



ANNUAL MEETING ON THE EEA AND THE NORWEGIAN FINANCIAL MECHANISMS 2009-2014

Wednesday, 9 April 2014

Venue: Ministry of Finance, Vilnius
Conference Room 331
14.30 – 16.30 h

MINUTES

Donor countries:

Mr. Steinar Egil Hagen, Co-Chairman, Head, Section for Central Europe and the EEA Financial Mechanisms, Norwegian Ministry of Foreign Affairs,
Ms. Ingrid Susanne Farner, First Secretary, Royal Norwegian Embassy,
Mr. Angantýr Einarsson, Financial Counsellor, Icelandic Mission to the European Union, Member of the Financial Mechanism Committee,
Mr. Hans O. Langaker, Norwegian Ministry of Foreign Affairs,
Ms. Inga Aalia, Political Officer for the EEA/ Norway Grants, Royal Norwegian Embassy.

Financial Mechanism Office (FMO):

Mr. Falk Lange, Senior Country Officer,
Ms. Michaela Lednova, Senior Sector Officer,
Ms. Thea B. Syversen, Trainee.

Lithuania (LT):

Mr. Aloyzas Vitkauskas, Co-Chairman, Vice-Minister, Ministry of Finance, National Focal Point (NFP),
Ms. Audronė Nikšaitė, Head, International Financial Assistance Coordination Division, Ministry of Finance, NFP,
Ms. Aušra Nausėdienė, Head, International Financial Assistance Expenditure Declaration Division, National Fund Department, Ministry of Finance, (Certifying Authority (CA)),
Mr. Jonas Vaitkevičius, Head, Internal Audit and Financial Control Methodology and Monitoring Division, Internal Audit and Financial Control Methodology Department, Ministry of Finance, Audit Authority (AA),
Ms. Inesa Šumskienė, Chief Specialist, International Audit and Financial Control Methodology and Monitoring Division, Internal Audit and Financial Control Methodology Department, Ministry of Finance, AA,
Ms. Džilda Grybaitė, Chief Specialist, International Audit and Financial Control Methodology and Monitoring Division, Internal Audit and Financial Control Methodology Department, Ministry of Finance, AA,
Mr. Donatas Skara, Chief Specialist, International Financial Assistance Expenditure Declaration Division, National Fund Department, Ministry of Finance, CA,

Ms. Eglė Vilčinskaitė, Chief Specialist, European Union Assistance and Cash Funds Accounting Division, State Treasury Department, Ministry of Finance, PA,
Ms. Lina Kliukienė, Chief Specialist, International Financial Assistance Coordination Division, Ministry of Finance, NFP
Ms. Laurita Kazickienė, Chief Specialist, International Financial Assistance Coordination Division, Ministry of Finance, NFP,
Ms. Ieva Stanaitytė, Chief Specialist, International Financial Assistance Coordination Division, Ministry of Finance, NFP,
Ms. Simona Židonytė, Chief Specialist, International Financial Assistance Coordination Division, Ministry of Finance, NFP,
Ms. Indrė Žemaitienė, Chief Specialist, International Financial Assistance Coordination Division, Ministry of Finance, NFP,
Mr. Bronius Verkauskas, Chief Specialist, International Financial Assistance Coordination Division, Ministry of Finance, NFP.

OPENING OF THE MEETING

Mr. A. Vitkauskas opened the Meeting by welcoming everybody and making a few introductory points. The Co-chairmen agreed proceeding with the discussion according to the Agenda.

Status of Strategic Reports

Ms. A. Nikšaitė informed that the Strategic Reports on Implementation of the Mechanisms in Lithuania (2013) were discussed at the Monitoring Committee (MC) Meeting on 7 April 2013. The MC sustained assessment of the progress of the Mechanisms' implementation provided in the Strategic Reports by the NFP and highlighted time-related risks as most critical to the successful implementation of the programmes due to cumulative delays and complexity of the system. In addition to the time-related risk mitigation measures at national level, the MC suggested initiating discussions with donors with regard to extension of the project eligibility period.

Mr. S. Egil Hagen remarked that the Strategic Reports for 2013 were comprehensive and revealed a good strategic approach and informed about their approval. He also pointed out that the donors do not foresee any extension of the project implementation period, except in some research programmes. Considering that a little more than two years are left for the implementation of the programmes, Mr. S. Egil Hagen highlighted importance to accommodate and implement all relevant measures to ensure that all the planned activities are as much as possible completed during the remaining time.

