

# Strategic Report in 2018

## National Focal Point – Portugal

Iceland  
Liechtenstein  
Norway grants



According to Article 2.6 of the Regulation on the implementation of the European Economic Area Financial Mechanism 2014-2021 (EEA FM 2014-2021), the National Focal Point (NFP) shall submit to the FMC an annual strategic report on its implementation. The present report follows the template provided by the FMO on 8 February 2018.

## 1. Status of programmes

The Memorandum of Understanding (MoU) on the implementation of the EEA FM 2014-2021 was signed between Iceland, Principality of Liechtenstein, Kingdom of Norway and Portuguese Republic on the 22<sup>nd</sup> May 2017 with the following implementation framework:

	<b>The Portuguese Republic</b>	<b>EEA FM contribution</b>	<b>National contribution</b>
	<b>Programmes</b>		
1	Blue Growth Innovation and SMEs	€38,000,000	€6,705,882
2	Work-life Balance and Gender Equality	€6,000,000	€1,058,824
3	Environment, Climate Change and Low Carbon Economy	€24,000,000	€4,235,294
4	Cultural Entrepreneurship, Cultural Heritage and Cultural Cooperation	€9,000,000	€1,588,235
5	Civil Society	€11,000,000	N/A
	<b>Other allocations</b>		
	Technical Assistance to the Beneficiary State (Art. 1.10)	€1,540,500	N/A
	Reserve (Art. 1.11)	€3,403,000	N/A
	Reserve for completion of projects FM 2009-2014 (Art. 1.12)	N/A	N/A
	Fund for bilateral relations (Art. 4.6.1)	€2,054,000	N/A
	<b>Net allocation to Portugal</b>	<b>€94,997,500</b>	<b>€13,588,235</b>

With the exception of the Civil Society Programme operated by the FMO and managed by a Fund Operator selected through an open tender, the Programme Operators (PO) for the remaining agreed Programmes were designated in the MoU.

Before the signature of the MoU, by 9 May 2017, the NFP promoted a workshop to the to be designated Programme Operators to outline next steps on the preparation of Programmes.

The first working meetings with FMO and DPPs for the kick-off of the programme's preparation started immediately after the MoU signature (23.5.2017 - Blue Growth Innovation and SMEs; 01.06.2017 - Cultural Entrepreneurship, Heritage and Cooperation; 26.06.2017 - Environment,

Climate Change and Low Carbon Economy and 03.07.2017 - Work-Life Balance and Gender Equality).

The tender for the selection of the Fund Operator for the Civil Society Programme was launched by the FMO by 5<sup>th</sup> July 2017 and by 29<sup>th</sup> November 2017 the Calouste Gulbenkian Foundation in consortium with the Bissaya Barreto Foundation was appointed as Fund Operator of the Active Citizens Fund (ACF) in Portugal.

Stakeholders consultations with facilitation of FMO were promoted in the summer 2017 (between the end of June and the beginning of August 2017) and for the ACF by 30<sup>th</sup> January 2018. Extended discussions and contributions were collected with some programmes promoting additional on line consultations (Blue Growth, Innovation and SMEs and ACF).

In a joint initiative with Innovation Norway, the NFP promoted a Workshop on State Aid for the POs in Lisbon 17 October 2017. National authorities with State Aid notifications attributions and Innovation Norway provided training on state aid related issues, mainly relevant to the Blue Growth, Innovation and SMEs and Environment, Climate Change and Low Carbon Economy. The Workshop was attended by about 50 participants from the Programme Operators teams and from the Certifying Authority.

The first drafts of the concept note were exchanged between the POs and the FMO/Donor Programme Partners (DPP) by August and September 2017. By early November 2017 it was clear and widely consensual that the original timeline for the formal submission of the concept notes in 6 months from the signature of the MoU would be with advantage disregarded in order to ensure quality at this early stage.

