and thus contributing to solve the hottest issue of the EU in present, i.e. the high unemployment rate among young people.

Measure 3 - Inter-institutional cooperation projects

In 2015 The Programme Operator received only **4 applications**, all of them being approved after the quality assessment.

All approved projects assumed in the application to issue at least one joint publication and to organise joint seminars/workshops, thus contributing potentially to the programme outputs.

In as far as the 2 cooperation projects financed in 2013 are concerned, both ended in 2015 and the analysis of the reports shows that joint publications were issued and joint conferences/seminars were organised in both cases, thus contributing to the achievement of the corresponding output.

Concerning the output indicator related to effective promotion of the Programme among HEIs potential beneficiaries, the target of organising at least 2 promotion events /year was achieved: the PO organised them in February and September 2015.

Shortly, the achievement of the targets established for the outputs indicators is as follows:

There is no need to update the risk analysis. Everything explained in the previous report remains valid for 2015. The high risk foreseen in 2014, i.e. to not reach the target in as far as the volume of students` mobility is concerned, materialised unfortunately, as well as the risk concerning the target related to Roma. As the Calls for Mobility and cooperation projects are exhausted, there are no additional measures to be put in place in this very moment, but there are some lessons to be drawn for the new programme (if any).

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

An amount of 48,646.35 Euro has been used from the Bilateral Funds (meaning 31.000 Euro for Preparatory Visits and 17646.35 Euro for the Contact Seminar). As mentioned before, the Programme Operator analysed the extent of using all the funds at the end of 2015 and it was requested an amendment to the Programme Agreement, through which it was transferred an amount of 400.000 Euro from Management and Mobility projects to the Bilateral Fund. A new Call will be launched in 2016 covering the new budget, with rolling deadlines, in order to allow the universities to run small bilateral projects until the beginning of 2017, to organise additional joint activities and thus enhancing their bilateral relations with the DS projects` partners.

The analysis of the Call shows a disappointing situation as compared to the expected outcomes, especially regarding the number of applications for Mobility projects.

The DS HEIs partners in the Mobility projects are almost all HEIs in Norway, Iceland and Liechtenstein.

The DS institutions partners in the approved cooperation projects are: University of Agder, University of Oslo, Bifrost University, Nesna University College, University of Iceland - The Institute of Public Administration and Politics, Buskerud and Vestfold University College, University of Akureyri, Reykjavik University, University of Bergen.

In general, the promotion of the Call and the selection process went well, but are not satisfied with the results; only one of the approved cooperation projects addresses issues related to improving the conditions of the Roma populations, despite our positive discrimination measures and promotion undertaken.

Moreover, the initiative to include a special section in the Call, for young researchers (PhD students) working already in the Research projects approved under EEA Mechanism, did not have any result, although this initiative was largely advertised with the support of the PO for Research programme.

Bilateral relations

In 2015 the following elements contributed to foster the development of bilateral relations between Romania and Donor countries:

- The Preparatory visits (in order to prepare the future projects), organised in May like a round trip, that were a good opportunity to meet face- to-face, the staff of Romanian and DS HEIs and to work together in order to initiate new bilateral agreements or further cooperation projects; thus they contributed to *improving knowledge and mutual understanding and to enlarging the extent of cooperation*;
- The meetings between all the POs for Scholarships programme and DPPs-the meeting took place in June in Norway and it contained a Cooperation Committee meeting as well; the meeting was very useful, as it focused on gathering ideas for a future Scholarships programme after 2017, extracted from the lessons learnt during the actual phase and also there were workshops on the most successful promotion and valorization of results methods/channels. The meeting led to strengthening bilateral relations at institutional level, being a good basis for sharing results, for contributing to improve knowledge and mutual understanding and to enlarging the extent of cooperation between the POs and the DPPs ; during the meeting the Romanian PO volunteered to organise in October 2016 a big valorization conference in Bucharest, with the participation of representatives of successful projects from all BS, DS and decision makers as well (around 170 participants in total).
- The mobility projects that have been selected (14): all of them are based on the bilateral agreements concluded between HEIs from RO and Donor countries , this being the first step towards a fruitful bilateral cooperation between HEIs; as such, they will contribute to *improving knowledge and mutual understanding and to enlarging the extent of cooperation for future projects, beyond the mobility*;
- The inter-institutional cooperation projects selected (4), involving partners from Donor countries and from Romania; after approval, the partner HEIs will conclude partnership agreements for the proper implementation of the projects. These projects represent a further step in the process of enhancing the bilateral relations, because the partners have to work together over a longer period of time, in order to achieve results and products, they have to have a good and continuous communication process, they have to work in teams and therefore they gain trust and mutual understanding , as a basis for future sustainable cooperation in other projects; all selected projects started in Autumn 2015.
- In addition, besides the meeting mentioned before, there is a strong cooperation process established between the PO and the DPPs, since 2012; the DPPs had a valuable contribution to draw a good quality Programme Proposal, they reacted promptly whenever key documents had to be circulated for comments and suggestions (such as draft texts of the Call for proposals, Guidelines for applicants, templates for applications, assessment fiches); also, the consultation in view of approving the quality assessments and the list with the selected projects for Cooperation ran smoothly (as decided in the Cooperation Committee), via electronic means. In order to help HEIs from RO to find partners in DS, SIU volunteered to organise a round trip for 10 representatives of universities from Romania in 3 university centers in Norway, in order to provide opportunities for further contacts.

RO17/PA21 Green Industry Innovation

Programme Operator: Innovation Norway

The overall progress of the Programme provides with a positive trend for projects to be completed within or even before the eligibility deadline of 30 April 2016. Our assessment is that this Programme is implemented according to plans, and contributes directly to the outcome indicators set for the Programme. Hence, the overall objectives of Norway Grants are considered to be fulfilled.

During 2015, the decision making and contracting phase for the 2nd Call for project proposals was finalized. The mid-term assessment of environmental indicators shows that the Programme has positively contributed to environmental protection, with the greatest achievements in terms of **material efficiency** (e.g. 66.858 tons of recycled or reused content and 40.429,40 tons of waste processed in view of recycling; 30.400 tons of plastic; water savings of 6.785 cubic meters), **resources efficiency** (e.g. 49.260 cubic meters of natural gas savings; 43.250 liters of fuel savings; 11.154 tons of biomass to be used for heating or power generation) and **energy efficiency** (e.g. energy savings of 56,9 Mwh and 29 Mwh of green energy produced).

As regards the outcome selected for the Programme ("Realization of the business opportunities of greening the European economy"), the progress registered during 2015 has been measured using the agreed outcome indicators in the Programme Agreement. This table is aggregated based on annual report on result indicators from each Project Promoter.

Outcome indicators	Baseline	Target	Achieved 31.12.2015
Number of environmental technologies successfully adapted for use in new areas	0	3	10 projects with innovative environmental technologies supported
Number of new environmental technologies successfully developed	0	3	
Number of new or improved green products and services	0	6	9 green products developed 10 green services developed
Number of eco-initiatives related to material efficiency and improved waste management	0	4	11 projects related to material efficiency and improved waste management
Number of innovative initiatives to increase the efficiency in business operations	0	4	13 projects related to development and implementation of "greener" management and production processes
Number of green jobs created	0	30	202 permanent green jobs created (employment contract without end date) and 76 temporary jobs created (1-24 months)

In order to provide a good perspective on the overall achievements of the Programme, it is important to remember that the majority of projects are still under implementation. Therefore, it is expected that a considerable increase of results and project outputs will take place by the end of April 2016, contributing this way in a consistent manner to the overall Programme outputs. Transfer of non-allocated funds from budget for re-granting to projects to Fund for Bilateral Relations - Innovation Norway is planning to submit to FMO such a request in order to utilize remaining Programme allocation to foster more bilateral activities.

A Travel Support Scheme was launched in 2015, with a budget of EUR 72,000 to support travel/accommodation for bilateral visits. Seven applications were approved during reporting period. The scheme will be re-launched in 2016. One innovation expert from Innovation Norway Oslo participated as speaker at the Regional Innovation Fair organised in Arad, October 2015. Since 2015 has been a very hectic, and crucial, year for project implementation as well as for monitoring, the PO did not initiate any specific bilateral activities. After 2 Calls for Proposals launched in 2013 and 2014, a reallocation of funds has been launched in 2015.

The reallocation has been announced for amounts available due to savings/downscaling/cancellations from approved project (announced budget approx. EUR 775,000). The funds were made available for additional activities of already approved projects in the frame of the Programme, provided that the additional activities contributed to the agreed objective of the signed Project Contract for the project receiving additional funds. Eligible applicants were Romanian entities already approved as Project Promoters in the frame of the Programme (Individual Project Scheme and Small Grants Scheme) with an existing signed Project Contract with Innovation Norway.

