

ANNUAL MEETING 2012 MINUTES

Date: **Friday, April 27th 2012**
Venue: **Ministry of Finance**
Address: **Suur-Ameerika 1, Tallinn**
Time: **14:15 – 16.00**

High level meeting on the EEA and Norway Grants 2004-2009 and 2009-2014

The high level session of the Annual Meeting was opened by Mr Ivar Sikk with an introductory round of participants and adoption of the agenda.

Main topics discussed EEA and Norway Grants 2004-2009

Ms Ülle Lobjakas gave an overview of the completion reports of the EEA and Norway Grants 2004-2009.

By the commitment deadline of 30th of April 2009, 100% of available funds i.e. EUR 30,75 millions had been committed. Altogether 31 projects, three Block Grants and the Technical Assistance Fund were implemented. By the completion 30th of April 2011 94% of the total funds available i.e. EUR 28,87 millions had been used. Out of the unused 6%, only 0,1% were unused due to irregularities. The usage of the funds in the priority area of Environment Protection and Sustainable Development was 89%, in Cultural Heritage respectively 99%, in Health and Childcare 92%, in Schengen Aquis 100%, in Regional Policy 95%. The Regional Development Block Grant used 93% of the total committed funds, the NGO Fund and the Transfer of Knowledge Block Grant respectively 98% and 96%. The Technical Assistance Fund had used 65%. In conclusion, one of the most important lessons learned was the need for a more focused approach to measure the impact.

Mr Steinar Hagen from the Norwegian Ministry of Foreign Affairs started by expressing appreciation for the work that had been done by the Estonian Focal Point and mentioned the excellent results and completion rate of the Grants in Estonia for the last period. The donors also mentioned that the late receipt of the ARs gave little time for preparations of the meetings. He then commented that since it was the last annual meeting of the EEA and Norway Grants 2004-2009, it was important to make some conclusive remarks. Since spring 2004, it had been possible for Estonia and the donor countries to act in joint interests and really strengthen the bilateral relations. There were three areas with most noticeable impact – cultural heritage, health and childcare and environment. The regional development under the block grants and the Grants contribution to the NGO sector were also given special mention. Mr Steinar Hagen also said that the way of handling the grants was efficient in spite of limited capacity and in general the donors were pleased with the overall implementation and with the reports. 94% of usage of the funds was very high and indicated that the funds had been instrumental to reduce economic and social disparities, but there was still a

need to see the impact. So if possible, the impact of the EEA and Norway grants 2004-2009 should be evaluated and documented.

Mr Ivar Sikk also said that the 2004-2009 period of the EEA and Norway Grants showed good results and that the right projects were chosen for financing.

Next, the steps for finalization and closure of the EEA and Norway Grants 2004-2009 were introduced by Mr Falk Lange. The formal closure will be in the form of an exchange of letters between the donors and Estonia. The letters are being prepared by the FMO and Estonia will probably be one of the first countries to finalize the 2004-2009 period of the grants.

Main topics discussed EEA and Norway Grants 2009-2014

Ms Jana Silaškova gave an overview of the status of the preparation of programmes and also the preparations for the implementation of the EEA and Norway Grants 2009-2014. The start of preparation was right after signature of the Memoranda of Understanding, the beginning of June 2011. Despite of delays, the first programme proposal was submitted on the 9th of February 2012 and altogether four programmes were submitted on time. The last programme was submitted on the 4th of April 2012. All the programmes are under appraisal and requests for additional information are being replied to.

The Focal Point has been preparing for the implementation by forming the Monitoring Committee for the 2009-2014 period, the initial meeting of which was on the 27th of April 2012, also by preparing the description of the management and control systems of the Focal Point on the basis of the management and control systems of the Managing Authority of the Structural Funds, by writing the communication strategy, organizing a festive launch and signing the Technical Assistance Agreement on the 20th of April 2012.

Mr Steinar Hagen said that the signing ceremony of the Memoranda of Understanding provided a good starting point for the new period, focusing on quality and reaching objectives. The strategic reports will be the main tools to measure the progress of reaching objectives, done by 15 countries in a coherent way and on time. The conclusions of all 15 strategic reports will be outlined in the Annual Report on the Grants, which will be distributed widely. Ms Kristin Svedrup added that the strategic reports would be the most important tools, documenting achievements, being analytical and strategic and formed at the right level. In order to ensure the good quality of the strategic reports, the FMO reporting team is planning training sessions for the Focal Points in autumn 2012.