Drafting of concept notes has demanded extended exchange of drafts and drafting meetings between PO/FMO/DPP. The description of pre-defined projects has also received extensive support by dedicated meetings and/or conference calls between the PO/DPP and the designated projects promoters. The NFP has been following closely discussions and supporting Programme Operators in the discussion and revision of drafts.

The drafting process for the ACF started immediately after the stakeholder's consultation in the end of January 2018.

Except for ACF, a more detailed status on the agreed programmes is presented below:

#### **A - Blue Growth Innovation and SMEs**

With the objective to increased value creation and sustainable growth, the Blue Growth, Innovation and SMEs Programme covers 3 Programme Areas (i) Business Development, Innovation and SMEs, (ii) Research and (iii) Education, Scholarships, Apprenticeships and Youth Entrepreneurship.

With a such a broad and ambitious approach, the PO (Directorate General for Maritime Policy – DGPM) benefits from four DPP to support its design and implementation and that can foster expertise in all the 3 Programme Areas covered: Innovation Norway (IN), Icelandic Centre for Research (RANNIS), Research Council of Norway (NFR) and Norwegian Centre for International Cooperation in Education (SIU).

The indicative appropriation between the different Programmes Areas (PA) were stated in MoU (approximately 70% for Business Development, Innovation and SMEs and 30% for the remaining

PA). Discussions over the drafting of the concept note has shown that there is a consensus for the allocation for the Business Development component to fall slightly below 70% for the reinforcement of the Research and Education components of the Programme.

To encourage cooperation between research institutions and SMEs, in order to facilitate commercialization of innovative ideas, products and processes, as stated in MoU, projects will be given additional score if they are dedicated to develop user driven research base innovation and the development or implementation of green solutions, involving strong partnerships and bilateral cooperation between Beneficiary State and Donor States institutions.

To ensure synergies with the Environment, Climate Change and Low Carbon Economy Programme, as stated in the MoU, resource efficiency in maritime sector is addressed in an extensive joint approach aiming to contribute to the current global threat that marine litter poses to the Oceans. An open call under the outcome of Business Development, Innovation and SMEs dedicated to the promotion of blue business greening and development is considered.

The experience of DGPM in the previous EEA FM 2009-2014 has been crucial and the drafting of the concept note was able to achieve a high level of maturity on the main priorities, for which the good contribution of the four DPP involved was very relevant.

In accordance with Article 4.6.4 of the Regulation, the PO applied for the extraordinary advance payment from the Fund for Bilateral Relations (FBR) in the total amount of €50.000 to cover activities during the development of the programme. This request was submitted by the NFP 27 November 2017 and granted by the Donors by mid-December 2017.

The PO will focus on strategic bilateral actions which could contribute to the increase of trade relations and business cooperation between Donor countries and the beneficiary country. The collaboration includes the development of new multi-disciplinary research teams and graduate training courses that will contribute to develop a R&I cooperation trademark for Atlantic research and innovation. The aim is to foster the transfer of scientific knowledge to the economic and business sector. The planned initiatives include several meetings with regard to Pre-defined projects. It is intended to establish contact between the project promoters and the potential project partners.

In accordance with article 8.10.8 of the Regulation, the PO applied for the extraordinary advance payment towards cost related with the preparation of the programme, for the total amount of € 159,375. This request was submitted by NFP to the FMO on 19 February 2018.

## **B - Work-life Balance and Gender Equality**

The Programme Work-life Balance and Gender Equality covers 3 PA (i) Work-life balance, (ii) Domestic and Gender-based Violence and (iii) Good Governance, Accountable Institutions, Transparency. According with the MoU the programme shall focus on gender equality and work-life balance, with special concern on research, local development and social cohesion.

At a very early stage the PO (Commission for Citizenship and Gender Equality - CIG) and the DPP (The Norwegian Equality and Anti-Discrimination Ombud - LDO) very easily found common ground for the drafting of the concept note which enabled for a swift drafting process.

The Programme aims to build on the results of the previous programme financed through EEA Grants 2009-2014 in Portugal - **PT07: Mainstreaming Gender Equality and Promoting Work-life Balance**. Knowledge produced under the previous programme enabled a better understanding of the reality and guided public policy adjustments.