Date of launch	Amount	Date of closure	Results of selection process reallocation	No. of project contracts signed	Budget
2 November 2015	Approx. EUR 775,000	23 November 2015	23 requests/ applications received 17 projects approved for reallocation (14 projects under Individual Project Scheme and 3 projects under Small Grants Scheme)	Contract addenda signed beginning of 2016	Total grant amount requested EUR 1,542,79 Due to some additional project cancellations/ downscaling of projects, the total grant amount approved as reallocation was EUR 1,294,174

The Programme has made good progress during 2015 towards the goal of strengthening bilateral relations between Norway and Romania in the business field. In 30 out of 50 projects, under implementation/finalized, a Romanian and a Norwegian partner are working together through a formal partnership, which means that the extent of bilateral cooperation in this Programme is 60% and the target is more than fulfilled.

The four bilateral indicators set in the Programme Agreement for measuring achievements towards the bilateral objective:

Bilateral indicators	Baseline	Target	Status per 31.12.2015
Number of project partnership agreements in the beneficiary private sector	0	10	20 (incl. one with NO mother comp.)
Number of project partnership agreements in beneficiary civil society	0	3	10
Number of projects with expected shared results and wider effects (added by PO)	0	5	30
Number of study tours to Norway and Romania within complementary actions activities	0	3	1

RO18/PA25 Capacity-Building and Institutional Cooperation between Beneficiary State and Norwegian Public Institutions, Local and Regional Authorities

Programme Operator: National Focal Point

Donor Programme Partner: Norwegian Radiation Protection Authority

The Programme's outcomes and outputs are expected to be achieved through two predefined projects and the projects financed under the bilateral fund at the programme level.

The predefined project no. 1 - Regional Excellence Project on Regulatory Capacity Building in Nuclear and Radiological Safety, Emergency Preparedness and Response in Romania, has achieved a good level of

progress towards the fulfilment of its objectives. Due to the delays in implementing the activities of the project and the public procurement procedures, the Project Promoter requested the extension of the expenditures eligibility period until 30 April 2017. The project indicators achieved until the end of 2015 are on the increased trend. Some of them exceeded the established target (as hardware and software system, events facilitating exchange of experience and best-practices, missions, etc.).

The predefined project no. 2 - Improving Integrity in the National Agency for Fiscal Administration (NAFA) through Institutional Cooperation and Capacity Building has made significant towards the fulfilment of its objectives. The project opening conference was held on the 20th of January 2015. Some modifications to the project contract were made during 2015, based on the needs identified together with the project partners. Due to the delays in implementing the activities of the project and conducting the public procurement procedures the Project Promoter requested the extension of the expenditures eligibility period until 30 April 2017. The project indicators achieved until the end of 2015 are: PCs and laptops purchased (46 pcs), UPS inner management purchased (10 pcs), auto vehicles purchased (5 pcs), participants to the training sessions for GDI and NAFA staff (96 persons), study visits conducted (3 visits) and their participants (25 persons). Some modifications to the project contract were made during 2015, based on the needs identified together with the project partners (reallocations between budget headings, modifications of the duration and the numbers of participants to some activities, reducing the training sessions, implementation schedule, etc.).

The monitoring of the implementation of the two predefined projects was made through the verification of the interim progress and financial reports and of the monthly progress reports submitted by the Project Promoters, and through on-the-spot monitoring/verification visits.

Given the limited scope of the Programme, focusing on specific areas of the Romanian public administration through predefined projects, the main risks affecting it are of operational nature and relate to the low capacity of managing the projects at the level of the Project Promoters and the lengthy and complex process of public procurement which could lead to delays in implementation and implicitly to not achieving the expected results. The PO will take all measures to mitigate these risks, by closely monitoring the procurement process and providing necessary support to the Project Promoters.

The strategy and the concept of the Programme, as approved by the Donor remained unchanged, the programme being focused on key areas able to contribute to the achievement of the overall objective.

During 2015 the Programme Agreement was amended twice. The first PA modification refers to the reallocation between the budgets headings by increasing the financial allocation related to the Bilateral Fund, updating the programme indicators, updating the information related to the NAFA predefined project. The second PA modification refers to extending the eligibility period at programme level until 31 December 2017.

Possible savings identified in projects in the next period will be re-allocated to finance additional activities within the two predefined projects during the eligibility period.

The Fund for Bilateral Relations at the Programme level is to be implemented through an open call, which was launched on 11 April 2014. The deadline for submission of applications was extended until 31 December 2015 or until funds depletion. The total budget of the call is 175,765 Euro. The amount allocated to the Fund for bilateral relations have been increased at 349,773 Euro by reallocating from other budgetary headings. A total amount of 58,752.47 euros has been paid to the beneficiaries until 31.12.2015. During 2015, 3 applications were received within the open call: one application was withdrawn by the applicant due to his internal procedures, 1 application was approved and contracted and 1 application was under evaluation at the end of the reporting period. In 2015 has been approved for financing 1 application submitted by the General Inspectorate for Immigration (GII) in partnership with the Norwegian Directorate for Immigration, with the total contracted amount of approximately 58,000 euro and will be finalised in 2016. The projects contracted in 2014 have been completed in 2015.

The progress in reaching the targets set for the indicators measuring the outcome of the Programme is:

Outcome Standard Indicator(s)	Target	Achieved in 2015	Total achieved
Number of institutions with strengthened capacity	2	0	0
Number of staff trained with improved skills to perform their duties - women	70	150	150
Number of staff trained with improved skills to perform their duties - men	50	181	181

The progress in reaching the targets set of output indicators, is:

Output	Output indicator(s)	Target	Achieved in 2015	Total achieved
Regulations, policies, guidelines, methodologies and working procedures developed or improved	Number of regulations, policies, guidelines, methodologies or procedures developed or improved	49	6	18
Training sessions organized	Number of training sessions organized	37	16	27
Activities facilitating exchange of experience and best-practices between Romanian and Norwegian institutions organised	Number of activities facilitating exchange of experience and best-practices between Romanian and Norwegian institutions organised	9	11	16
	Number of participants to activities facilitating exchange of experience and best-practices between Romanian and Norwegian institutions	80	72	72
Improved technical capacity within beneficiary public institutions	Number of staff with improved technical capacity (ITC or other)	60	59	59
	Number of ITC solutions implemented for improving capacity	4	4	4

RO19/PA27 - Public Health Initiatives

Programme Operator: Ministry of Health

The programme approach is to focus on the improvement of the relevant health indicators in Romania. In terms of health, population of Romania has some of the worst indicators across the European region, not only at EU level. The objectives of the new Ministry of Health Strategy for 2014-2020 (approved in November 2014) aimed at reducing the disparities in health status of the population in Romania compared to EU by providing safer and affordable access to health services. In this way, the objectives of the Strategy are also linked with the priorities at the national level among which it could be mentioned the development of national prevention programs and health education, developing of a multiannual investment program in health and introduction of mandatory quality standards for all levels of Romanian

health system. As such, the objectives planned to be financed by Norway Financial Mechanism 2009-2014 are linked to this strategic approach.

The Programme is implemented through 8 predefined projects.

In terms of achievements, all the predefined projects are in the implementation stage. In 2015, the programme has positively contributing to the improvement of the health status of the population and to the reduction the economic disparities.

Related to the financial status of the programme, the payments made by PO, until 31st of December 2015, to PP and consultants/suppliers is 22,881,042.93 euro, representing 86.04% from total value of the Programme. The certified expenses are 6,704,688.89 euro, representing 25.21% from total value of the Programme.

During the reporting period, planned activities of the Programme were not influenced by changes at social and economic level. Moreover, the target group of the programme continue to require measures to improve the social conditions of their present and future situation.

With reference at the fund for bilateral relations, on 20 of February 2015, an updated plan was prepared and sent to FMO for approval, giving the projects approved during 2014. The plan was approved by FMO on 7th of May 2015. After that, the promoters has stated to search for partners and to develop bilateral initiatives. Until the end of 2015, 3 of 8 PP have find partners in the donor country for the implementation of their bilateral initiatives, but no funds were used in 2015. Due to the fact that a new project have been approved (PDP 8), but also there is a need for some adjustments for the proposed bilateral initiatives, the plan for bilateral relations need to be revised. The PO will send this proposal to FMO in February 2016.

Regarding the complementary actions, in 2015, the funds were not used. PO noticed that there is a lack of interest for those measures. PO will propose a reallocation of funds to bilateral relations fund, as part of the plan to ensure the achievement of the planned objectives. The reallocation of funds alongside the revised plan for bilateral relations mentioned above will be sent to FMO in February 2016.

No "new" risks - other than those mentioned in the Programme proposal - were identified by PO, concerning the fulfilment of the Programme objectives and targets. All the risks identified in the programme proposal have mitigation measures, most of them being already in place.

