



Strategic Report 2019/2020 Portugal

1st August 2019 - 31st July 2020

1. Executive summary

The COVID-19 pandemic and the uncertainty generated is the most significant context with impact on the implementation of the Financial Mechanism in Portugal.

In the context of the COVID-19 pandemic the effects of the Grants will gain an utmost importance.

Since the last reporting period (from March 2018 to end of July 2019), the implementation of the EEA FM 2014-2021 has recorded significant development with the launching of most of the foreseen open calls and progress with the selection and contracting of projects as detailed in the table below.

Provisional estimation over the selection committees' meetings performed so far in the four Programmes, show that a total of 74 projects were selected with a total amount of about 25M€ in grants to be contracted. In most of the calls (either Open Calls or Small Grant Schemes - SGS) partnerships with Donor entities (DPP) were valued and results available so far show a very promising high level of bilateral projects.

Programmes	Total Calls & SGS	Calls Launched	Nr. Calls with selection committee meetings	Nr. selected projects *	Nr. selected projects with DPP*	% of Bilateral projects selected*	Amount awarded*
Blue Growth	8	6	2	26	18	69%	9,255,297€
Work-Life Balance	7	6	5	19	17	90%	2,764,354€
Environment	7	7	5	29	15	52%	13,251,342€
Culture	2	2	-	-	-	-	-
Total	24	21	12	74	50	68%	25,270,993€

*provisional estimation

Most Pre-defined projects (PDP) were contracted and are in full implementation. One PDP on the Blue Growth Programme still lacks the completion of the pre-eligibility condition and one PDP on the Environment Programme was subject to a modification reflected in the Programme Agreement, that after the confirmation of the initial eligibility is now in conditions to be contracted in September 2020.

Programmes	Nr. PDP	Total Grant	Nr. contracted PDP
Blue Growth	3	6,000,000€	2
Work-Life Balance	4	1,630,000€	4
Environment	3	3,150,000€	2
Culture	2	1,876,250€	2
Total	12	12,656,250€	10

By December 2019 Programmes had between 6 to 11 months of implementation after the approval of the Programme Agreements, so the reported financial execution by the last IFR remains low and refers mainly to Programme management costs and advance payments in some of the contracted pre-defined projects.

Programme	EEA Grants	Disbursements	% Disbursements	Expenditure incurred reported	% Expenditure incurred reported
Blue Growth	€38,000,000	€5,219,042.50	14%	€ 530,909	1,4%
Work-Life Balance	€6,000,000	€ 2,031,381.85	34%	€ 314,019	5%
Environment	€24,000,000	€ 2,837,978.30	12%	€ 341,795	1,4%
Culture	€9,000,000	€ 1,473,948.00	16%	€ 50,338	0.56%
Total	€77,000,000	€ 11,562,350.65	15%	€ 1,237,061	1,6%

With most of the calls in full progress on the selection procedures and considering the enhanced importance of the advance payments to projects in the current context, the financial execution will certainly increase significantly until the end of the current year.

The implementation of the FBR is most likely to be affected by the pandemic COVID-19 context since the traveling for physical meetings and matchmakings were suspended for a period of time and are currently subject to limitations. However, bilateral initiatives have continued and promoters have shown the capacity to adapt and continue the planned activities.

The results of the open call under the FBR at national level have been quite broad and diverse and there is a consensus among the JCBF members that this approach, together with the pre-defined bilateral initiatives supported, has proven to be very fruitful for the promotion of bilateral relations.

It is possible that requests for additional allocations from the FBR by the Programme Operators may have to be considered by the JCBF before the end of the current year, but at the present date is not possible to estimate in what level.

No major changes in relation to the national level Management and Control Systems or in the setup or staffing of the national authorities involved in the implementation of the EEA Grants was observed in the reporting period.

The joint procedure to procure the setting up of a joint IT system covering the implementation of the EEA FM 2014-2021 by the NFP and the Programme Operators was promoted. By June 2020 the international tender procedure was launched and the proposals received will be assessed during summer. Contracting is expected to be concluded by the end of 2020 for development under 18 months.

Communications activities by the NFP have continued to be actively promoted aiming to broaden the knowledge of the EEA Grants in Portugal. Over the reporting period the celebrations events promoted over the 25th Anniversary on the entry into force of the EEA Agreement deserve a particular highlight.

Despite the COVID-19 pandemic direct communication activities to potential promoters and/or partners continued over the reporting period and a growing interest in the EEA Grants has been registered by the NFP considering the received requests for information and meetings, as well as, the social media audience.

Monitoring by the NFP on the progress, compliance and risk over the programmes was extensive and diverse covering several aspects of the implementation. Major concerns are currently related with the COVID-19 pandemic effects where the impact is yet to be fully understood.

2. Political, economic and social context

Portugal had general elections by October 2019 with the party of the previous government to be entitled to form a new government. The areas of government under which the different agreed programmes operate did not had any relevant organic changes.

The COVID-19 pandemic and the uncertainty generated is the most significant context with impact on the implementation of the Financial Mechanism in Portugal.

According with the macroeconomic perspectives for 2020 and 2021, presented by the Government Programme for Social and Economic Stabilization (PEES), officially published in June 2020¹, due to this context, the economic and social projections in the world and in Portugal are severe.