Mr Steinar Hagen added that the new period provides a more focused approach by funding 32 programme areas introduced by the Blue Book. He also mentioned that the total amount to Estonia had been increased and that since all the programmes in Estonia have a Donor Programme Partner (DPP), the strategic approach can be even more stimulated. There are two issues concerning the submitted programme proposals:

- 1) The co-financing. The general requirement is a grant rate of 85%, but since many programmes suggested a higher grant rate, discussions will follow on each programme separately. It was stressed that co-financing is important to assure ownership and the co-financing requirements in the legal framework must be followed. The issue of co-financing at programme level was specifically raised.
- 2) The pre-defined projects. Again, each case will be discussed separately whether a pre-defined project is justified or whether it should be an open call instead. The main issue is that open calls make up the main approach of the EEA and Norway Grants. Furthermore, proposals for pre-defined projects require good justifications and stakeholder consultations and must be in compliance with public procurement.

Mr Falk Lange added that in general, all the submitted programmes were of good quality, and in addition to the issues addressed by Mr Steinar Hagen, there was also a question regarding the gender programmes – whether the two should be implemented jointly or not in order to lower the level of management cost. Since the PO is the same for the two programmes, it could be a possibility.

Ms Ülle Lobjakas raised a question concerning the co-financing requirements – whether the donors prefer co-financing on the programme level or rather on project level. Since some programmes consist of projects that are being implemented by the state, it is not reasonable to double the costs for the state budget. Ms Kristin Svedrup commented that co-financing on programme level was preferred, but the discussions would follow on each programme separately. There will definitely be a requirement to add co-financing on the programme level to the research programme. Mr Sikk said that in the research programme there should also be co-financing on the project level in order for the project promoters to feel that they are contributing. The issue will be further discussed with the programme operators.

Mr Steinar Hagen also briefly mentioned that there was an undersubscription of funds for the Global Fund for Decent Work and Tripartite Dialogue. This programme received only three applications in Estonia with a smaller requested amount than available, so the following proceedings will be up to Innovation Norway.

Following the discussions on the programmes, the bilateral relations were discussed. Ms Jana Silaškova gave an overview of the activities done so far with the help of the Bilateral Fund at National Level – meetings with donor programme partners, content seminars and study trips to Norway. After the approval of the programmes, a more strategic approach will be taken. The topics proposed so far have been the cooperation at municipal level, promoting democratic values for the youth and a research management conference. The issue was also discussed by the Monitoring Committee and the deadline for more proposals was set to 21st of May 2012.

Mr Steinar Hagen underlined the Donors' interest in the regional and municipal cooperation and the potential to address a number of sectors under this umbrella.

The proposed research management conference would be a broad-ranging initiative where the Programme Operator would be able to convey its experiences of cooperation to a wider audience. The Donors were positive to the idea but expressed that it should rather be financed from the Bilateral Fund of the research programme.

Ms Kristin Svedrup commented that in order to prepare the work plan of the Bilateral Fund at National Level, the guideline for bilateral relations as well as the regulations should be followed. Since activities can be done in relation to all of the 32 programme areas, the fund is really broad-based and flexible. The most important thing is to agree on priorities and this is what the work plan should reflect. Further consultations on the Bilateral Funds will take place at a later stage.

Ambassador Grevstad commented that co-operation at regional level could be a key word and umbrella for the Bilateral Fund at National Level. There are many programmes that can link to that – Children and Youth at Risk, Manor Schools etc. An example of good co-operation between Estonian and Norwegian regions is the co-operation between Pärnu and Buskerud, which has existed since 1991. The co-operation started from development aid that has led to exchange of experience in different sectors now. The two could share their experience at a conference, by introducing best practices and brainstorming for new ideas. A sector that could develop the co-operation further is coastal area development in terms of business, tourism, infrastructure etc. since Estonia and Norway are both coastal nations.

Mr Steinar Hagen said that the ideas for the Bilateral Fund at National Level should be further discussed before the submission of the work plan. Since the proposals from the Monitoring Committee will be submitted by the 21st of May 2012, the discussions should follow that deadline.

Next, Ms Ülle Lobjakas introduced the risk assessment done by the Managing Authority of the Structural Funds, which was done for the 2007-2013 period of the Structural Funds. The Focal Point followed the same risk assessment and defined risks that could appear during the implementation of the EEA and Norway Grants 2009-2014 as well. The most important risks are public procurements, the sufficiency and quality of monitoring of the system, monitoring of results and communication. As risk mitigation the system of monitoring of the Structural Funds is constantly being improved and best practices can be taken over for the EEA and Norway Grants. Also in communication it is planned to use the expertise of the Structural Fund's communication expert in order to ensure good quality and clear distinction of the two financing mechanisms.

Mr Steinar Hagen took note of the risk assessment in the current status report and encouraged the Focal Point to make a wider and more detailed assessment of the risks for the coming period, both related to the overall situation and with regard to each individual programme. It was also added to the risk assessment that one of the disadvantages of the Estonian Focal Point was the limited quantity of personnel, though working at good quality. Since in the 2009-2014 period the reports will be needed on time and of good quality, it is necessary to assess the available capacity of the personnel. The technical Assistance Fund is available for recruiting more staff.

