



## **ANNUAL MEETING ON THE EEA AND NORWEGIAN FINANCIAL MECHANISMS**

Thursday 6, June 2012

Venue: Ministry of Finance, Vilnius  
Conference Room 331  
10.20 – 14.30 h

### **MINUTES**

#### Norway:

Mr. Anders Erdal, Co-Chairman, Director General, Norwegian Ministry of Foreign Affairs,  
Ms. Torill Johansen, Senior Adviser, Norwegian Ministry of Foreign Affairs,  
H.E. Mr. Leif Arne Ulland, Ambassador, Norwegian Embassy,  
Ms. Inga Aalia, Officer for the EEA/ Norway Grants and Political, Norwegian Embassy.

#### Financial Mechanism Office (FMO):

Mr. Rune Vistad, Head of Sector,  
Mr. Stein Mona, Senior Country Officer.

#### Lithuania(LT):

Mr. Rolandas Kriščiūnas, Co-Chairman, Vice-minister, Ministry of Finance, National Focal Point (NFP),  
Ms. Audronė Nikšaitė, Head of International Financial Assistance Coordination Division, Ministry of Finance, NFP,  
Ms. Aušra Baliukonienė, Director of National Fund Department, Ministry of Finance, Certifying authority (CA),  
Ms. Aušra Nausėdienė, Head of International Financial Assistance Expenditure Declaration Division, National Fund Department, Ministry of Finance, CA,  
Mr. Jonas Vaitkevičius, Head of International Audit and Financial Control Methodology and Monitoring Division, Internal Audit and Financial Control Methodology Department Ministry of Finance, Audit Authority (AA),  
Ms. Edita Bačkieriuotė, Chief Specialist of International Financial Assistance Coordination Division, Ministry of Finance, NFP,  
Ms. Gita Šematovičiūtė, Chief Specialist of International Financial Assistance Coordination Division, Ministry of Finance, NFP,  
Ms. Lina Kliukienė, Chief Specialist of International Financial Assistance Coordination Division, Ministry of Finance, NFP,  
Ms. Ieva Stanaitytė, Chief Specialist of International Financial Assistance Coordination Division, Ministry of Finance, NFP,

Ms. Simona Židonytė, Chief Specialist of International Financial Assistance Coordination Division, Ministry of Finance, NFP,  
Mr. Vytautas Tamašauskas, Chief Specialist of International Financial Assistance Coordination Division, Ministry of Finance, NFP,  
Ms. Džilda Grybaitė, Chief Specialist of Internal Audit and Financial Control Methodology and Monitoring Division, Internal Audit and Financial Control Methodology Department, Ministry of Finance, AA,  
Mr. Inesis Kiškis, Director of European Union Assistance Administration Department, Ministry of Environment (MoE), Programme Operator (PO),  
Ms. Eglė Grinevičienė, Chief specialist of European Union Funds Management Division, European Union Assistance Administration Department, MoE, (PO),

## **OPENING OF THE MEETING**

The Co-Chairman Mr. R. Kriščiūnas opened the meeting by welcoming everybody and making a few introductory points. Mr. R. Kriščiūnas proposed proceeding with discussion according to the Agenda.

### **Development of management and control system and programmes**

Ms. A. Nikšaitė shortly introduced main legal acts and procedures adopted during the reporting period and up to date, the management and control system, the separation of functions of the designated authorities inside the Ministry of Finance (more detailed information is provided in the Slides No.3-7, Annex 1).

Mr. A. Erdal noted that Lithuania was among the first countries to sign the Memorandums of Understanding (MoUs) and to start implementation of the new period of the EEA and Norway Grants. He highlighted the fact that the majority of the programmes had Donor Programme Partners (further – DPPs) which indicated the interest of Lithuania in continuing and developing the bilateral cooperation with the Donor States. Mr. A. Erdal pointed out that national management and control system of the implementation of the Grants 2009-2014 must be in place and the report of its compliance assessment must be submitted to the FMO before the Donors approve the programmes.