The Programme aims to address the main gender inequality issues faced by Portugal with a focus on work-life balance, gender pay and pension gaps, governance tools like sex disaggregated data systems, gender segregation in education and occupations, local and municipal gender policies, domestic and gender-based violence (DGBV) and women's participation in decision making.

Work-life balance issues will have the major allocation on the Programme with approximately 50% of the funding available which is consistent with funding gaps identified in the area.

As considered in the MoU the Programme explored the possibility of pre-defined projects in the areas of gender equality and work-life balance with the focus on 1) gender pay gap; 2) national data systems to promote work-life balance and gender equality 3) gender mainstreaming in education and vocational training.

In accordance with Article 4.6.4 of the Regulation, the PO applied for the extraordinary advance payment from the Fund for Bilateral Relations in the total amount of € 50.000 to cover activities during the development of programmes. This request was submitted by the NFP to the FMO in 19 February 2018.

In accordance with article 8.10.8 of the Regulation, the PO applied for the extraordinary advance payment towards cost related with the preparation of the programme the total amount of €83.244. This request was submitted by the NFP to the FMO in 19 February 2018.

### **C – Environment, Climate Change and Low Carbon Economy**

The Programme aims at improving the environmental status in ecosystems and reduce adverse effects of pollution and other human activities. It will cover 2 Programme Areas (i) Environment and Ecosystems and (ii) Climate Change Mitigation and Adaptation.

The special concerns of the programme in the MoU (Circular Economy in the building sector, living labs for low carbon cities and National Network of Biosphere Reserves) translate in a strong focus on innovative approaches, in particular from private business. Innovation Norway as DPP can play an important role in the implementation of the Programme. The Programme can also benefit from the exchange with Donor States' entities with a more sector/policy base that can be supported through allocations from the Fund for Bilateral Relations.

To ensure synergies with the Blue Growth, Innovation and SMEs Programme, resource efficiency in maritime sector is addressed in an extensive joint approach aiming to contribute to the global threat that marine litter poses to the Oceans. An open call under a dedicated outcome in the programme is considered.

The General Secretariat for the Ministry for the Environment (SG AMB) is the designated Programme Operator. With a wide and diverse scope, the Programme can benefit from the management experience of SG AMB that hold a horizontal competence within the Ministry of Environment and the expertise in managing the national Environmental Fund ensuring complementarity.

In accordance with article 8.10.8 of the Regulation, the PO applied for the extraordinary advance payment towards costs related with the preparation of the programme the total amount of €50.844. This request was submitted by the NFP to the FMO in 2 March 2018.

## **D – Cultural Entrepreneurship, Cultural Heritage and Cultural Cooperation**

The Programme aims at social and economic development strengthened through cultural cooperation, entrepreneurship and heritage.

The special concerns of the programme in the MoU directs the Programme to focus on the role that arts, culture and cultural heritage play in local and regional development with emphasis on employment, social inclusion and cohesion, on cultural entrepreneurship, on cultural heritage management, preservation and conservation and on audience development and cultural activities in education. This instrumental role that Heritage and Arts can play on local and regional development have been extensively highlighted in the stakeholder's consultations and on the drafting process by the Programme Operator (Cultural Strategy, Planning and Assessment Bureau – GEPAC).

The main challenge on the programme design has been to address two different cultural scopes (heritage and arts) under the same umbrella. Due to the different nature of measures that can be funded under each outcome safeguarding of cultural heritage will proportionately demand a higher appropriation.

On the safeguarding of coastal cultural heritage is being taken into account under the support of safeguarding of tangible and intangible cultural heritage. The maximum level of funding available from the total eligible expenditure of the programme for infrastructure (hard measures) will be identified in the concept note after the design of the open calls that aim to support projects anchored in tangible measures in order to ensure impact of the funding.