«The most recent projections from international institutions point to a sharp drop world on the economic activity in 2020 which, according to the European Commission, will be around -3.5% (+2.9% in 2019). This reduction in gross domestic product (GDP) can only be parallel in the Great Depression of 1929, being extended to all advanced economies and to a wide range of emerging and developing countries, with a significant slowdown from Asia. The sharp drop in economic activity reflects the impact of the pandemic of COVID-19 disease, more specifically the reduction of industry / commerce / services activity (and) the deterioration of the labour market and greater instability in international financial markets. With regard to the euro area, and according to the European Commission, it is also expected a sharp deterioration in economic activity, with GDP contracting 7.7% in 2020 (+1.2% in 2019), with a considerable negative impact on external demand directed to Portugal (drop in more than double digits for most of the country's major trading partners). Unemployment in euro area is expected to stand at 9.6%, reflecting an increase of 2.1 pp.»

The macroeconomic scenario for Portugal presented in PEES, based in projections from the National Statistics (INE) and the Ministry of Finance, states that

«For 2020, a strong contraction of the Portuguese economy is expected as a result of the economic shock caused by the COVID -19 disease pandemic and containment measures implemented. In this context, an abrupt drop in the real rate in the change of GDP is expected to 6.9%, the biggest contraction registered in recent decades. The impact is anticipated to occur mainly in the second quarter of the year, after the 2.3% drop registered in the 1st quarter of 2020.

In fact, the confinement and social distance measures implemented within the scope of the application of the state of emergency began in mid-March, but whose impact on the economy it will have had its most significant impact in the 2nd quarter of the year. »

(...)

«In the labour market, a 3.9% reduction in employment is expected in 2020, after registering growth of 0.8% in the previous year, and an increase in the unemployment rate should reach 9.6% (6.5% in 2019). Due to the effect of employment support measures adopted, the reduction in employment is estimated to be significantly less than the reduction in GDP, which results in a decrease in apparent labour productivity of 3.1%. »

3. Effects of the Grants

At the current stage of the implementation of the European Economic Area Financial Mechanism (EEA FM) 2014-2021 it is early to report any results and effects of the Grants where most of projects are still being selected and contracted.

In the context of the COVID-19 pandemic the effects of the Grants will gain an utmost importance.

¹ Council Minister' Resolution no. 41/2020, published on June 6.

4. Status of programmes

4.1 Blue Growth Innovation and SMEs (Blue Growth)

With the objective of 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.

EEA FM allocation to programme	€ 38,000,000
National co-financing	€ 6,705,882
Total programme budget	€ 44,705,882
Outcome 1 (Increased competitiveness for PT enterprises within Blue Growth)	€ 26,776,471
Outcome 2 (Resource Efficiency of enterprises in Marine Sector supported)	€ 1,176,471
Outcome 3 (Enhanced performance of Portuguese research organizations)	€ 9,423,529
Outcome 4 (Education, training and cooperation in marine / maritime issues enhanced)	€ 3,900,000
Total allocation to outcomes	€ 41,276,470
Programme Management	€ 3,429,412
Total funds disbursed by FMO (as paid after IFR#2 March 2020)	€ 5,219,042.50
Total expenditure incurred (as reported in IFR#2 for expenditure as of 31.12.2019)	€ 530,909
Provisional Estimated committed funds to projects (including contracted PDP and selected projects)	€ 13,255,297

To encourage cooperation between research institutions and SMEs, in order to facilitate commercialization of innovative ideas, products and processes, as stated in MoU, applications were 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 a joint approach aiming to contribute to the current global threat that marine litter poses to the Oceans.

The open calls on Research and on Education were launched in July 2020 and will deliver results by the end of year.

The Programme entails a total of 5 Open Calls and 3 Small Grant Schemes (SGS). A brief status on the calls is presented in the table below.

Call	Name	Total Available	Open	Close	Status
Call#1	1 st open call for Business, Development, Innovation and SMEs	€14,200,000	12/06/2019	29/11/2019	24 projects selected (18 with DPP)
Call#2	2 nd open call for Business, Development, Innovation and SMEs	€8,576,470	October 2020		To be opened
Call#3	Resource Efficiency of Enterprises in Marine Sector Supported	€1,176,471	22/10/2019	31/12/2019	2 projects selected
Call#4	Research	€5,423,529	28/07/2020	30/10/2020	Ongoing
Call#5	Education	€1,550,000	28/07/2020	11/12/2020	Ongoing
SGS#1	Business growth in start-ups	€3,000,000	23/10/2019	30/06/2020	6 applications received
SGS#2	Development of business and management skills – training on job	€1,000,000	May 2021		To be opened
SGS#3	Ocean Literacy	€350,000	24/10/2019	28/02/2020	46 applications received

A brief status of the Pre-defined Projects (PDP) is presented below. PDP #2 still lacks the completion of the pre-eligibility condition and the approval by the FMC of the detailed plan and budget submitted to the FMO by the PO by February 2020 and additional clarifications by 2nd July 2020.