Mr. A. Erdal also remarked that the FMO had received almost all programme proposals, but a concern from the Donors' side was the huge proportion of pre-defined projects in the proposals and that the most of those pre-defined projects were not mentioned in the MoUs and were not in line with the overall principal for project selection of the Regulations. He also stressed that open calls are very important for the donors and that only in specific cases would the donors approve pre-defined projects that were not mentioned in the MoUs.

Mr. R. Kriščiūnas commented that the NFP assent that pre-defined projects were a sensitive question for the Donors and that the legal framework allowed pre-defined projects only in exceptional cases, but the definition of the exception itself was not clear. In the NFP's opinion, firstly it is important to agree on the desired results of the programmes and only then decide on the best ways how to achieve them, taking in to consideration value for money. Mr. R. Kriščiūnas also remarked that competition was not always the best way to achieve the desired results. It is more important to begin with creation of a general framework of policy for certain areas rather than use competition when even sustainability of achieved results might be at question. Mr. R. Kriščiūnas noted that to the NFP's opinion, pre-defined projects versus open calls method depends on the

content and particularity of the programme area and suggested to discuss this issue while discussing specific programmes.

Mr. A. Erdal noted that the donors had some flexibility, but at the same time they had to stick to the MoUs and Regulations, so they would not make many exceptions from the general rule that open calls are a priority. Mr. A. Erdal agreed to start talking about each programme and the possibilities to combine pre-defined projects and open calls together.

### **Programme LT02: Integrated Marine and Inland Water Management**

Ms. A. Nikšaitė shortly introduced main information about the programme "Integrated Marine and Inland Water Management". She pointed out that this programme proposal was referred back for revision as not being in line with the MoU and Regulations. She also noted that the NFP had recently sent a request to the FMO to modify the MoU by deleting the specific concern regarding activities in the Baltic sea for this programme.

Mr. I. Kiškis explained that given the current knowledge about the environmental marine problems and the fact that another project related to the Baltic Sea environmental management was being currently implemented in Lithuania using EU funds, there were no realistic possibilities to expand marine related activities within the programme proposal without the risk of double funding or inefficient use of resources. However, in the programme proposal the MoE proposed activities most of which were oriented towards the Baltic sea indirectly, i.e. proposed action for management of inland water would have positive impact on the Baltic sea. While talking about emissions from ships Mr. I. Kiškis noted that the misunderstanding might have occurred in what was meant by the emissions from the ships - i.e. was it emissions to the air or to the water. He pointed out that if it meant air emissions, there were no activities possible to implement in this field at the moment and modification of the MoU by taking out the specific concern is requested. Mr. R. Vistad confirmed that in the MoU the specific concern meant the emissions from the ships to the air.

Mr. A. Erdal stressed that the programme proposal consisted of one pre-defined project which covered 100 percent of the entire programme and that this was not in line with the Regulations. Mr. I. Kiškis added that the Ministry of Environment was thinking about dividing one pre-defined project into two smaller ones.

Mr. A. Erdal remarked that the Donors had received the request to amend the MoU only a day before the Annual Meeting and needed more time to analyze all the information and arguments before taking a decision regarding the proposed modification of the MoU.

### **Programme LT03: Biodiversity and Ecosystem Services**

Ms. A. Nikšaitė introduced the status of the programme "Biodiversity and Ecosystem Services". She pointed out that recently the evaluation experts visited the PO to assess the programme.

Mr. A. Erdal noted that this programme proposal included three pre-defined projects which were not mentioned in the MoU and that the biggest hesitation was related to the project "Nature Schools in Protected Areas" which was not sufficiently justified.

Mr. R. Vistad pointed out that the report of the experts would be prepared and sent to the FMO in two weeks and the FMO would assess it as fast as possible. In case of positive report the FMO would proceed with the approval of the programme. If there would be any negative remarks, the FMO would consult with the PO how to remedy the shortcomings in the programme proposal.

#### **Programme LT04: Fund for NGOs**

Ms. A. Nikšaitė shortly introduced main information about the programme "Fund for NGOs". Mr. A. Erdal noted that the FMO had chosen the operator for the programme - Human Rights Monitoring Institute and that the programme was planned to be approved this summer. Mr. A. Erdal also pointed out that the Donors would like to see 10 % co-financing contribution by project promoters at the project level.

Mr. R. Kriščiūnas noted that the NFP supports the idea of 10 % co-financing contribution.