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Due to the fact that a new project have been approved (PDP 8) in April 2015, but also there is a need for some adjustments for the already proposed bilateral initiatives, the plan for bilateral relations need to be revised. The new plan for bilateral relations will be accompanied by a reallocation request of 70,000 euro from complementary actions to fund for bilateral relations in order to be use by the Bucharest Oncology Institute which is the PP of PDP 8. The PO will send these proposals to FMO in February 2016

The PO assessment is that the programme will contribute to the objective of strengthening bilateral relations since 2 out of 8 predefined projects(PDP 1 and 6)) have Norwegian partner. In addition, PDP 5 has found a partner for their bilateral initiative. However, the implementation of the plan is depending on finding of Norwegian partners for all bilateral initiatives.

The details regarding the programme are presented in the annual report prepared by the Programme Operator in accordance with the provisions mentioned by the regulation.

RO20/PA29 - Domestic and Gender-Based Violence

Programme Operator: Ministry of Justice

Donor Programme Partners: Council of Europe (CoE) and the Norwegian Police Directorate (POD)

The Programme's outcomes and outputs are expected to be achieved through 13 projects selected under the call for proposals and two pre-defined projects.

In what concerns the call for proposals, during the February 2014 –April 2014, the PO launched within outcome 1 „Domestic violence reduced” one call for proposals. The call initially amounted €2,276,892 (€1,935,358.2 Norway grant and €341,533.8 national co-financing). However, following the approval of the revised Programme Agreement in March 2015, the total amount of the call was increased to €3,308,068 (€2,811,857.8 Norway grant and €496,210.2 national co-financing) divided on three financing priorities:

1. The call for proposals under the first priority area - “Supporting the network of units in the framework of the Law on domestic violence” made available €2,225,715 instead of €1,294,539 (supplementary amount of €931,176);
2. The call for proposals “Awareness and sensitizing activities” made available €589,412 instead of €529,412 (supplementary amount of €60,000);
3. The call for proposals “Training activities for the professionals activating in the field of domestic violence” made available €492,941 instead of €452,941 (supplementary amount of €40,000).

Following the finalization of the selection process, which supposed the carrying out of four phases, respectively: the administrative and evaluation phase, the independent external evaluation, the evaluation of the Selection Committee (organized during December 2014- January 2015), as well as the final phase – verification of the conformity of the selection process by the Programme Operator in accordance with the Regulation and considering the available funds, out of the 68 projects received on the call, the PO decided in 2015 to finance:

1. 8 projects on the first priority area. The total amount contracted from the allocation of the Programme under this area was € 2,123,647.32;
2. 3 projects on the second priority area. The total amount contracted from the allocation of the Programme under this area was € 556,295.99;
3. 2 projects on the third priority area. The total amount contracted from the allocation of the Programme under this area was € 436,388.53;

The signing of the financing contracts, totalising about €3,116,331.84 (Norway grant and national co-financing), was done between 15th of April 2015 and 22th of June 2015.

Also, the 2 pre-defined projects proposed by the General Inspectorate of the Romanian Police “Joint action against domestic violence” (JAD) and the National Agency against Trafficking in Persons (NATP) “Best practice model on assistance for victims of trafficking in human beings – Pilot project”, whose contracts were signed on 14th of July 2014, respectively on the 12th of May 2014, continued their implementation in 2015 the achievements of their objectives.

The selected projects under the call and the pre-defined projects are on-going and the progress registered by each project towards the achievement of the specific objectives and results varies as there were different factors affecting their implementation.

Thus, although some of the projects are being implemented according to the schedule, others have registered certain delays (e.g. the selected projects concerning works, corresponding to the achievement of output no. 1 and output no. 2 – Outcome 1-Domestic violence reduced), that prevent them from accomplishing the committed outcomes and outputs in the actual timeframe (having as implementation deadline April 30 2016).

Therefore, as a corrective action, an extension of the eligibility period for the latter projects is deemed necessary by the Project Promoters. After analysing the nature and extent of the delayed activities of each of the previously mentioned projects the conclusion was that an extension up to April 2017 can be taken into account.

The Programme Operator will closely monitor the progress of the projects for which an extension of the eligibility period is granted in order to ensure that the activities are fully and properly implemented in the extended timeframe.

Regarding the initiatives for strengthening the bilateral relations in the reporting period, a call for the Bilateral Fund at the level of the Programme RO20 "Domestic and Gender-based violence" was launched in August 2015, with a financial allocation of 80.033,36 Euro. The fund was open for submitting applications from August 2015 until November 2nd 2015 and the deadlines for the implementation of projects is 31 of July 2016. Until the closing date of the call, only three project applications having a total value of 44.942 Euro were submitted. During the meeting of the cooperation committee (CC) in July, it was agreed that the evaluation of the submitted project applications will be made within the next CC meeting, planned for January 2016.

The Programme Operator and the Donor Programme Partners have been collaborating in the implementation, and monitoring of the programme towards achievement of the expected results. Thus, in the reporting period one cooperation committee meetings have taken place on 2nd of July 2015, in Bucharest.

Furthermore, as the two donor programme partners are also project donor partners on the predefined projects under the Programme, each one envisages the involvement of the experts appointed by the DPPs, and thus specific activities have been carried out in cooperation with them. Thus, the framework offered by the pre-defined projects represents a premise and an opportunity for ensuring the transfer by the donor project partners of knowledge, experience and best practice adapted to the peculiarities of the Romanian system on combating domestic violence and human trafficking, and for the shared achievement of the Programme's outcomes and outputs.

The PO and the DPPs have been collaborating in the implementation, and monitoring of the programme towards achievement of shared results.

A call for the Bilateral Fund at the level of the Programme RO20 "Domestic and Gender-based violence" was launched in August 2015, with a financial allocation of 80.033,36 Euro. The call was published on the dedicated site of the PO - <http://norwaygrants.just.ro/en-gb/home.aspx>. The fund was open for submitting applications from August 2015 until November 2nd 2015 and the deadlines for the implementation of projects is 31 of July 2016. The fund has been exclusively set aside for financing activities under measure 3.6.1 b) of the Regulation on the implementation of the Norwegian Financial Mechanism 2009-2014 – networking, exchange, sharing and transfer of knowledge, technology, experience and best practice between entities in the Beneficiary State in the Donor States and international organisations within the relevant programme area. The eligible applicants under the call were the project promoters of the predefined projects and of the projects selected under the call launched within the RO20 programme. A list of potential Norwegian partners has been published on the webpage dedicated to the Programme for the use of the project promoters. Until the closing date of the call, namely on 2nd of November 2015, only three project applications having a total value of 44.942 Euro were submitted. During the meeting of the cooperation committee (CC) in July, it was agreed that the evaluation of the submitted project applications will be made within the next CC meeting, planned at the beginning of 2016.

The details regarding the programme are presented in the annual report prepared by the Programme Operator in accordance with the provisions mentioned by the regulation.

RO21/PA30 - Schengen Cooperation and Combating Cross-border and Organised Crime, including Trafficking and Itinerant Criminal Groups

Programme Operator: The Ministry of Internal Affairs

Donor programme partner: The Norwegian Police Directorate (POD)

Key activities conducted at programme level:

- two Cooperation Committee meetings were organized during 2015;
- one modification of the Programme Agreement, has been approved in 2015;
- the extension of the final date of eligibility until 30 April 2017 for two, out of six, pre-defined projects, PDP#1 and PDP#4.

- Audits at Programme level: 6 audit missions were performed during 2015 focused on checking the functioning of the Management and control System and the Operational Procedures.
- Readjustment of Bilateral relations Plan, Plan on Roma inclusion, Complementary actions plan

Key activities - Project level:

All the 6 pre-defined projects, selected by the PO for achieving the general objective of the Programme and the output indicators, are in implementation.