PDP	Name	Total Grant	Initial Eligibility	Project Contract	Status
PDP#1	Marine training for seagoing courses	2M€	23.01.2020	20.03.2020	Ongoing
PDP#2	Atlantic Observatory	2M€	-	-	Pending approval of the detailed plan and budget submitted as a pre-eligibility condition set in the Programme Agreement
PDP#3	Research Vessel Mar Portugal Hull Mounted Scientific Equipment	2M€	30.01.2020	17.01.2020	Ongoing

4.2 Work-life Balance and Gender Equality (Work-Life Balance)

The Programme Work-life Balance and Gender Equality covers 3 Programme Areas: (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.

EEA FM allocation to programme	€ 6,000,000
National co-financing	€ 1,058,824
Total programme budget	€ 7,058,824
Outcome 1 (Enhanced gender equal opportunities in the labour market)	€ 3,252,941
Outcome 2 (Improved accountability systems for women's equal participation)	€ 2,100,000
Outcome 3 (Improved system for protection/prevention of domestic and GBV)	€ 1,000,000
Total allocation to outcomes	€ 6,352,941
Programme Management	€ 705,882
Total funds disbursed by FMO (as paid after IFR#2 March 2020)	€ 2,031,381.85
Total expenditure incurred (as reported in IFR#2 for expenditure as of 31.12.2019)	€ 314,019
Provisional Estimated committed funds to projects (including contracted PDP and selected projects)	€ 4,394,354

From a total of 7 calls (5 Open Calls and 2 SGS) the Programme has launched almost all, except Open Call #3 under the outcome "Enhanced gender equal opportunities in labour market". The PO is preparing a modification of the Programme Agreement in order to change this Call to SGS format. A brief status on the calls is presented in the table below.

Call	Name	Total Available	Open	Close	Status
Call#1	System for assessing the value of work and pay and development of instruments for measuring gender inequalities in work organizations	900,000€	28/02/2019	23/05/2019	2 projects selected (2 with DPP)
Call#2	Projects to combat sex segregation in educational and professional choices and discrimination in the labour market	870,000€	08.03.2020	19.06.2020	Selection Committee planned for September 2020
Call#3	White book s/studies to foster gender equality	552,942€	After summer 2020		Programme Agreement amendment proposal to be presented by the PO
Call#4	Projects to improve protection of victims of violence against women and domestic violence	700,000€	07/03/2019	30/05/2019	3 projects selected (3 with DPP)
Call#5	Intervention projects to promote gender equality at local level	1,200,000€	08/03/2019	31/05/2019	6 projects selected (5 with DPP)
SGS#1	Studies on the economic impact of gender equality	200,000€	08/03/2019	31/05/2019	3 projects selected (3 with DPP)
SGS#2	Prevention projects for children and young people and promoting non - violent masculinities	300,000€	07/03/2019	30/05/2019	5 projects selected (4 with DPP)

Overall and after the selection procedures the savings at this stage total the amount of €535.646 yet to be decided on the allocation purpose.

As considered in the MoU the Programme agreed 3 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. An additional PDP was agreed on the Programme Agreement to promote Gender Equality opportunities in Senior management. A brief status of the Programmes' 4 Pre-defined Projects (PDP) is presented below.

PDP	Name	Total Grant	Initial Eligibility	Project Contract	Status
PDP#1	Equality Platform and Standard	330,000€	10.09.2019	18.09.2019	Ongoing
PDP#2	Ge-HEI Gender Equality in Higher Education Institutions	300,000€	15.05.2019	28.05.2019	Ongoing
PDP#3	National Statistics System on Gender Equality	900,000€	10.07.2019	11.07.2019	Ongoing
PDP#4	Gender Equality Opportunities in Senior Management	100,000€	08.07.2019	11.07.2019	Ongoing

4.3 Environment, Climate Change and Low Carbon Economy (Environment)

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.

EEA FM allocation to programme	€ 24,000,000
National co-financing	€ 4,235,294
Total programme budget	€ 28,235,294
Outcome 1 (Increased application of circular economy principles in targeted sectors)	€ 12,050,000
Outcome 2 (Enhanced sustainable development in Biosphere Reserves)	€ 2,200,000
Outcome 3 (Increased climate change resilience and responsiveness in targeted areas)	€ 11,708,824
Total allocation to outcomes	€25,958,824
Programme Management	€ 2,276,471
Total funds disbursed by FMO (as paid after IFR#2 March 2020)	€ 2,837,978.30
Total expenditure incurred (as reported in IFR#2 for expenditure as of 31.12.2019)	€ 341,795.00
Provisional Estimated committed funds to projects (including contracted PDP and selected projects)	€16,001,342

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 plays an important role in the implementation of the Programme.

To ensure synergies with the Blue Growth, Innovation and SMEs Programme, resource efficiency in maritime sector is addressed in a joint approach aiming to contribute to the global threat that marine litter poses to the Oceans. An open call with a total allocation of €1M under a dedicated outcome was agreed in the Programme is Agreement.

The Programme entails a total of 4 Open Calls and 3 Small Grant Schemes (SGS). A brief status on the calls is presented in the table below.