Status of Programme Implementation

Ms. A. Nikšaitė briefed on the status of the LT programmes and main problems encountered during the reporting period. By the end of 2013, all 12 Programme Agreements and Programme Implementation Agreements were signed, some progress in implementation was achieved, however, delays were evident in most programmes. The main issues encountered during the reporting period, which delayed the start of the actual implementation of the programmes, were longer than expected preparation and approval of the call documents as well as insufficient quality of project applications. Due to initial cumulative delays and also taking into consideration expected complexity of the procurements in projects with investment component or season-dependent project activities, time-related risks are most critical to the completion of the projects till the set deadlines and consequently, successful implementation of most of the LT programmes (more detailed information on the status of the programmes is provided in Slide No.5-8, Annex 1).

Mr. S. Egil Hagen suggested reconsidering all possible means to speed up the process of programme implementation and finding solutions on how to mitigate the risk of time.

Mr. F. Lange remarked, that as the position of the donors on the extension of the project eligibility deadline was not favourable, the efforts should be concentrated on re-evaluating the situation in terms of management and reorganising the project activities with the view to finalise projects by the deadline.

Mr. A. Vitkauskas pointed out that the programmes are oriented to the results but not to the processes and quality of results depends much on time. The lack of time could lead to low quality and incomprehensive results; therefore, the NFP would expect that in case programmes face serious problems during implementation stage and extension is requested, the donors will assess each such case individually.

Mr. S. Egil Hagen reminded that as a number of amendments to Annex B of the Memoranda of Understanding ((hereinafter - MoUs) were agreed by the parties, the amendment procedure should be finalised by officially approving the amended text of the MoUs. Ms. A. Nikšaitė pointed out that in the nearest future the NFP would send accordingly adjusted text of the MoUs for official approval.

Mr. S. Egil Hagen also informed that a meeting with LT04 NGO fund operator was held to discuss programme implementation process. He briefed that the Fund was being implemented successfully and received a huge interest of potential applicants.

Bilateral Relations

Ms. A. Nikšaitė presented the information on the approved and potential partnerships at all levels of the mechanisms. She noted, that 9 out of 12 programmes operated by the Lithuanian Programme Operators (PO) were being implemented with the Donor Programme Partners from Norway, 8 pre-defined projects were already known to be implemented with Norwegian partners and 1 pre-defined project - with Icelandic partner. Compulsory donor partnership requirements are planned in cultural exchange, scholarships, local and regional authorities' capacity building programmes. Other programmes (e.g. green industry innovation, restoration of cultural heritage or development of services for children and youth at risk) prioritize partnership projects during application appraisal - as a consequence of such approach almost a third of the total number of the applications received under open calls till date of Annual Meeting involved partners from donor states (more detailed information is provided in Slide No. 9-12, Annex 1).

Presenting the status of the National Bilateral Fund (hereinafter – the NBF) Ms. A. Nikšaitė highlighted that the reimbursement scheme measure was not requested as much as it was expected up to date - only very small amount was used out of EUR 70,000 available. After having assessed the future funding demand from this measure, the NFP suggested reallocating the major part of unused compensation scheme funds to other activities under the NBF, e.g. pre-defined projects, and making respective amendments to the NBF work plan. Financing of possible co-operation between Vilnius University (Institute of International Relations and Political Science) and the Norwegian Institute of International Affairs and extension of project “Gender Equality Implementation in Research Institutions: Collaborative Approach” were mentioned.

Mr. S. Egil Hagen noted that donors were pleased to see how the NBF was used for financing activities related to the Lithuanian Presidency of the EU Council. Also he pointed out, that donors welcome the proposal to change the NBF work plan as discussed and suggested formalizing it by exchanging letters.

Horizontal Concerns

Ms. A. Nikšaitė presented the information on implementation of horizontal concerns at grants and programmes level (more detailed information is provided in Slide No. 14, Annex 1)

Mr. S. Egil Hagen stressed that horizontal concerns, such as good governance, focus on anti-corruption anti-fraud activities, tolerance, human rights, freedom of speech and multicultural understanding are very important for the donors and were well reported in the Strategic Reports and revealed proper LT attention to it.

Risk Management

Ms. A. Nikšaitė introduced the risks identified by the NFP in implementation of the mechanisms and planned mitigation measures (more detailed information is provided in Annex 1).

Mr. S. Egil Hagen noted a proper attention of the LT side to the risk identification, assessment and mitigation. Also he noted that a full draft Report on Corruption Risk Filtering was recently sent to the NFP and the donors/FMO were expecting the NFP comments on the Report and information about any mitigating actions planned to be undertaken in response to the recommendations indicated in the Report.

DECISIONS TAKEN:

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

FOLLOW_UP:

1. The NFP will send to the donors/FMO the adjusted text of the annexes B of the MoUs for official approval.
2. The NFP will send to the donors/FMO the amended work plan of the NBF for approval.
3. The NFP will provide the donors/FMO with comments on the draft Report on Corruption Risk Filtering together with the information on mitigating actions planned to be undertaken in response to the recommendations indicated in the Report.

Enclosures:

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