- all payments to PPs were made in due time, all expenses have been verified by the PO, prior to each payment and no irregularities were found;
- two of the projects (PDP#1 and PDP#4) have been extended with a period of 1 year (until the 30th of April, 2017), in order to mitigate the risks of non-fulfilling all indicators, and to implement the new activities as provided in the last amendment of the PA (approved in December 2015).
- Programme Agreement modification, in reference to the projects, envisaged the introduction of new activities and output indicators.
- also, the modification of the PA considered the elimination of paragraph 5 article 4.1 Annex II, identified as causing very important issues to the Project Promoters (PP), in terms of cash-flow

PDP1 - Strengthening police cooperation between Romania and Norway in fighting criminal itinerant groups and human trafficking

- Romanian police officers posted to Norway – target 30 (**40% achieved**)
- Romanian and Norwegian police officers participated in workshops/seminars on the prevention and investigation of crime committed by itinerant criminal groups – target 300 (**15% achieved**)
- International conference on cross-border crime issues in Europe – target 1 (**0% achieved**)
- National meetings on criminal investigations – target 5 (**0% achieved**)
- Training sessions in the field of JIT – target 2 (**0% achieved**)
- National meeting on issues related to combating trafficking in human beings – target 1 (**0% achieved**)

PDP2 - Cooperation in the field of illegal migration and the protection of human rights

- study visits conducted to/from Romania and neighbouring non-Schengen countries – target 4 (100% achieved)
- handbooks of best practices in investigating organized crime networks involved in smuggling of migrants developed – target 1000 (100% achieved)
- renovated investigation and recognition rooms – target 4 (0% achieved)

PDP3 - National approach to compensation of victims of human trafficking

- researches elaborated comprising recommendations and conclusions with the aim to increase the number of victims who receive financial compensation – target 1 (0% achieved)
- fact finding missions conducted at national level – target: 1 project report (100% achieved)
- regional trainings developed – target 7 (100% achieved)
- persons trained – target 105 (100% achieved)
- national workshop organised – target: 1 project (100% achieved)
- brochures elaborated and disseminated – target 20.000 (0% achieved)
- international conferences organized – target 1 (**100% achieved**), participants to the conference – target 70 (**100% achieved**)

PDP#4 - Integrated approach to the prevention of victimization in Roma communities

- The **status of output indicators is 0% for 2015**. The NGO selection, finalised in the late October 2015, was a time-consuming process, because it was conducted through a public procurement procedure posted in **Public Procurement Electronic System**, which implied making selection criteria and tender book.
- Taking into account the fact that most activities are connected one to each other and the partners are working **together**, the delay in selection the NGO affected the implementation. However, the renovation works in **Slatina Police School** were finalized in December 2015 and the training facilities are prepared for the training sessions in countering hate crimes and advanced techniques that will begin in June 2016. Also, the Romanian Academy started the activities assumed in the Partnership Agreement.

PDP5 - Fighting cross-border economic criminality at the Schengen Border

- institutions with improved technical capacity- target 4 (**80% achieved**)
- Number of specialists trained in fighting economic crime- target 150 (**0% achieved**)

PDP6 - Strengthening of information cycle management in fight against the organized crime and illegal migration for increasing the European security

- institutions with improved technical capacity. – target 1 (**83% achieved**)
- police officers trained on combating cross-border and organised crime – target 110 (**52% achieved**)

Potential risks that may threaten the achievement of the objectives set out in the Programmes (short description)

Following the decision of the Norwegian Parliament regarding the overall reform of the Norwegian Police, the number of Police Districts in Norway is being dramatically reduced (from the current 27, down to just 12). In this respect, the activity of many of the Police Districts who are participating in the joint project (PDP1) is affected, and the number of missions shall be kept at the precise level provided in the Programme Agreement (i.e. a total number of 30 deployments), and shall not be increased. So, considering the progress of the Programme and the experience gained so far, the PO was able to perform some more accurate calculations of the expected expenses in the future, and in order to enhance the effectiveness of the Programme, the savings and the underspending was redistributed within some of the predefined projects. No major deviations from plan were registered before December 31, 2015.

Bilateral fund

No actions were performed in 2015, but the two major activities are foreseen to be implemented during 2016, according to the Bilateral Plan agreed with the DPP.

The details regarding the programme are presented in the annual report prepared by the Programme Operator in accordance with the provisions mentioned by the regulation.

RO22 - Decent Work and Tripartite Dialogue

Programme Operator: Innovation Norway

Finalised.

RO23/PA32 Correctional Services, including Non-Custodial Sanctions

Programme Operator: Ministry of Justice

Donor Programme Partner: The Norwegian Correctional Services (KSF)

The Programme foresees that its outcomes and outputs are to be achieved through six pre-defined projects which registered progress in 2015 towards the achievement of their specific objectives and results. However, while some of the projects are in an advanced stage of implementation, others have registered certain delays, requiring an extension of the eligibility period in order to ensure the achievement of their objectives and results. Also, an extension of the eligibility period is envisaged in case of some projects where savings were made during implementation, for the purpose of increasing the impact of the committed results by financing additional actions.

The framework offered by the pre-defined projects represents both a premise and an opportunity for ensuring the exchange of knowledge, experience and best practices between the project partners, as well as for contributing to the achievement of the Programme's overall outcomes and outputs.

Also, in the reporting period, there were new initiatives aiming at strengthening the bilateral relations. Thus, six applications were submitted for financing under the call for the bilateral relations fund (launched on May 27th 2014). Following their approval by the Cooperation Committee, a number of six financing contracts were signed for a total amount of approximately 103.000 euro. One of the applications concerns carrying out specific activities by an expert from the Council of Europe with a view to support the work of the Roma Monitoring Committee (approximately 15.000 euro for the period May 2015 - April 2016). The other beneficiaries of the bilateral relations funds were the Ministry of Justice (the Department of International Law and Judicial Cooperation), the National Probation Directorate and the National Administration of Penitentiaries.

The Programme's expected outcomes are to be achieved through the 6 pre-defined projects. The pre-defined projects are on-going and the progress registered by each project towards the achievement of the specific objectives and results varies as there were different factors affecting their implementation.

Thus, although some of the projects are in an advanced stage, being implemented according to the schedule, others have registered certain delays (e.g. pre-defined projects no. 2 "Bacău", 5 "Police" and 6 "Probation"), duly justified by the Project Promoters, that prevent them from accomplishing the committed outcomes and outputs in the actual timeframe. Therefore, as a corrective action, an extension of the eligibility period for the latter projects is deemed necessary by the Project Promoters. After analysing the nature and extent of the delayed activities of each of the previously mentioned projects the conclusion was that an extension until April 2017 is a feasible option and consequently met the approval of the Cooperation Committee.

Also, in case of pre-defined projects 1 "Arad", 3 "Delta" and 4 "Gherla", an extension of the eligibility period is required for increasing the impact of the assumed results, inclusively by ways of financing supplementary actions out of the savings registered during implementation.

The risks identified by the Programme Operator refer in particular to delays concerning the construction/ endowment interventions and contracting of various advisory services, determined by objective reasons related to the procurement procedure, the time necessary for obtaining the approvals on the technical documentation, the complexity and amplitude of the works foreseen to be carried out, difficulties in selecting suitable experts/ consultants for implementing specific project activities, weather conditions etc..

The Programme Operator will closely monitor the progress of the pre-defined projects for which an extension of the eligibility period is granted in order to ensure that the activities are fully and properly implemented in the extended timeframe.

The strategy and the concept of the Programme, as approved by the Donor remained unchanged, the programme being focused on key areas able to contribute to the achievement of the overall objective of improving correctional services systems in compliance with relevant international human rights instruments.

6 applications were submitted for financing under the call for the bilateral relations fund (launched on May 27th 2014). Following the approval of these applications by the Cooperation Committee members, six financing contracts were signed for a total amount of approximately 103,000 euro. One of the applications concerns carrying out specific activities by an expert from the Council of Europe with a view to support the work of the Roma Monitoring Committee (approximately 15.000 euro for the period May 2015 - April 2016). The other beneficiaries of the bilateral relations funds were the Ministry of Justice (the Department of International Law and Judicial Cooperation), the National Probation Directorate and the National Administration of Penitentiaries.

The Programme Operator and the Donor Programme Partner cooperated closely in the implementation and monitoring of the programme towards achieving the expected results. Thus, in the reporting period, two Cooperation Committees were organised, as follows: April 22nd 2015, in Strasbourg, and October

30th 2015, in Bucharest. The topics on the agenda of the meetings mainly concerned: progress and evolutions under the programme (management of the programme, status of the projects), the use of the bilateral fund on programme and national level, the plan for the use of the fund for Complementary action, the Plan for Roma Inclusion and the Roma Monitoring Committee.

As regards the pre-defined projects, they are being implemented in partnership with Norwegian project partners (5 projects) and the Council of Europe (1 project), selected based on their specific expertise, competences and experience required for the achievement of the outcomes of the pre-defined projects and of those mentioned in the Memorandum of Understanding.

The cooperation between the Romanian and Norwegian project partners has continued in the framework of the pre-defined projects, representing a premise and an opportunity for ensuring the transfer by the project partners of knowledge, experience and best practice adapted to the peculiarities of the Romanian correctional services system and for the achievement of the Programme's outcomes and outputs.

Other project ideas have been identified by the Project Promoters and discussed in the Cooperation Committee meetings organised in April 2015 and October 2015, during which a preliminary prioritization was made against the existing budgetary allocation.

RO24/PA31 Judicial Capacity-Building and Cooperation

Programme Operator: Ministry of Justice

Donor Programme Partners: Norwegian Court Administration (DA) and the Council of Europe (CoE)

The Programme's outcomes and outputs are expected to be achieved through three predefined projects: predefined project no. 1 „Strengthening the capacity of the Romanian judicial system to face new legislative and institutional challenges”, predefined project no. 2 “Improvement of the Electronic Court Register Information System (ECRIS)”, and predefined project no. 3 „Improving access to justice. An integrated approach with a focus on Roma and other vulnerable groups”.