The Directorate for Cultural Heritage (RA) is the designated DPP and has been fully involved in the programme design in either outcome. The Arts Council of Norway (ACN) has been, as foreseen in the MoU, also involved in the preparation of the programme and expectations of further involvement in the implementation of the Programme have been regularly highlighted.

To ensure the aim set in MoU more than 20% of the total eligible expenditure of the programme is being set aside for cultural cooperation and exchange between the Donor States and Portugal.

The NFP and the Programme Operator are finalizing the plan to ensure adequate programme management capacity of the Programme Operator.

## **2. Progress by the Joint Committee on Bilateral Funds**

Immediately after the signature of the MoU on the 22<sup>nd</sup> May 2017 a kick-off meeting for the establishment of the Joint Committee for the Bilateral Funds (JCBF) was held between National Focal Point, the Norwegian Ministry for Foreign Affairs, the Norwegian Embassy and the FMO. This preliminary meeting was a good opportunity to discuss on the setting up of the Fund for Bilateral Relations (FBR) Agreement and the JCBF and were a joint aim of a full implementation stage for 2018 was stated.

By 12 January 2018 the NFP presented the appointed members of the JCBF a first draft for the Work Plan to be discussed at the first formal meeting that was conveyed for 6 February, in Lisbon (adopted minutes attached).

Several initiatives are identified in draft the Work Plan for priority areas (Business Development, Joint Research and Innovation, Disaster Prevention and Preparedness, Employment, Social Inclusion and Poverty reduction, Public Health, Justice System and Correctional Services) in order to start discussions on the use of the FBR.

In summary on the first meeting of the JCBF it was concluded that:

1. A revision of the draft WP should be prepared by the NFP considering the following:
  - Further details on the possible initiatives in priority areas after consultations with the potential promoters and Donor Partners and with clear tangible results in each area – beyond the exchange and networking activities;
  - A detailed section describing the open calls following the discussed approach considering (i) a broad approach in order to reach the potential candidates (ii) minimum grant amounts able to take on board the different proposals; (iii) different periods to the open call with cut-off dates for applications; (iv) clear priorities identified for focused support of initiatives;
  - Estimative budget by Programme Operators on possible expression of interest for the allocation of additional funds;
  - the NFP allocation for initiatives where no other promoter can be identified to be considered in the non-allocated budget.

A revised draft Work Plan should be adopted in the next JCBF after further comments from the designated members and comments received from discussions in the Annual Meeting to be held in 19 April 2018.

Several initiatives eligible for the FBR allocations on programmes took place between the summer 2017 and spring 2018 mainly on matchmaking meetings and study trips on identified partnerships in pre-defined projects. Programme Operators have plans to promote bilateral activities beyond matchmaking events for possible projects partners.

As reported above, the PO for Blue Growth, Innovation and SMEs and Work-Life Balance programmes applied for the extraordinary advance payment for the FBR and have planned activities for 2018.

### **3. Management and Control System**

After internal consultations with the designated authorities, by 22 November 2017 the NFP submitted to the FMO a description of the Management and Control Systems in accordance with Article 5.7.1 of the Regulation.

By 1 February 2018 the FMO has sent a list of comments and additional information for which the NFP provided input by 2 March 2018.

The NFP will start the support the set up the Programme Operator level in articulation with the Certifying and Audit Authorities before summer 2018, in order for ensure that the Programme Operators submit a detail description of the management and control systems at programme level.

### **4. Communication**

In accordance with Annex 3 of the Regulation, the NFP submitted a Communication Strategy to the FMO by 22 November 2017.

The presence of EEA Grants Portugal in social media networks started in May 2017, and since then the NFP have been ensure a daily presence.

This presence translates into the publication of news, activities and also retweets and likes to other entities such as EEA Norways Grants.

Since November, EEA Grants has increased the number of followers as can be seen in the next table:

<b>Social Media Followers</b>	<b>November 2017</b>	<b>March 2018</b>
<i>Facebook</i>	1091	1535
<i>Twitter</i>	26	87
<i>Linkedin</i>	14	78

The NFP is developing a new joint website (NFP+PO's) for the EEA FM 2014-2021 that is expected to be online by the end of the first semester 2018.