#### **Programme LT05: Children and Youth at Risk**

Ms. A. Nikšaitė informed that the report prepared by the external expert with the negative opinion about the content of the programme had been received by the Ministry of Social Security and Labour (operator of this programme). The Ministry of Social Security and Labour did not agree with the opinion expressed by the expert and provided additional arguments to the FMO regarding the chosen implementation measures.

Mr. A. Erdal remarked that the Donors were aware of the different opinions of the PO and the expert. The Donors are waiting for the conclusions of the appraisal and will then make a decision. Mr. A. Erdal also noted that the donors would like to see 10 % co-financing contribution by project promoters at the project level.

Mr. R. Kriščiūnas noted that the possibility by project promoters to provide 10 % co-financing contribution in this programme would to be checked by the NFP.

#### **Programme LT06: Conservation and Revitalization of Cultural and Natural Heritage**

Ms. A. Nikšaitė introduced the status of the programme "Conservation and Revitalization of Cultural and Natural Heritage".

Mr. A. Erdal noted that this programme proposal was very good and was on the finale stage for approval.

#### **Programme LT07: Promotion of Diversity in Culture and Arts within European Cultural Heritage**

Ms. A. Nikšaitė introduced the status of the programme "Promotion of Diversity in Culture and Arts within European Cultural Heritage".

Mr. A. Erdal noted that this programme proposal was also very good and was on the finale stage for approval.

#### **Programme LT08: EEA Scholarships**

Ms. A. Nikšaitė introduced the status of the programme "EEA Scholarships". Ms. A. Nikšaitė noted that the programme proposal was received by the NFP but rejected as the set-up of the programme was not in line with the Regulations. The PO is redrafting the programme and asked to extend the

deadline for submission. The NFP would shortly submit a request to the FMO for more time to prepare the programme proposal.

Mr. A. Erdal pointed that the FMO was flexible regarding time issue but encouraged to speed up the process.

### **Programme LT09: Green Industry Innovation**

Ms. A. Nikšaitė introduced the status of the programme "Green Industry Innovation".

Mr. A. Erdal noted that this programme proposal was very good and was on the finale stage for approval.

### **Programme: Global fund for Decent Work and Tripartite Dialogue**

Ms. A. Nikšaitė introduced the status of the programme "Global fund for Decent Work and Tripartite Dialogue" (more information is provided in the Slide No. 9, Annex 1).

### **Programme LT10: Capacity-building and Institutional Cooperation between Beneficiary State and Norwegian Public Institutions, Local and Regional Authorities**

Ms. A. Nikšaitė introduced the status of the programme "Capacity-building and Institutional Cooperation between Beneficiary State and Norwegian Public Institutions, Local and Regional Authorities". The programme proposal contained four pre-defined projects but three of them were mentioned in the MoU.

Mr. A. Erdal noted that there were some issues regarding two pre-defined projects and that this programme needed further discussions. According to Mr. A. Erdal, Norwegian Police Directorate was ready to continue the discussion with the Lithuanian Project Promoter how to develop the cooperation within this project. Mr. S. Mona expressed the wish to speed up the discussion process and to come up with the final project proposal as soon as possible.

Mr. A. Erdal inquired whether Lithuanian side was still interested regarding the project related to the state owned enterprises. Mr. R. Kriščiūnas commented that the NFP would check the latest situation.

### **Programme LT11: Public Health Initiatives**

Ms. A. Nikšaitė introduced the status of the programme "Public Health Initiatives".

Mr. S. Mona noted that although experts evaluated the programme, there was still some issues that should be cleared out.

Mr. A. Erdal remarked that the donors would like to see 10 % co-financing contribution by the project promoters at the project level.

Mr. R. Kriščiūnas noted that possibility by the project promoters to provide 10 % co-financing contribution in this programme should be checked by the NFP.

## **Programme LT12: Schengen Cooperation and Combating Cross-border and Organized Crime, including Trafficking and Itinerant Criminal Groups**

Ms. A. Nikšaitė shortly introduced main information about the programme "Schengen Cooperation and Combating Cross-border and Organized Crime, including Trafficking and Itinerant Criminal Groups".