The predefined project no. 1 is the most advanced, the indicators of the outcome 2 “Increased competence of actors within the judiciary” and of the related outputs being achieved, although there still are remaining activities to be implemented in the next year. Furthermore, as savings were registered in the implementation of the project, the PP discussed and agreed upon with the DPPs to extend the project with one year in order to implement new activities that fall under its objective, and are in line with the outcome of the programme.

The predefined project no. 2 was modified in 2015, in order to mitigate the risks related to its implementation in its initial form, namely the actual revamping and adaptation of the electronic case management system, which could not be undertaken any longer in the framework of the Norwegian Financial Mechanism 2009-2014. The implementation of the project has commenced, and work is in progress (e.g., the study with recommendations is under elaboration, and the procurement procedure for the hardware equipment is ongoing). However, the PP intends to extend the implementation period of the project, beyond the 30th of April, 2016, in order to ensure an adequate timeframe for the endowment component.

Concerning predefined project no. 3, the public procurement procedure for the services necessary to set up the 5 legal assistance offices and to organise the awareness campaign has been re-launched in August, 2015, as the first time no bids were submitted. The current procedure is in the evaluation phase of the bids. As the legal assistance offices must function for no less than 12 months, and the fact that the project, in its current form, has to be finalised by the 30th of April, 2016, in order to ensure the proper timeframe for the implementation of the project, it will be extended with one year until 30th of April, 2017.

Progress towards expected outcomes

➤ Outcome 1 “Improved efficiency of the court systems, including the development of systems for case handling”

Progress has been registered in the implementation of the predefined project no. 2 “Improvement of the Electronic Court Register Information System (ECRIS)” (for details please consult section 3.2). Thus, the outputs and consequently the outcome of the programme are expected to be achieved in 2016. Concerning the outcome custom indicator (*Number of institutions benefitting from the new IT hardware infrastructure – target 400*), the public procurement procedure is currently ongoing.

➤ Outcome 2 “Increased competence of actors within the judiciary”

While several activities still need to be implemented in the related predefined project, significant progress has been registered in 2015, which lead to the achievement of both the outputs, and outcome indicators, and consequently contributing to the achievement of the outcome of the programme.

Thus, the outcome standard indicator has been achieved (*Number of legal professionals trained – target 6000*), as during 2015, over 4.300 legal professionals were trained within the training activities carried out in the framework of the project.

The outcome custom indicator has been also achieved (*Number of judicial institutions with improved technical equipment – target 6*), as IT and technical equipment was delivered to the Superior Council of Magistracy, National Institute of Magistracy, National School of Clerks, Public Ministry, Judicial Inspection and courts of law.

➤ Outcome 3 “Improved access to justice, including for vulnerable persons (e.g. Roma population, victims, minors, other minorities)”

In accordance with the implementation status of the related predefined project, progress has been recorded towards the achievement of the envisaged outputs, and consequently of the outcome. However, the outcome custom indicator (*Number of individuals benefitting from free legal advice (including Roma) – target 1000*), has not been achieved, as the legal assistance offices have not been established yet. The public procurement procedure is ongoing, and the evaluation phase is estimated to be finalised in February, 2016, as three bids were submitted.

Outputs achieved

The outputs and indicators related to the outcome 1 “Improved efficiency of the court systems, including the development of systems for case handling” are expected to be achieved through the predefined project no. 2 “Improvement of the Electronic Court Register Information System (ECRIS)”. Although no indicator has been achieved during the reporting period, progress has been registered as the implementation of the project advances (the elaboration of the study is ongoing, the training activities will be organised in 2016, and the public procurement procedure for this equipment has been launched in November 2015 and is expected to be finished in the first trimester of 2016).

The outputs related to the outcome 2 “Increased competence of actors within the judiciary” are expected to be achieved through the predefined project no. 1 “Strengthening the capacity of the Romanian judicial system to face new legislative and institutional challenges”. As regards the *Output 1 “Legal professionals have increased knowledge”*, the following progress was recorded in the achievement of its related indicators, in the reporting period:

- 3498 court staff and legal professionals were trained on the new legal codes (target 5000);
- 249 court staff and legal professionals have been trained on the ECHR (target 450);
- 107 court staff and legal professionals have been trained on court management (target 200);
- 183 court staff and legal professionals have been trained on alternative dispute resolutions (ADR) (target 200).

Regarding the *Output 2 “Improved technical capacity available to judicial professionals”*, the contracts for the IT and technical equipment and furniture were signed in February 2015. As the courts of law have been endowed with 695 computers, 490 printers and 695 desks with office chairs, leaving aside the other endowments, the output indicator has been achieved in the reporting period (*Number of legal professionals with improved ICT-equipment – target 650*).

Thus, considering the above data, and the data reported for the previous year, the targets corresponding to the output indicators under outcome 2 have been achieved.

Regarding Output 1 “Improved access to (primary) legal aid of the citizens from vulnerable groups, including the Roma community”, related to the outcome 3 “Improved access to justice, including for vulnerable persons (e.g. Roma population, victims, minors, other minorities)”, while the indicator concerning the feasibility study on access to justice for the Roma population was achieved in 2014, progress has been registered concerning the indicator “*Number of para-legal offices established – target 5*”, in the sense that the procurement procedure for contracting the necessary services to set up the 5 pilot legal assistance offices for Roma and other categories of vulnerable citizens, and to organise the awareness campaign has been re-launched in August, 2015, and it is ongoing. As regards the Output 2 “Strengthened knowledge of legal professionals in countering discrimination”, 139 legal professionals were trained in countering discrimination (target – 120), in the reporting period.

Potential risks that may threaten the achievement of the objectives set out in the Programmes (short description)

During the reporting period, the main risk identified concerning the programme is related to the implementation of the predefined project no. 3 „Improving access to justice. An integrated approach with a focus on Roma and other vulnerable groups”. Thus, the procurement procedure for the services necessary to set up the 5 legal assistance offices, and to organise the awareness campaign, was eventually launched on the 7th of April, 2015, after the revision of the tender documentation in accordance with the clarifications requested by the National Authority for Regulating and Monitoring Public Procurement. The deadline for submitting the bids on 21st of May, 2015, yet no bids were submitted.

Following the analysis performed by the PP and the DPPs, the budget of the project related to these activities was modified, along with the terms of reference, by means of an addendum to the financing contract, as a mitigating action. Also, the implementation period was extended until 30th of April, 2016. Thus, the public procurement procedure was re-launched on the 22nd of August, 2015, with the deadline for submitting the bids on 14th of October, 2015. Three bids were submitted and the evaluation phase is estimated to be finalised in February, 2016.

As the legal assistance offices must function for no less than 12 months, and considering that the procurement procedure has been re-launched in August, 2015, and the fact that the project, in its current form, has to be finalised by the 30th of April, 2016, in order to ensure the proper timeframe for the implementation of the project, it will be extended with one year until 30th of April, 2017.

Major deviations from plan

The strategy and concept of the Programme, as approved by the Donor, remain unchanged, the programme being focused on key areas able to contribute to the achievement of the overall objective of creating a fairer and more efficient Romanian judicial system in the context of the enforcement of the new codes. While through the PdP no. 2 was not anymore feasible to actually develop and implement the new electronic case management system, the modified project aims at paving the way for the future developments of such electronic systems at the level of the judiciary, in alignment with e-justice tendencies and standards.

Funds for bilateral relations

Concerning the use of the bilateral fund at programme level, the call has been open for submitting applications on a continuous basis from 30.04.2014 until the last date of eligibility of the predefined projects. The eligible applicants are Project Promoters and donor project partners. The fund has been exclusively set aside for funding activities under measure 3.6.1 b) of the Regulation on the implementation of the Norwegian Financial Mechanism 2009-2014 – *networking, exchange, sharing and transfer of knowledge, technology, experience and best practice between Project Promoters and entities in the Donor States*, including the measure provided in the Programme Agreement regarding the organization of a seminar to present and discuss the conclusions of the feasibility study conducted under predefined project 3.

During the reporting period, five applications have been submitted by the Superior Council for Magistracy and approved for financing. Thus, out of the total allocation of 300.000 Euro, 203.872,94 Euro has been contracted so far (out of which 198.304 Euro in 2015).

RO25 – Poverty Alleviation

Programme Operator: Financial Mechanism Office / Deloitte

The Programme aims at contributing to closing the gap between the most deprived and the rest of the society in Romania, also through bilateral cooperation with key stakeholders from Norway and with strategic international partners to the Norway Grants. The overall Programme budget is 20,000,000 EUR. Roma population and Roma communities are priority topics within the entire programme.

In the last year the projects financed through this programme calibrate their interventions in order to have a better respond to all the challenges faced by the programme target group. On the short term these interventions show that the general picture may be change if the money allocated to this programme are used for sustainable actions within Roma and poor communities. Each financed projects have obtain good results and create the premises to overcoming the programme general indicators.