The NFP has also promoted the dissemination of the EEAGRANTS in different meeting or events (v.g. Economic and Social Council, information events for funding opportunities, etc.).

The NFP has agreed with PO's to hold monthly meetings since the beginning of 2018 and shared the communication strategy for support in the development of the Programme's Communication Plans.

The NFP has an excellent collaborative working routine on communication with the Embassy OF Norway IN Lisbon. Since January 2018 the following activities were implemented:

- Monthly meetings;
- EEA Grants Tuesday - the EEA Grants Portugal joint the Embassy's #eeagrantsuesday initiative. This means that both entities are working together to give a better understanding of projects, news and activities supported by the EEA Grants in Portugal and strengthening the relationship between Portugal and Norway. Projects are presented in English in Embassy's Facebook, and in Portuguese at EEA Grants Portugal.
- Communication campaign – both entities are working together in a possible communication campaign.

## **5. Risk assessment**

Risks **at national level** are identified mainly on the following:

- delay in the assessment by the FMO/FMC of the detailed description of the management and control systems, preventing disbursement of Technical Assistance, FBR and Programmes;
- Lack of an integrated national Information System for managing the EEA FM due to insufficient financial resources available with impact on the accuracy of information

Risk **at Programme level** at the current stage of preparation of programmes are mainly the following:



- Insufficient allocated capacity to the management structure and capacity of Programme Operators: as expected, Programme Operators that have been involved in the implementation of Programme in the previous EEEA FM 2009-2014 (DGPM and CIG) has proven to face less challenges in preparation of Programmes. Although all Programme Operators submitted to the NFP adequate management structures to be allocated to the Programmes, the capacity is proven stronger in the teams that have previous experience.
- Programme Operators that have a horizontal scope within the respective sector (SG AMB in the Ministry for Environment and GEPAC in the Ministry for Culture) lack to some extent the in-house expertise to fully assess adequate approaches in the programme design with impact on the timely feedback. These Programme Operators have ensured adequate consultation to sector entities in the respective Ministries for support on the programme design.

The NFP has concentrated extra support to SG AMB and GEPAC in the preparation of Programmes, following to extent possible working meetings, videoconference calls and study visits.

A simplified table with the risk assessment and mitigation analysis is provided below.

Risk Level	Risk description	Impact	Likelihood <sup>1</sup>	Consequence <sup>2</sup>	Score	Mitigation Action
National	Delay in assessment of Description of Management and control	Late disbursement of funds	2	2	Green	Consolidated and timely feedback from NFP
	Lack of an integrated national Information System for managing the EEA FM	Accuracy of information	3	3	Yellow	Assessment of possibilities for an integrated solution by the NFP
Programmes	Lack of sufficient and adequate management capacity	Blue Growth	1	1	Green	PO to ensure adequate consultation to sector entities in the respective Ministries for support on the programme design  NFP to follow and support the preparation of programmes
		Work-Life Balance	1	1	Green	
		Environment	2	2	Light Green	
		Culture	3	3	Yellow	

<sup>1</sup> 4 = Almost certain (75 – 99% likelihood); 3 = Likely (50 – 74%); 2 = Possible (25 – 49%); 1 = Unlikely (1 – 24%)

<sup>2</sup> 4 = severe; 3 = major; 2 = moderate; 1 = minor; n/a = not relevant or insignificant.

Low
Medium –Low
Medium-high
High

## 6. Evaluation

N/A

## 7. Work plan

Below is provided a work plan outlining the milestones for the implementation of the financial mechanism over the next year by the NFP.

Activities	J		F		M		A		M		J		J		A		S		O		N		D	
	1	2	1	2	1	2	1	2	1	2	1	2	1	2	1	2	1	2	1	2	1	2	1	2
Annual Meeting																								
FBR Work Plan Revision																								
2 <sup>nd</sup> JCBF Meeting																								
PO Training Worskshop																								
Monitoring Committee																								