Mr. A. Erdal noted that this programme contained two pre-defined projects not mentioned in the MoU, but in this case the Donors could see the reasoning behind this, given the fact that the type of programme.

## **Programme LT13: Judicial Capacity-building and Cooperation**

Ms. A. Nikšaitė shortly introduced main information about the programme "Judicial Capacity-building and Cooperation".

Mr. A. Erdal noted that this programme contained three pre-defined projects not mentioned in the MoU, and that due to specificity of this area the Donors might acknowledge the need for such projects.

## **Programme LT14: Correctional Services, including Non-custodial Sanctions**

A. Nikšaitė introduced the status of the programme "Correctional Services, including Non-custodial Sanctions". R. Kriščiūnas informed that the NFP would submit a request to extend the period of programme preparation in the nearest future.

Mr. A. Erdal asked to speed up the process of programme preparation and also noted that as this area was also very specific, the pre-defined projects could be eligible under the programme depending on comprehensive justification.

## **NATIONAL BILATERAL FUND**

Ms. A. Nikšaitė introduced the proposed set-up of the National Bilateral Fund and preliminary priority areas for co-operation (more information is provided in the Slides No. 11-14, Annex 1).

Mr. A. Erdal noted that the Donors were interested in exchange of experience on the decommissioning of the Ignalina Nuclear Power Plant, in the follow-up of the Norwegian chairmanship of the Baltic Sea Council, especially the issues of the trafficking and pollution in the Baltic sea area, in the municipal cooperation on the best practices for local democracy, in the exchange between the parliaments, common activities during Lithuania's EU presidency, and activities also in the field of road safety. Also Iceland was interested in co-operation in the areas of renewable energy, cultural heritage and exchange, scholarships and research, gender and other issues.

Ms. T. Johansen asked the NFP to co-operate with the Norwegian Embassy on distinction of priority areas of the National Bilateral Fund and on the creation of administrative mechanism. Also Ms. T. Johansen mentioned that on 10-12 September 2012 the FMO is planning to hold a seminar on the risk management and good governance and asked the NFP to make the fund available for the representatives of related Lithuanian institutions to be able to participate in this event.

Ms. A. Nikšaitė noted that after the Annual Meeting the NFP would organize the meeting with the Norwegian Embassy and with other stakeholders to finalize the priority list of the activities and to develop administrative procedures.

#### **OTHER ISSUES**

Mr. A. Erdal noted that during the new period of the Financial Mechanisms a bigger responsibility would be placed on the national level therefore additional risk would appear on the Donors' side. The Donors are currently engaged in risk management work and are undertaking efforts both to estimate risk at the highest level as well as planning for prevention measures. Mr. A. Erdal pointed out that the NFP would have an important role in the risk management process together with the POs. The Donors will soon publish a risk management strategy. In the meeting organized by the FMO for the NFPs on 28 June 2012 the risk management issue would also be discussed in more detail.

#### **UPDATED WORK PLAN FOR THE NEXT REPORTING PERIOD**

Ms. A. Nikšaitė shortly introduced an updated work plan on further development of the management and control system, preparation and implementation of programmes, audit, monitoring and evaluation activities, information and publicity (more information is provided in the Slides No. 15-18, Annex 3).

Mr. A. Erdal was satisfied with the proposed work plan for the next period and expressed a wish to create a joint website as soon as possible.

Mr. S. Mona reminded that the NFP should send drafts of programme implementation agreements to the FMO before signing programme agreement.

Also Mr. A. Erdal informed that the Strategic Reports prepared by the NFP were considered approved.

Mr. R. Kriščiūnas thanked everybody for participation in the meeting as well as for constructive discussions and closed the meeting.

#### **DECISIONS TAKEN:**

Strategic Reports on the Implementation of the 2009-2014 EEA and the Norwegian Financial Mechanism in Lithuania were approved.

#### **FOLLOW\_UP:**

NFP will arrange a meeting with the Royal Norwegian Embassy and with other stakeholders to finalize the priority list of the activities and set-up of the National Bilateral Fund.

#### *Enclosures:*

Annex 1: Presentation “EEA and Norwegian Financial Mechanisms 2009–2014 in Lithuania”.