UNICEF project *“Social inclusion through the provision of integrated social services at community level”* has as goal to delivery at national level of a universal package of preventive social services (health, education, social protection) in an integrated/coordinated way to children and their families in order to reduce the equity gaps and the deprivations children suffer while also reducing the medium and long term costs in the social sector. After an aggressive implementation as a pilot project in Bacau County with the support of local authorities and using an innovative electronic instrument tablet-based software called AURORA (the instrument is used by community workers (social worker and community nurse) to assess, identify, support and monitor vulnerable families) UNICEF succeeded to include several components of the Minimum Package of Services in the National Strategies for Social Inclusion and Poverty Reduction, Child Rights, Health and Education. These Strategies will frame the allocation of national and EU budgets for the next seven years. The Minister of Labor and Social Protection has already prepared applications for using EU funding to expand the Bacau model in a first stage to another 6 counties and to consolidate the evidence for its national scale-up.

Intercommunity Development Association Cluj Metropolitan Area project *“Social interventions for de-segregation and social inclusion of vulnerable groups in Cluj Metropolitan Area, including the disadvantaged Roma”* has as goal to increase community’s participation in the mainstream society, to prepare desegregation and improvement of the housing situation, to enhance access to education, creative development and vocational qualification, to improve access to health care services, improve employment situation, access to social services and improve community security. After only one year of implementation the communities leaving in Pata Rat area increases their participation to the cultural and educational events that occurred into the community. Through a strategic partnership with private companies in Cluj a growing number of residents of Pata Rat have find jobs and increase their integration. The promoter launches a social housing project that could offer the opportunity to pilot integrated housing projects and to be used as best practice cases for the upcoming EU Structural Funds housing schemes, as specially as includes institutional facilitation and capacity building as well. The housing component is strongly correlated with the other components of the project, especially with the employment (professional training and employment in construction work of community members), capacity building on family and individual level, awareness raising.

Salvation Army project *“Community Centre - Armata Salvarii”* has as goal to ensure that the Roma people are provided the means and opportunities required to make a living in their local environment, alleviating the need for them to travel to other countries, thereby making them less vulnerable to the threats posed by moneylenders, traffickers and other exploitation. In the last year of implementation the promoter set up two community centers in Iasi and Ploiesti and removing barriers to the labor market by creating job opportunities for the families connected to the centers. To make the project sustainable, The Salvation Army has establish a small business, SALVATEX, a clothes import and distribution center, based on the Norwegian model of Fretex. Through the project’s second component, participants receive valuable experience in different vocations and earn a basic salary. SALVATEX is a social enterprise based on an

innovative business concept: through vocational rehabilitation, training and employment service, SALVATEX actively help people get back to employment and contribute to a better environment through re-use and recycling. This business social model is new in Romanian environment. The law on social business was officially promulgated in July 2015 and during period 2014-2015 was launch seven calls on social economy financed through European structural funds and a number of 280 projects selected for financing and no assessment on the impact and the sustainability of these financed projects has not be done yet. SALVATEX will be a model of success for other similar actions taking into account that it will benefit from the broadened experience of Norwegian partner.

Romanian Institute for Research on National Minorities project “Socio-graphic mapping of the Roma Communities in Romania for a community-level monitoring of changes with regard to Roma integration” has as goal to contribute in combating the social exclusion of Roma in Romania by providing the tools and developing the capacities necessary for the alleviation of socio-economic inequalities between Roma and the majority population. Despite existent data there is an information gap regarding the socio-economic and fundamental rights situation of the Romanian Roma communities. Relevant and reliable local level data on the status of the communities, their needs and priorities, the structure of the material and human capital is therefore critical for identifying priorities regarding policies and interventions and monitoring progress. After one year of implementation the promotor has already established a systematic data collection mechanism which is crucial for monitoring the implementation and assessing the impact of public policies in the framework of the Strategy of the Government of Romania for the Inclusion of the Romanian citizens belonging to Roma Minority in the forthcoming period (until 2020). The promotor has formed a network of locally based monitors (community focal points) that enables data collection at the local level based on a well-defined set of indicators. The data collection is not done on ad hoc basis, but on a much required sustainable structure and it uses clear quality criteria, precise methodologies, and fidelity of data is monitored through periodical assessments. The network will serve as the basis for the monitoring system at national level but also producing comparable data on EU level. The project has established and trained a network of community focal points at local level, for gathering real-time, relevant and reliable data from Roma communities, in rural and urban areas and for monitoring changes; develop and test a set of indicators for monitoring progress of Roma inclusion at local level. Starting with March 2016 the first data will be already available on project web-site (<http://www.ispmn.gov.ro/page/socioromap---materiale-informative-studii>).

Roma Education Fund (REF) Romania project ‘Ready Set Go!’ - improving early childhood development outcomes for Roma children” has as goal to provide access to high quality early childhood services to young Roma children and to reduce economic and social disparities in the target counties and localities (Mures, Bihor, Salaj, Dambovita, Calaras, Ialomita grouped in two clusters Western cluster and South Eastern cluster).

Operating in 11 localities in six counties in Romania, “Ready Set Go!” reaches over 1000 children under age six and approximately 1000 parents who are participating in this initiative that aims to improve access to quality early childhood services for disadvantaged Roma children living in some of Romania’s most disadvantaged communities. The direct beneficiaries of the project are 560 children and their families, who will be involved in quality educational programs in order for the children to get the best of outcomes during primary school.

Through the project, there will be created and supported 14 new kindergarten places in 11 localities, where children will receive early childhood education services. The “Ready Set Go!” project will start with an infrastructure-related component, consisting in renovating/refurbishing/extending the current kindergarten buildings. Apart from offering education-related services to the children in the selected kindergartens, the project will focus also on additional educational programs, targeting the caregivers of the children in the kindergartens and the communities in which the kindergarten places function.

“Ready Set Go!” project will have a component of material support, to be offered to the families of the children who are enrolled in the kindergartens based on constant participation in the programs of the project.

City of Oslo project “*Strengthening Education and Developing Work and Skills Training*” has as goal to establish good bilateral relations with the relevant municipality and NGO’s in Romania. In this first implementation year, the promoter has succeeded, after a long selection process to sign two partnership agreements with two important local municipalities Craiova and Timisoara. Based on these partnerships, City of Oslo will support the partners into the implementation of two similar small projects focused on increasing school attendance rate and preventing school dropout for children from disadvantaged families by identifying needs, and developing and implementing a model of early intervention in schools and community of Timisoara and Craiova. The commune projects, staff exchanges and field visits are intended to grow cooperation between the two parties and to create prerequisites to develop larger projects.

In the present reporting period, 1 January 2015 – 31 December 2015, after receiving the formal donor approval, the Fund Operator signed 2 more contracts with Promoters, amounting EUR 2,930,000. In the same time 4 addenda were signed and two projects budgets were supplemented with EUR 1,692,000. The programme is financing now a total of 6 projects and is prepared to sign the contract for the 7th one.

Therefore EUR 17,660,661 out of the total allocation of EUR 20,000,000 is already engaged for pre-defined approved projects (EUR 14,192,957 contracted and EUR 3,467,704 allocated for the 7th approved project, in contracting phase).

For the signed projects the Fund Operator has already made payments, amounting of EUR 7,651,132.09, out of which EUR 2,760,332 were made in the reporting period.

4 MANAGEMENT AND IMPLEMENTATION

4.1 Management and control systems

The process of setting-up the Programme Operators’ structures and the management and control systems was finalised in 2014. No major changes to the management and control system occurred in the reporting period. Because the implementation phase has started the capacity of NFP as well as the Programmes Operators has been strengthened accordingly.

4.2 Compliance with EU legislation, national legislation and the MoU

The European, national and the specific regulatory framework of the EEA and Norwegian Financial Mechanisms is complied with at all levels of implementation.

The Programme Agreements and the Programme Implementation Agreements include also provisions aiming at ensuring that national and EU legislation are complied with at all levels during the implementation of the programmes. The same obligations are transferred to project promoters by way of the project contract. Observance of said legislation will be checked during project monitoring and verification.

The EU legislation on state aid is directly applicable in Romania, therefore all grantors have the obligation to comply with its provisions (if applicable). The Romanian Competition Council must ensure that all the conditions regarding state aid granting, monitoring and reporting, including compliance with the accumulation rules, are included in the regulatory/administrative documents which establish state aid measures.

According to the national legislation in force, the Romanian Competition Council monitors the state aid awarded in Romania based on the reports, information and data sent by state aid grantors within set deadlines. The Competition Council keeps and updates the State Aid Inventory, elaborates the Annual State Aids Report, and any other report necessary to fulfilling Romania’s commitments in the field of State Aid as a EU Member state.

Irregularities

During the year 2015, CPA reported the irregularities and suspicions of irregularities to FMO, according with the provisions of the Implementing Regulations, based on the reports on irregularities received from POs.