Call	Name	Total Available	Open	Close	Status
Call#1	Deposit-return solutions	6,400,000€	05.09.2019	31.01.2020	8 projects selected (2 with DPP)
Call#2	Circular economy in construction	3,500,000€	18.07.2019	31.10.2019	10 projects selected (10 with DPP)
Call#3	Biosphere reserves	2,200,000€	29.11.2019	15.05.2020	1 project selected (1 with DPP)
Call#4	Low-carbon economy measures	6,058,823€	30.01.2020	15.09.2020	Ongoing
SGS#1	Plastics in oceans	1,000,000€	18.07.2019	31.10.2019	6 projects selected (1 with DPP)
SGS#2	Circular economy standards	1,000,000€	18.07.2019	31.10.2019	4 projects selected (1 with DPP)
SGS#3	Local adaptation measures	2,650,000€	03.12.2019	30.04.2020	68 applications received

A brief status of the Programmes' 3 Pre-defined Projects (PDP) is presented below.

PDP	Name	Total Grant	Initial Eligibility	Project Contract	Status
PDP#1	Territorial climate change vulnerability assessment	150,000€	07.08.2019	05.08.2019	Ongoing
PDP#2	Strengthened framework for the management of plastic packing including a deposit-refund system for plastic bottles	400,000€	21.07.2020	Planned for September 2020	To be contracted
PDP#3	Management of Ceira River Basin adapted to a changing climate	2,600,000€	17.10.2019	18.12.2019	Ongoing

4.4 Cultural Entrepreneurship, Cultural Heritage and Cultural Cooperation (Culture)

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 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.

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 through the Arts Outcome of the Programme where mandatory partnerships with the Donor States entities or artists is foreseen.

EEA FM allocation to programme	€ 9,000,000€
National co-financing	€ 1,588,235
Total programme budget	€ 10,588,235
Outcome 1 (Cultural heritage management enhanced)	€ 6,274,059
Outcome 2 (Improved access to contemporary arts in low-density municipalities)	€ 3,273,000
Total allocation to outcomes	€ 9,547,059
Programme Management	€ 2,276,471
Total funds disbursed by FMO (as paid after IFR#2 March 2020)	€ 1,473,948.00
Total expenditure incurred (as reported in IFR#2 for expenditure as of 31.12.2019)	€ 50,338.00
Provisional Estimated committed funds to projects (including contracted PDP)	€1,876,250

The Programme has launched the 2 calls destined to support the heritage component (Open Call #1) and the Arts Component (Open Call #2).

Call	Name	Total Available	Open	Close	Status
Call#1	Local development through the Safeguarding and Revitalization of Coastal Cultural Heritage	4,397,809€	05.09.2019	05.05.2020	31 applications received Selection Committee planned for September 2020
Call#2	Connecting Dots – Arts mobility and audience development	3,273,000€	05.09.2019	28.10.2020	Ongoing

The Programme entails 2 PDPs one of which had to be appraised by the FMO (PDP1 – Underwater Heritage) as a pre-eligibility condition set in the PA signed by 26 February 2019.

PDP	Name	Total Grant	Initial Eligibility	Project Contract	Status
PDP#1	Building capacity and skills for the conservation and management of underwater heritage	995,000.00 €	19.03.2020	03.06.2020	Ongoing
PDP#2	FILMar — Digitization of film heritage	881,250.00 €	08.01.2020	05.02.2020	Ongoing

5. Status of bilateral funds

The implementation of the FBR is most likely to be affected by the pandemic COVID-19 context since the traveling for physical meetings and matchmakings were suspended for a period of time and are currently subject to limitations. The main consequences identified in the implementation of the bilateral initiatives were related with the physical execution with travels postponed or canceled. However, this did not involve relevant financial impact and many mitigations strategies were put in place such as the rescheduling of trips and meetings, digital meetings or conferences and the extension of the bilateral initiatives closing date.

In the reporting period the Joint Committee for Bilateral Relations (JCBF) held 3 meetings scheduled to deliver timely decisions on the cut-off dates established in the Open Call and other important decisions on bilateral initiatives of common interest:

- 6th JCBF Meeting – 9th October 2019, Norwegian Embassy in Lisbon (2nd Cut-off period);
- 7th JCBF Meeting – 12th February 2020, Torres Vedras, (3rd Cut-off period);
- 8th JCBF Meeting – 19th June 2020, on-line Zoom, (4th Cut-off period).