Mr Ivar Sikk replied that the message was received and that necessary assessments will be made. It will be assessed whether there is a need for more administrative staff or should the Focal Point use more expertise in the different fields, e.g. public procurements, state aid, etc.

After that, Ms Jana Silaškova gave an overview of the communication activities. The biggest communication activity of the Focal Point was organisation of the Festive Launch of the EEA and Norway Grants 2009-2014, which was a very successful event as the interest among the target groups was big. Also, the Communication Strategy of the Focal Point was submitted on the 13th of April 2012. The next bigger activity planned is restructuring of the www.eeagrants.fin.ee website.

Mr Steinar Hagen agreed that the Focal Point's website should be restructured in order to be more user-friendly. The website should be a portal to information on the Grants in Estonia and it was emphasized that it needs to have all required content in Estonian and English. The website should also contain a complaint mechanism. In addition to that, the two domain names www.eeagrants.ee and www.norwaygrants.ee should be acquired. Focal Point's remark: this has been done – the two domain names have been acquired, both revert to www.eeagrants.fin.ee.

Mr Falk Lange added that the submitted Communication Strategy was being assessed by the FMO. If anything is missing, the Focal Point will be contacted, if not, the strategy will be sent to the donors for approval.

Ms Jana Silaškova gave an overview of the indicative plans for the next period. The most important thing is to get all the programmes approved and starting of the actual implementation. The Focal Point will be busy with preparing its management and control systems and adapting existing legal framework so that it would provide a correct legal basis for implementing the Grants in Estonia. Also initiatives for bilateral relations will be dealt with and restructuring of the www.eeagrants.fin.ee website will be done.

Mr Steinar Hagen raised a question concerning the deadline for the submission of the description of the management and control systems and Ms Ülle Lobjakas replied that this should be done by the second half of June.

Finally it was agreed that Ms Jana Silaskova would prepare the minutes of the meeting within two weeks' time and that the next Annual Meeting will take place in May 2013 as strategic reports will have to be submitted by the end of March.

Annex 1
Agenda of the annual meeting

Annual Meeting for the EEA and Norway Grants 2004-2009 and 2009-2014
High level meeting Agenda

27 April 2012

Ministry of Finance, Tallinn, Estonia

- 14:30-14:40 Introduction of participants and adoption of the Agenda
- 14:40-14:55 Donors' general feedback to the Completion Reports of the EEA and Norway Grants 2004-2009
- 14:55-15:15 Overview of the implementation of the EEA and Norway Grants 2004-2009
- Individual projects
 - Block grants
 - Commitments and disbursements
- 15:15-15:30 Steps for finalization and closure of the EEA and Norway Grants 2004-2009
- 15:30-15:45 Donors' general feedback to the Status Report of the EEA and Norway Grants 2009-2014
- 15:45-16:05 State of play of the EEA and Norway Grants 2009-2014
- Preparation of programmes
 - Preparation of the implementation of the Grants
 - Initiatives for strengthening bilateral relations
 - Risk assessment
 - Publicity and communication
 - Indicative plans for the next reporting period
- 16:05-16:15 Conclusions

Annex 2

List of participants

	Name	Organisation	Position
1	Mr Steinar Hagen	Norwegian Ministry of Foreign Affairs	Deputy Director General
2	Mr Daniel Gimenez	Norwegian Ministry of Foreign Affairs	Higher Executive Officer
3	Mrs Lise Kleven Grevstad	Norwegian Embassy	Ambassador
4	Mrs Piret Marvet	Norwegian Embassy	Programme Officer
5	Ms Kristin Svedrup	Financial Mechanism Office	Head of Country Unit
6	Mr Falk Lange	Financial Mechanism Office	Senior Country Officer Estonia
7	Mr Ivar Sikk	Ministry of Finance	Deputy Secretary General of Fiscal Policy
8	Mr Karl-Erik Tender	Ministry of Finance, State Budget Dprtm	Deputy Head of Department
9	Mrs Helio Siitam	Ministry of Finance, European Union Payments Dprtm	Head of Department
10	Ms Kärt Kõljalg	Ministry of Finance, European Union Payments Dprtm	Financial Specialist
11	Mrs Mariliis Männik-Sepp	Ministry of Finance, Financial Control Dprtm	Head of II Audit Unit
11	Ms Ülle Lobjakas	Ministry of Finance, Structural and Foreign Assistance Dprtm	Adviser
12	Ms Jana Silaškova	Ministry of Finance, Structural and Foreign Assistance Dprtm	Chief Specialist