There were reported, via Doris System, 9 suspicions of irregularities/irregularities and 3 suspicions of fraud for the followings programmes RO02, RO04, RO07, RO10, RO12, RO13, RO14, RO23 and RO24.

5 suspicions of irregularities (IR0273, IR0275, IR0276, IR0337, IR0338) are under investigation by POs, the 3 suspicions of fraud (cases IR0278, IR0282, IR0238) are under investigation by Fight Against Fraud Department (DLAF) and Prosecutor's Offices, 2 suspicions of irregularity (IR0274 and IR0204) are recovered and 2 suspicions of irregularity (IR0203, IR0277) are not confirmed by the PO's control team that investigated them.

In more detail regarding the reported suspicions of irregularities, irregularities and suspicions of fraud:

One suspicion of irregularity for RO02, RO04 and RO07 programmes (case no IR-0277 in DoRIS) was reported by PO based on the CPA findings, and relates to the incorrect estimation of the budget (excessive costs, unreasonable prices) for procurement of the website dedicated to the three programmes; the case was investigated by the General Directorate of Economic and Financial Inspection (DGIEF) from the Ministry of Public Finance and the irregularity was not confirmed (case closed).

3 suspicions of irregularities for RO 10 programme (cases no IR-0203, IR-0204 and IR-0274 in DoRIS) were reported by PO following its own verifications or the CPA findings following the on the spot missions and related to the following:

- possible conflict of interest at the PP partner level ; the suspicion was not confirmed by the PO control team;
- public procurement deviation: the winning offer has been designated with the violation of equal treatment principle established according with the national legislation and a correction has been applied (5% of the contract value) in amount of 6.750,71 euro (grant + cofinancing) which was recovered.
- ineligible expenditure: the costs related to the payment of two experts which were public servants contrary to the contractual provisions; the case was investigated by the GDIEF from Ministry of Public Finance which confirmed the irregularity (the amount of 1.302,04 Euro – grant and cofinancing - was entirely recovered).

One suspicion of irregularity for RO 13 programme (case no IR-0338 in DoRIS) was reported by PO following its own verifications and relates to an unintended error by the authorizing of an expenditure for the project website housing which covered a period of time exceeding the duration of the implementation of the project. The case is under investigation by PO control team and the amount of the expenditure wrongfully incurred is 85,79 euro (grant + cofinancing) and is not recovered yet.

2 suspicions of irregularities for RO14 programme (cases no IR-0275 and IR-0276 in DoRIS) were reported by PO following the CPA findings in on the spot missions and relates to the following:

- ineligible expenditure: unjustified personnel expenditures authorized by the PO in relation to the activities developed by the programme co-manager. The case is under investigations by the PO.
- ineligible expenditure: the audit performed by an independent external auditor which issued a certificate of financial audit without referring to any ineligible expenditure while certain expenditures have been considered by CPA on the spot report as necessary to be further investigated in terms of eligibility. The case is under investigations by the PO.

2 suspicions of irregularities for RO24 programme (cases no IR-0273 and IR-0337 in DoRIS) were reported by PO following its own verifications or the CPA findings in on the spot missions and relates to the following:

- public procurement procedure deviations: PP procurement of IT, technical equipment and furniture and it consists of: the introduction of a restrictive requirement in the tender dossier and the lack of signature by two members of the evaluation commission on the award procedure report. The PO will investigate the suspicion of irregularity.
- public procurement procedure deviations: PP procurement on purchasing support services to organize training activities included in pre-defined projects. The suspected irregularity consists of

starting of a negotiating procedure without prior publication of a contract notice for several services (hotel and restaurant services) that were initially part of the public procurement procedure published by the PP in the electronic system for public procurement and the absence of the following documents of the negotiating procedure without prior publication of a contract notice for hotel and restaurant services (invitation to negotiate, notifications to the unit for Coordination and Verification of Public Procurement, the procurement plan for the predefined projects which includes the position, the estimated amount and the allocated funds for this procedure, minutes of negotiation of the financial offer and contractual clauses/negotiation note, in according to PP procedure). The PO will investigate the suspicion of irregularity.

3 suspicions of fraud for Programmes RO12 (case no IR-0278 in DoRIS), RO13 (case no IR-0282) and RO23 (case no. IR-0238 in DoRIS) were reported by POs following their own verifications and relate to the following:

- infringement of the financing contract: the PP paid certain activities from the financing contract which were not performed. The expenditure wrongfully incurred is in amount of 27.179,76 euro (grant+cofinancing). The case is under investigations by the Fight Against Fraud Department (DLAF) and the Court Prosecutor's Office from Miercurea Ciuc City;
- infringement of the financing contract: the PP did not implement activities according to the project contract, rising suspicion of mismanagement or of double financing. The expenditure wrongfully incurred is 12,083.85 euro (grant+cofinancing). The case is under investigation by the Fight Against Fraud Department (DLAF) and the Court Prosecutor's Office from Botosani County;
- infringement of public procurement legislation: favouring one of the bidders through the incorrect application of qualification and selection criteria/evaluation factors, the unjustified elimination of an offer with a lower price than the winning one, as well as the infringement of the equal treatment and non-discrimination principles through the preferential request for clarifications. There were also noticed deviations from public procurement procedure carried out by partner of the project promoter (the National Penitentiary Administration) regarding the works contract for the modernization of C.F.S.O. Arad – Arad Penitentiary (irregularity component of the suspected fraud). The possible infringements refer to the tender dossier, the evaluation of offers and the financial proposal. The Prosecutor's Office attached to the High Court of Cassation and Justice will investigate and the suspicion of fraud and also the PO will investigate the irregularity component of the case to establish the financial consequences.

The 3 irregularities reported by CPA in 2014 they were reported as "Case closed" during 2015.

4.3 Audit, monitoring, review and evaluation

During 2015, the main activities performed by Programmes Operators have been the signature of the contracts and monitoring and verifications of the implementation of the projects. As such, the NFP carried out a consistent and permanent monitoring of the implementation of programmes through regular monitoring meetings, on-the-spot monitoring missions at PO level, quarterly monitoring reports submitted by POs, reviews of implementation calendars, as well as permanent contact with POs in order to be able to take corrective measures where needed.

Quarterly programme reports submitted by the POs constitute the basis for the discussion of the monitoring meetings organised by the NFP with all POs representatives; each Programme Officer within the NFP performs an analysis of the reports.

The NFP also keeps updated information on the following topics, based on reports from POs: payments made by POs (monthly), implementation of the Fund for Bilateral Relations at Programme Level (quarterly), etc.

In 2015, in addition to above mentioned monitoring activities, the NFP conducted monitoring visits at Programme Operator level, for the verification of progress in programme implementation, financial management and compliance the Regulation and national legislation:

Programme	Programme Operator	Date of the monitoring visit
RO02 - Biodiversity and Ecosystem Services	Ministry of Environment, Waters and Forests	6 to 8 July, 2015
RO04 - Reduction of Hazardous Substances	Ministry of Environment, Waters and Forests	6 to 8 July, 2015
RO05 - Energy Efficiency	Ministry of Economy	March 9, 2015
RO06 - Renewable Energy	The Environment Fund Administration	September 23, 2015
RO07 - Adaptation to Climate Change	Ministry of Environment, Waters and Forests	6 to 8 July, 2015
RO 10 - Children and Youth at Risk and Local and Regional Initiatives	The Romanian Social Development Fund	October 28, 2015
RO11 - Mainstreaming Gender Equality and Promoting Work-Life Balance	Ministry of Labor, Family and Social Protection and Elderly	February 23, 2015
RO12 - Conservation and Revitalisation of Cultural and Natural Heritage	Ministry of Culture	November 3, 2015
RO13 - Promotion of Diversity in Culture and Arts	Ministry of Culture	November 3, 2015
RO14 - Research within priority sectors	National Authority for Scientific Research and Innovation	November 4, 2015
RO19 - Public Health Initiatives	Ministry of Health	24 to 25 March, 2015
RO20 - Domestic and Gender-based Violence	Ministry of Justice	20 to 21 May, 2015
RO21 - Schengen Cooperation	Ministry of Internal Affairs	November 4, 2015
RO23 - Correctional Services	Ministry of Justice	20 to 21 May, 2015
RO24 - Judicial Capacity	Ministry of Justice	20 to 21 May, 2015

The main recommendations issued in the monitoring visits Reports were related to the following aspects:

- Findings and recommendations on the PO's ability to implement and manage the programme in accordance with Donors Regulations.
- Recommendations on financial and accounting activity of the programme
- Recommendations on verification of public procurement
- Communication

The main issues identified were:

- poor management for some PO due to oversized structures or without experience in managing external grants, resulting in delays in programme management activities (verification of PP reports, delays in payments towards projects, delays in reporting, etc.) – Ministry of Environment, Environment Fund Administration,
- delays in the process of verification and authorisation of expenditures at project level – Ministry of Labour, Ministry of Environment, Ministry of Justice,

- delays in the submission of IFRs - Ministry of Labour, Ministry of Environment,
- necessary revisions of financial and accounting procedures and reduction of processing time of applications for pre-financing received from project promoters;
- lack of clear allocation of functions in the process of expenditure authorisation according to Romanian legislation;
- lack of capacity in applying the national legislation in the field of irregularities;
- necessary improvements in the PO procedures for the verification of public procurement conducted by project promoters;
- inconsistencies in the elaboration of project contracts;
- delays in the implementation of Audit Authority recommendations;
- communication and publicity issues, such as necessary updating the website of the programmes, etc.