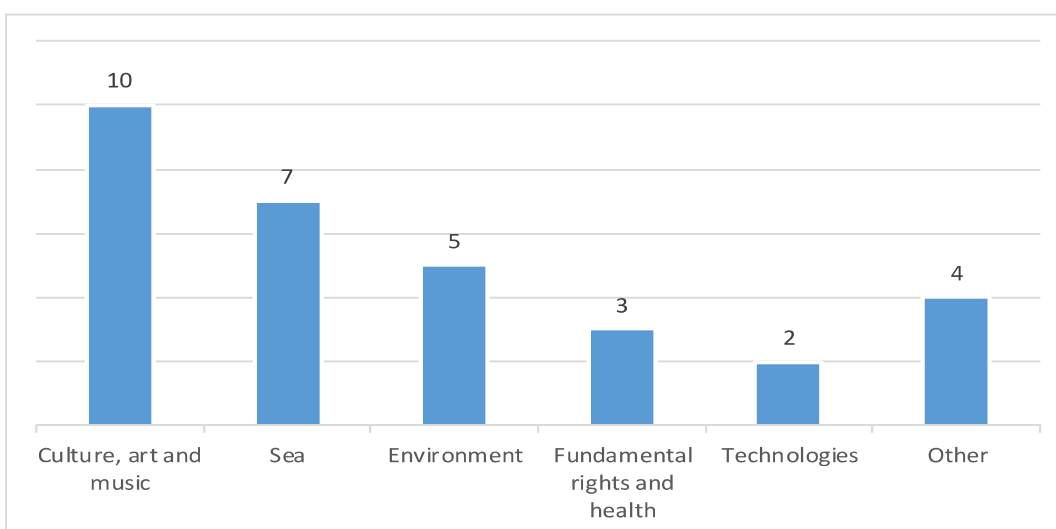
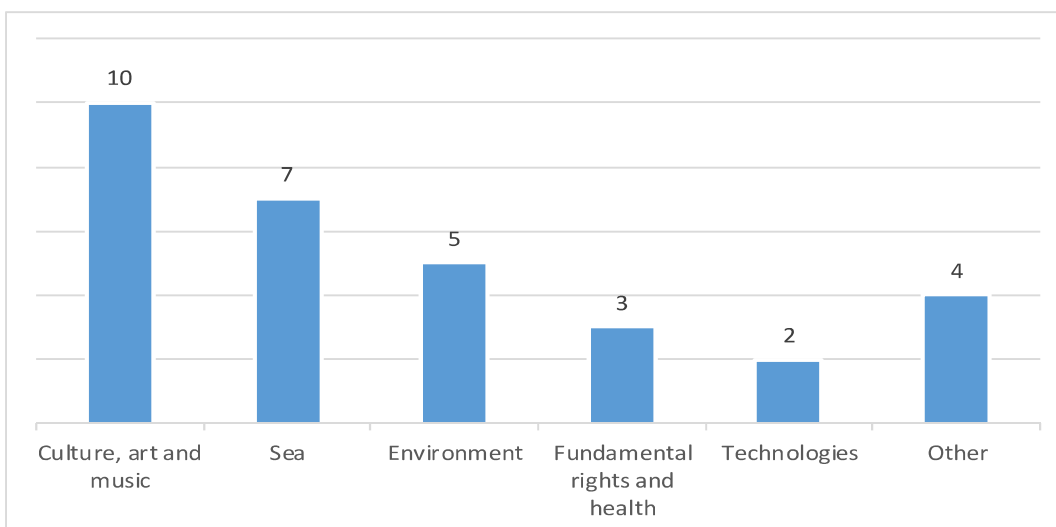
FBR Open call #1

The results of the open call have been quite broad and diverse and there is a consensus among the JCBF members that this approach has proven to be very fruitful for the promotion of bilateral relations. Resulting from the high interest generated in the first cut-off date the JCBF decided in June 2019 to reinforce the original total amount available under the Open Call #1 from €200.000 to €600.000.

The main figures from the FBR Open call #1 after 4 cut-off dates are presented in the table below:

	1st Cut-off	2nd Cut-off	3rd Cut-off	4th Cut-off	TOTAL
Applications Received	26	9	23	12	70
Applications accepted	24	9	17	12	62
Grants requested	220 987 €	118 302 €	259 340 €	157 883 €	756 512 €
Applications approved	11	5	9	6	31
Grants Approved	145 905 €	66 325 €	109 682 €	81 289 €	403 201 €

The main areas of support and type of bilateral activities supported are detailed in graphics below:



It was considered important by the members of the JCBF in the last meeting (June 2020) to consider the extension of the open call beyond 31st December 2020 for another 12 months, which will be assessed with the development of the COVID-19 pandemic situation.

Pre-defined Initiatives

A total of four agreed pre-defined bilateral initiatives were contracted, out of which 2 were completed in the reporting period.

Business Development Event in Oporto 14th November 2018 was contracted with the public national business agency (AICEP) and Innovation Norway. A total of 19 Donor State companies (17 NOR - 2 ISL) participated in more than 100 B2B meetings. AICEP reported that the partnership with Innovation Norway allowed for «...settling ground for the future development and participation in new joint projects and the exploration of synergies and knowledge in order to identify and work on mutual business opportunities».

Children and Youth at Risk bilateral initiative was contracted with the national Agency for protection of rights of young children (CNPDPJC) in partnership with the Oslo Child and Family Agency. The official kick-off of the Bilateral initiative took place by July 3rd 2019 following the International Seminar “Reflecting upon the participation of children in public decision-making”. The main results of this bilateral initiative are based on the long experience in Portugal and Norway of including the participation of children with the production of a **Thematic Glossary of Child Protection Systems and the Promotion of Children Rights** focused on the hearing of the child in special vulnerability context and a **Digital Referential of Good Practices** to improve the hearing and participation of the child in the protection of their rights. The conclusion of the bilateral initiative was planned for June 2020 but due to COVID-19 pandemic situation the request by the promoter to postpone until the end of the year was granted by the NFP.

