



EEA and Norwegian Financial Mechanisms

2014-2021

3rd Annual Meeting

Minutes

15 March 2022

The 3rd Annual Meeting of the EEA and Norwegian Financial Mechanisms 2014-2021 in Cyprus was held on the 15th of March 2022 via videoconference. The list of participants at the meeting is attached as **Annex 1**.

1. Combined Strategic and Annual Programme Report

The Donors expressed their satisfaction for the sufficient quality of the Combined Strategic and Annual Programme report and were pleased to see that that recommendations from last year's Annual Meeting were addressed. It was noted however that for future reports the Donors would like to see in the Report more elaboration and details on the results achieved by the projects and to link the narrative part to the planned results framework. They also noted that the NFP should continue to have close contact with the FMO for the preparation of the Report. Finally, the Report was approved by the Donors.

2. Progress of the Programme and Risk Assessment

The National Focal Point/Programme Operator (NFP/PO) gave an update of the 12 projects implemented under the "Local Development and Poverty Reduction" programme (attached as **Annex 2**) and the donors expressed their satisfaction for the progress of the projects.

It was noted that, according to the Risk Assessment and Mitigation Analysis the overall risk of the "Local Development and Poverty Reduction" programme is marked as medium to low, as the risks identified are not very high and the mitigation and intervention measures are monitored closely by the PO.

Due to Covid-19, some of the project promoters (PPs) had to modify the timeframes of their project activities so their project implementation end date is met. However, for the PDP 3 "Digitalizing the Museum of Cyprus", this was not possible, so a three months extension was granted by the PO so as to accommodate delays due to the pandemic (until end of January 2024).

As far as the PDP 5 "Cyprus Reception Centre for Unaccompanied Minors", is concerned, it was noted that there are significant delays. Contrary to what was initially anticipated, the available building could not be renovated but had to be demolished. In view of this, the construction of a new building on the space of the old one was considered to be the best option by the PP. However, after reviewing the cost of constructing of the new building which will be much higher than the grant allocated to the Project, as well as the time needed for construction which is estimated after April 2024, this option was not considered feasible by the PO.

In order to overcome this problem, a meeting is called by the head of the NFP/PO to take place on the 28th of March 2022 with a number of competent Ministries, in order to find an alternative building which can be renovated within the budget and time frame of the project. After the meeting, the NFP will inform the Donors/FMO accordingly.

The Donors informed that the FMO plans to carry out a system audit of the “Local development” programme in the first half of 2022. The FMO will keep the National Focal Point and the Programme Operator informed about the audit.

3. Progress of the Active Citizens Fund, Decent Work-Social Dialogue Programme and Funds for Youth Employment and Regional Cooperation

The Civil Society programme, with the two pre-defined projects, the “Home for Cooperation” and the “Centre for Visual Arts and Research”, is progressing well despite the pandemic and it was noted that both projects started reporting on their first results.

The Programme Implementation Agreement of the Active Citizens Fund was signed in May 2021. The first open Call was launched in August 2021 and closed in November 2021, with 54 applications received, 5 of which included partners from the donor states and 19 included bi-communal partnerships. The project selection process is expected to be finalized in April 2022 and the implementation period of the projects is expected to start in June 2022. The Fund Operator plans to launch one more final call for bilateral initiatives in the second quarter of 2022.

As far as the Social Dialogue and Decent Work Programme is concerned, no project applications were received following the launch of the first two open calls and a restrictive call for proposals. However, in the third call two applications were received. The selection process started and it is expected that the final decision will be concluded by 31 March 2022.

The FMO also presented the progress made under the Funds for Youth Employment and Regional Cooperation.

4. Bilateral Cooperation

The NFP presented the main outcomes from the 3rd meeting of the Joint Committee for Bilateral Funds (JCBF) which took place ahead of the Annual Meeting.

It was noted that two of the four approved bilateral initiatives have been completed and for the other two, which have been delayed due to Covid-19, an extension up to the end of 2022 was approved by the Committee.

Four new bilateral initiatives were also presented at the JCBF, with the Committee preliminary approving three of them until some conditions are fulfilled, including obtaining Lichtenstein’s consent, whose representative was not present at the meeting, and it will be made via a written procedure.

The Donors expressed their concern for the current situation in Europe and the unfolding humanitarian crisis from the invasion of Russia to Ukraine and encouraged the use of bilateral funds to help Ukrainian refugees as per letter from the Chair of the Financial Mechanism Committee.

The NFP noted that the Cyprus Government has officially expressed its readiness to receive 2500 Ukrainian refugees in Cyprus and within this framework, a possibility to use some bilateral funds to address the refugee crisis caused by Russia's invasion of Ukraine will be considered, in consultation with the Cyprus Ministry of Foreign Affairs.

5. Management and Control Systems

The NFP noted that a systems review of the Management and Control Systems (MCS) for the NFP and PO was carried out by the Audit Authority in 2021. Furthermore, in accordance with the MCS of the PO, verification for the 12 PDPs was performed by the external audit firm.

The Donors noted their concern on the accuracy of the forecasts of likely payments submitted by all the NFPs and requested the Cyprus NFP to prepare and submit realistic proposals for the likely payments.

The importance of monitoring and following up of any irregularities that might occur during the implementation and payment processes was also noted.

Finally, it was mentioned that a workshop for the Certifying Authorities and Audit Authorities will be organised in June 2022 in Brussels.

6. Communication Plan

The NFP noted that in order to implement the Communication plan, it proceeded with contracting an external service provider. The Contract with the successful tenderer was signed on 14 March 2022. It was noted that the service provider will proceed with creating short individual videos of all the projects implemented under the Programme, where they will be posted in the NFP's social media and website, organising and promoting two events (mid-term and closing events) in cooperation with the NFP, upload/share relevant information and news on the NFP's social media (Facebook, Instagram and LinkedIn), as well as creating an electronic booklet at the end of the programme period featuring all the final results of the projects.

Furthermore, the NFP launched in February 2022 an updated version of its website for the EEA/Norway Grants (<http://www.eeagrants.gov.cy>). This website will be updated with information from the NFP/PO and the PPs.

The Donors expressed their satisfaction with the updating of the NFP website and the NFP plans to be more active on social media.

They also noted the importance of the good cooperation of the NFP with the FMO and the Norwegian Embassy in Athens on communication issues.

The Norwegian ambassador in Athens has emphasised the importance of communication now, that this is crucial time to communicate the results and different stories.

The next communication workshop for the National Focal Points and the Embassies will take place in June 2022 in Athens and there it will be a great opportunity for exchanging ideas.

7. Main Conclusions

- The Combined Strategic and Annual Programme Report was approved.
- There is a good progress in most of the PDPs and bilateral initiatives.
- Regarding the progress of the PDP 5 - “Cyprus Reception Centre for Unaccompanied Minors” a meeting will be held on the 28th of March 2022 and the NFP will come back to the Donors/FMO with more details.
- Forecasts of likely payments should be as accurate as possible when submitted.