4.4 Information and publicity

According with the NFP's responsibilities stipulated in the Regulations on the implementation of the EEA and/or Norwegian Financial Mechanisms 2009-2014 and with the Annex 4 of these regulations, during the reporting period the following main activities were implemented:

- Production of promotional materials;
- Press releases
- Regular posting of relevant information on the website, regarding news and events, including press releases;
- Monitoring missions at the level of Programme level, which include verifications on the compliance with the Programme communication plan and Regulation requirements
- Monitoring visits at projects' level (sample), which include verifications on the compliance with the communication plan and Regulation requirements

All these main activities respect the general objectives of the NFP Communication Strategy which are to:

- Ensure recognition of the role and results of the EEA Financial Mechanism and of the Norwegian Financial Mechanism;
- Support the strengthening of the bilateral relations between the Donor States and Romania;
- Inform target groups about funding opportunities that Romania can benefit from EEA and Norway Financial Mechanisms, about objectives, conditions and benefits upon completion;
- Support optimum use of these funds.

1. Production and distribution of promotional materials

In order to promote the priority areas within the EEA & Norway Grants in Romania, in March 2015 the NFP signed a contract for producing promotional materials.

The materials were produced in a total amount of 4.000 pieces (pens, notebooks, planners, backpacks, umbrellas, etc) and distributed to target groups.

2. Press releases

After the launching conferences or other significant events organised within the programmes and projects, as well as following project visits, the NFP has issued a number of 22 press releases and news, posted on its website.

Also, the NFP website contains all information regarding the annual meeting, the monitoring committees for the EEA & Norwegian Grants, the strategic reports, etc.

Important news and events are also published on the website of the Ministry of European Funds www.fonduri-ue.ro, the main information source for non-reimbursable funds in Romania.

The NFP also performs daily on-line press monitoring.

3. Posting of relevant information on the website, regarding news and events, including press releases

The NFP website was updated with all the events regarding the activities about launching of projects, about visiting the projects on site, monitoring committees for the EEA & Norwegian Grants and other important news regarding the implementation of the projects. All these information are both in Romanian and English version.

4. On-the-spot monitoring visits

In order to coordinate properly the informational and publicity activities, the NFP communications officers have participated in all programme and project level monitoring visits, conducting specific verifications on the correct implementation of the Communication and Design Manual and to advise on any problems occurring during implementation.

Also, NFP has followed-up the fulfilment of the requirement related to the development of Programmes dedicated websites, launching events, seminars, leaflets and press releases for the programmes. The promotional materials produced on each programme are designed by the PO together with the NFP.

Activities which will be implemented in the next period

In accordance with the Communication Strategy and based on the extension approved by the Donors, the following activities will be implemented in the next period:

- ✓ Continuing to uploads data on the website
- ✓ Verifications at programme and project level regarding compliance with communication requirements
- ✓ Press releases
- ✓ Promotional materials – a second brochure will be produced in order to present the best examples of supported projects, providing pictures and short interviews of the beneficiaries
- ✓ Publicity campaign
- ✓ Conference focusing on the programmes' implementation.

The NFP will continue to respect all the obligations from the Regulations and the Annex 4.

Information and publicity activities implemented by the Programme Operators

All the POs have ensured an appropriate level of communication through project launching events, press releases and posting information on the Programme/projects website, NFP website and eeagrants.org.

All the POs have set-up dedicated websites/webpages for the Programmes, constantly updated with relevant information.

Assessment of the results of the communication and publicity activities

Based on the above, the NFPs assessment is that the communication and measures undertaken have ensured an appropriate level of knowledge regarding the Grants both for potential applicants and the general public.

As the Grants are progressing in terms of results achieved, the impact and interest raised by communication activities will become more significant.

4.4 Work plan

In 2016, the main activities in programmes will be related to implementation of projects (monitoring, verification of expenditure, payments, etc) and the finalization for a part of them.

The NFP will continue the monitoring of programmes through quarterly progress reports, meetings with POs, etc. In addition, the NFP will conduct monitoring visits at the level of selected projects, for the verification of progress in their implementation.

<i>Activity</i>	<i>Implementation period</i>
Meetings between NFP and Programme Operators	Quarterly or as needed
Meetings NFP - each Programme Operator on programme specific issues	As needed
Preparation of the Annual Programme Reports by the Programme Operators, verification by NFP	February 2016
Preparation and submission of the Strategic Report	March 2016
Monitoring Committee meeting	September 2016
Selection of projects	RO 10 - February for call PLUS As needed – based on savings
Evaluation, selection and contracting of applications under the second call of the Bilateral Fund at National Level	January – December 2016
Annual Meeting on the EEA and Norway Grants	June 2016
Modifications of Programme Agreements	RO10 – February 2016, RO11 – February 2016 RO19 – March 2016, RO20 – February 2016 RO23 – February 2016, RO24 – February 2016 As needed
Cooperation Committee meetings organised by the Programme Operators	As established by the Programme Operators
Information activities: press releases, information seminars, final conferences, etc.	As established by the Programme Operators or the National Focal Point

Moreover, the NFP will conduct monitoring visits at the level of selected projects for the verification of progress in projects implementation. A plan setting out the monitoring of the projects for the coming reporting period is presented in Attachment 6. In addition, the Audit Authority plans to organise some audit missions presented also in Attachment 6.

As to financing, a considerable increase in payments at the level of projects and programmes alike is expected.

5 SUMMARY LIST OF ISSUES AND RECOMMENDATIONS

During 2015, the NFP monitored closely the implementation of Programmes, through quarterly reports, monitoring visits and technical meetings with the Programme Operators. The aim of these regular meetings organized by the NFP is to discuss main issues, problems and the implementation status at the programmes level. Quarterly, the Programme Operators submitted monitoring reports which serve as a monitoring tool also for the monthly meetings.

The Programmes Operators took measures for conducting adequate monitoring of project implementation and speeding up administrative procedures connected with the verification of interim reports and disbursement of payments at the level of project, as well as implementation of project activities.

A very important measure ensuring the achievement of results was the approval of extension of the period for implementation for most projects to 30 April 2017.

The process of **public procurement** remains the most important issue hindering project implementation, due to the difficulty in applying the provisions of the Romanian specific legislation. The revision of the Romanian legislation in the field of public procurement, in line with new EU Directives, will take place in 2016.

Another issue to be followed-up closely is the **functioning and staffing of the PO structures**, especially in Programmes registering a low progress in implementation.

The full use of the allocation available under the Programmes is an important issue for the Romanian authorities. Thus, the NFP and POs keep a close monitoring of **savings** recorded at Programme and project level in order to maximise the use of available funds and increase results.

Progress continues to remain low for the implementation of the funds for bilateral relations at programme level, which amount to a significant overall budgetary allocation, despite increased monitoring of this aspect. The separate allocation of bilateral allocation at programme level should be eliminated in the future programming period.

ATTACHMENTS TO THE STRATEGIC REPORT

1. For each Programme, a table showing the breakdown in respect of applications received and projects selected / contracted, as well as types of intervention supported – Attachment 1;
2. For each Programme, a table providing information in respect of donor partnership projects (names of Donor State entities, number and proportion of partnership projects) - Attachment 2&3 ;
3. A summary table on Donor partnership projects on the Beneficiary State level – Attachment 2&3;
4. A list of irregularities detected at the Beneficiary State level and at Programme level during the reporting period and financial corrections made. Provide an update on previously reported irregularities – Attachment 4;
5. For each Programme, a list of irregularities detected at project level during the reporting period and financial corrections made. Provide an update on previously reported irregularities – Attachment 5
6. A plan setting out the monitoring and audit activities in the Beneficiary State for the coming reporting period – Attachment 6;
7. A risk assessment at the national level - Attachment 7;
8. Report on Roma target - Attachment 8;
9. Overview of Predefined Projects – Attachment 9;
10. Overview of activities under the Fund for Bilateral Relations at National Level – Attachment 10;
11. Overview of activities under the Fund for bilateral relations at the level of programmes – Attachment 11;
12. Disbursements and payments –Attachment 12;
13. TA report 2015 - Attachment 13;