Mental Health and Primary Health Care contracted with the national authority for the health system (ACSS) with the national General Directorate for Public Health (DGS) in partnership with Norwegian National Advisory Unit on Ageing and Health and the Regional Centre for Child and Adolescent Mental Health, Eastern and Southern Norway – University of Oslo, with a total budget of €70.000. DGS will assume the role of promoter and an update on chronogram and budget is expected to be received soon after the need to reschedule the activities with the Donor Partners.

Gender Equality Iceland Event contracted with the Icelandic Foreign Affairs Ministry, that promoted together with the Portuguese Programme Operator of the Work-Life and Gender Equality Programme a Seminar that was attended by a total of 139 participants, with representatives from all Beneficiary countries (apart from Cyprus), from the FMO, from Norway and Iceland and from OECD. The feedback collected in a survey revealed that most of the participants found it very useful. The participation of the NFP as co-organizer of this event was also supported through the FBR. The whole conference was streamed on the web and presentations made available to all participants after the conference. According to the live stream report presented by the promoter unique views totaled 659, most from Iceland (463), Portugal (58), Latvia (39), Romania (39), Belgium (28), Bulgaria (25), Malta (20), Croatia (17), USA (17) and Norway (17) which is an impressive outreach of this bilateral initiative.

Portuguese Republic Vessel Sagres 2020 “Circum-navigation voyage - Following the route of Micro plastics and Marine Litter” with the purpose of a joint research between the Hydrographic Institute (IH) and NIVA Institute (Norway) on the collected samples of seawater from very different locations around the world to study micro plastics and marine litter along the route to understand what activities are at the origin of different types of contaminations (e.g. related fishing activities) and to increase the scientific knowledge on the distribution and abundance of marine litter and micro plastics globally. The bilateral initiative was contracted in July 2020 after the approval of a modification due to the effects of the COVID-19 pandemic, in the last meeting of the JCBF in June 2020.

The pre-defined bilateral initiatives **Public Health on Communicable Diseases**, in particular Antimicrobial Resistance (AMR) and Hospital Acquired Infections (HAI), approved by the JCBF with the indicative budget of €40.000 and is under revision by a new promoter (General Directorate for Health - DGS). An updated proposal is expected to be delivered until next September 2020.

An overview of the pre-defined bilateral initiatives is presented in the table below.

Nr.	Bilateral Initiatives	Status	Final Balance and/or Budget	Executed to date
FBR/01	Business meeting AICEP & IN	Complete	€ 5.450 (€ 28.070)	€ 5.450 (Final Balance)
FBR/02	Public Health –Mental Health	Under Revision	€ 70.000	€ 28.000 (1 Advance Payment)
FBR/03	Children and Youth at risk	On going	€ 36.092	€ 25 264 (2 Advance Payments)
FBR/04	Gender Equality Iceland Event & NFP participation	Complete	€ 33 031 (€ 37.000)	€ 33 031 (Final Balance)
		Complete	€ 5.143 (€ 3.000)	€ 5.143 (Final)
FBR/05	NRP Sagres (IH/NIVA)	Contracted	€63.169	€0
Subtotal			€ 212.885	€96 888
Public Health – AMR/HAI		Approved to be contracted (Under revision)	€40.000	€0
TOTAL			€ 252.885	96 888€

FBR on Programmes

All the MoU allocations of the FBR to Programmes in the total amount of €500.000 were transferred by order of the NFP to the Programme Operators in December 2018 after the signature of a formal contract setting the terms and conditions on the use of the FBR by Programmes including the reporting responsibilities.

Several initiatives eligible for the FBR allocations on programmes were promoted by the PO's in the reporting period, mainly on matchmaking events and study trips.

Programme	MoU Allocation	Expenditure Executed by 31.12.2019 (verified and reported by NFP)	Activities performed by PO in the reporting period
Blue Growth	€200.000	€72,081.16	<ul style="list-style-type: none"> - Research and Education Matchmaking event, 16th October 2019, Carcavelos, 110 participants (101 from Portugal, 8 from Norway and 1 from Iceland) representing 82 entities in total. 55 B2B meetings scheduled. - Matchmaking in the area of Maritime Technologies for Observation and Monitoring of the Ocean, 6th December 2019, Lisbon 113 participants (105 from Portugal and 8 from Norway) representing 77 entities in total. Over 10 B2B meetings were schedule;
Work-life Balance	€100.000	€25,309	<ul style="list-style-type: none"> - Seminar in Iceland: Gender equality and gender related issues - best practices; - Share and improve research methodologies and good practices in domestic violence homicide situations (EARHVD)

Environment	€ 100.000	€ 54,609	- Matchmaking event dedicated to the circular economy, 'Breaking the Barriers in a Circular Economy) - "Innovation Week in Oslo – Oslo", 25 September 2019. 10 participants from Portugal;
Culture	€ 100.000	€ 32,051.36	- On Board Meeting - Matchmaking event and Travel Grants, Lisbon 12-13 September 2019. 78 participants from Portugal, Iceland, Norway. - PDP 1 study visit of DPP Maritime Museum of Oslo in Lisbon 6-8 November 2019 to visit CNANS future facilities, including the laboratories and the equipment's needed and to discuss the Partnership Agreement. - Connecting Dots - Matchmaking event and Travel Grants, Lisbon, 14 November 2019, with a total of 108 participants from Portugal, Iceland, Norway and Liechtenstein.
Total	€ 500.000	€ 184,050.52	

It is possible that requests for additional allocations from the FBR by the Programme Operators may have to be considered by the JCBF before the end of the current year, but at the present date is not possible to estimate in what level.

Financial Execution and Disbursements

The level of advance payment to the FBR was over requested due to a misinterpretation on the first Interim Financial Report (IFR) where the request of Funds registered also the advance payment in the FBR agreement and the exceptional advance payment to Programme Operators directly by the FMO in accordance with Article 4.6.4 of the Regulation.

The subsequent requests are balancing this without overlooking the needs form beneficiaries including at Programme level.

Total Grant	Execution				Disbursements (including advance payments)	Balance
	2018	2019	1st half 2020	Total		
€ 2 054 000	€ 75 282	€ 231 387	€ 156 809*	€ 463 478	€ 1 225 446	+ € 761 968
Rate	4%	11%	8%	23%	60%	—

* To be confirmed in IFR to be certified in September 2020.

6. Management and implementation

a. Management and control systems (MCS)

MCS at national level

After the letter of June 14th 2018 by which the FMO confirms that the description of the national MCS meets the minimum requirements, there was one revision of the text agreed and confirmed with the Certifying Authority (CA) and Audit Authority (AA) by August 2019.

In the Annual Audit Report prepared by the AA in accordance with article 5.5.1 (e) (i) of the Regulation and delivered by February 2020 it was reported the following:

...

2. Changes in management and control systems

The descriptions of the management and control systems of the National Focal Point and of the Certifying Authority, established in Article 5.1 of the Regulation of the Implementation, were updated in August 2019. The National Focal Point has detailed secondary elements and the Certifying Authority did some changes in the procedures in order to better comply with the Finance Guidance for 2014-2021.

The revised version of the document deserved our agreement.

No crucial changes affecting the operability of the management and control systems have come to our knowledge.

This updated version was published in the national EEA Grants website by November 2019.

MCS at Programme level

The NFP provided active support to the PO for the setting up of their MCS descriptions in close articulation with the Certifying and Audit Authorities and delivered a Guideline for support to the PO on the drafting of the descriptions of the MCS (January 2019).

The PO complied with the six months' period from the programme agreement approval for the submission of a first draft to the AA, after which an extended exchange of drafts to address general recommendations took place leading to the presentation of the final versions between November 2019 and February 2020. The reports and opinions by the AA confirming that the implementation system of the PO complies with the Regulation and generally accepted accounting principles were issued by early 2020, providing ground for the NFP approval in line with Article 5.7.2 of the Regulation. Without affecting the compliance opinions expressed by the AA, some insufficiencies on the descriptions were identified to which a set of recommendations to the auditee for compliance were notified (detailed progress in table below).

Programmes	6 months from PA	1 st Draft submitted to AA	Final version submitted to AA	AA Report and Opinion	Approval by the NFP	Reply to audit recommendations
Blue Growth	15.11.2019	19.11.2019	04.02.2020	07.02.2020	10.02.2020	11.03.2020
Work-Life Balance	26.07.2019	18.07.2019	03.01.2020	21.01.2020	27.01.2020	20.04.2020
Environment	27.11.2019	02.09.2019	19.12.2019	07.02.2020	10.02.2020	06.03.2020
Culture	26.08.2019	23.08.2019	21.11.2019	21.01.2020	27.01.2020	02.06.2020

According with the description of the MCS at national level «*When examining the 1st IFR submitted by the PO, the Certifying Authority should verify that, for the respective Programme, the National Focal Point has approved the description of the management and control system and whether it is accompanied by a report and an opinion of compliance, issued by the Audit Authority, pursuant to Article 5.7.3. of the Regulation. The Certifying Authority will only pursue the certification request of the expenditure if the opinion of the Audit Authority contains sufficient guarantees on the compliance of the management and control system of the PO.*

The reports and opinions of the AA on the description of the MCS of the PO were not delivered before the first Interim Financial Reports by September 2019, so expenditure could only be certified under the Programmes by the IFR#2 submitted in March 2020 regarding expenditure incurred by 31.12.2019.

Information and reporting IT System

The joint procedure to procure the setting up of a joint IT system covering the implementation of the EEA FM 2014-2021 by the NFP and PO was promoted. By June 2020 the international tender procedure was launched and the proposals received will be assessed during summer. Contracting is expected to be concluded by the end of 2020 for development under 18 months.

b. Complaints

No complaints were received at the current early stage of implementation.

c. Irregularities

No irregularities are reported at the current early stage of implementation.

d. Audit

For the issuing of the Annual Audit Report and in order to support the annual opinion, the AA has audited the expenditure declared under the FBR and TA. According with the Annual Audit Report, these audits focused on the expenditure submitted by the Certifying Authority to the FMC/FMO in the period ending on 31/12/2019 and as a result of the audit performed it was not identified non-eligible expenditure and the AA concluded that there is a reasonable assurance that the IFR are not affected by material errors.

The audits concerning the descriptions of the MCS of the Programmes is detailed above.

7. Communication

The NFP has carried out various communication activities from August 2019 until July 2020.

Following the communication strategy, approved by the donor countries, most of the activities and objectives are being/have been fulfilled.

In summary, several activities can be identified:

a. Social Media:

EEA Grants Portugal ensures a daily presence in the social media networks.

News, photos, shares, retweets and likes to other entities such as EEA Norway Grants are the main activities in the social media presence.

The number of followers has increased as can be seen in the next table:

Social Media Followers	November 2017	March 2018	July 2019	July 2020
<i>Facebook</i>	1091	1535	2614	3256
<i>Twitter</i>	26	87	263	490
<i>Linkedin</i>	14	78	347	1388
<i>Instagram</i>	-	-	361	684

b. Website:

The EEA Grants Portugal website (NFP+PO's) – www.eeagrants.gov.pt – is a crucial communication tool in this Mechanism.

Since August 2019 until July 2020 the website has had a total of 353.455 page views focusing on subjects related to calls and information of the programmes. In the next table can be seen the top 10 of preferences:

Page	Page Views	Unique Page Views	Avg. Time on Page	Entrances	Bounce Rate	% Exit
	353,455 % of Total: 100.00% (353,455)	273,396 % of Total: 100.00% (273,396)	00:01:26 Avg for View: 00:01:26 (0.00%)	116,580 % of Total: 100.00% (116,580)	51.72% Avg for View: 51.72% (0.00%)	32.98% Avg for View: 32.98% (0.00%)
1. /pt/	33,308 (9.42%)	25,168 (9.21%)	00:00:52	22,041 (18.91%)	21.55%	20.54%
2. /pt/concursos/	23,148 (6.55%)	17,078 (6.25%)	00:00:59	5,620 (4.82%)	41.26%	24.52%
3. /pt/programas/	14,678 (4.15%)	10,338 (3.78%)	00:00:17	1,121 (0.96%)	22.03%	5.87%
4. /eeagrants.gov.pt/pt	11,203 (3.17%)	7,981 (2.92%)	00:01:13	6,851 (5.88%)	22.68%	22.38%
5. /pt/eea-grants/	10,672 (3.02%)	8,527 (3.12%)	00:01:16	1,229 (1.05%)	45.48%	23.14%
6. /pt/programas/ambiente/concursos/	9,675 (2.74%)	6,543 (2.39%)	00:00:38	1,691 (1.45%)	38.20%	14.82%
7. /pt/programas/ambiente/	9,312 (2.63%)	7,010 (2.56%)	00:00:58	2,080 (1.78%)	33.41%	16.92%
8. /pt/programas/cultura/concursos/connecting-dots-mobilidade-artistica-e-desenvolvimento-de-publicos-aviso2/	8,907 (2.52%)	7,331 (2.68%)	00:03:29	4,852 (4.16%)	74.18%	63.31%
9. /pt/programas/cultura/	8,902 (2.52%)	6,940 (2.54%)	00:00:52	2,040 (1.75%)	44.71%	19.50%
10. /pt/programas/ambiente/concursos/small-grants-scheme-3-projetos-para-reforçar-a-adaptacao-as-alteracoes-climaticas-a-nivel-local/	7,950 (2.25%)	5,809 (2.12%)	00:03:35	2,116 (1.82%)	65.69%	53.08%

There were also published 111 news on the web-site during this period.

c. APP

The EEA Grants APP (EEA Grants PT), available for Android and IOS, allows its users to receive, through a push notification system, immediate information about the open calls and news.

In June of 2019 it was launch, a new APP's functionality that allows matching between Portugal and Iceland, Liechtenstein and Norway entities in order to strengthen bilateral relations and promote future partnerships. The APP has been installed in 539 mobile phones. About 4.9k push notifications were sent until July 2020.

d. Direct Communication:

During this period the NFP promoted more than 100 meetings (some using skype) with potential beneficiaries, and other stakeholders.

From August 2019 until March of 2020 (month that in Portugal most of the workers started to work from home because of COVID) the NFP participated in several matchmaking events organized by the Programme Operators and in some specific events, e.g:

- NFP's workshop – held from October 14th until October 16th in Liechtenstein;
- Annual Meeting in Oporto – October 8th;
- Event of the 25th Anniversary of the entry into force of the agreement on the European Economic Area held in Oporto, in October 8th;
- Gender Equality Conference in Reykjavík, Iceland, on the 31st october and 1st November. This conference aimed to strengthen bilateral relations between countries, promote cooperation under the EEA Grants Financial Mechanism, and also share and disseminate good practices and experiences in the field of Gender Equality.

Due to COVID, in 2020, some events were postponed or held online.

e. Communication with POs'

Several initiatives have been implemented with the purpose of training communication team, e.g.: "Social Media Strategy" training course (July 15th and 17th) and regular meetings.

f. Communication activities with the Embassy of Norway in Lisbon

The NFP maintains an active and open relation with the communication officer of Embassy of Norway in Lisbon.

Some of the implemented activities during this period were the EEA Grants Tuesday and a Journalistic prize "EEA 25 years" journalistic prize. This competition, open until 15th of October, that aimed to reward the best piece of journalism that describes the importance of the EEA and the contribution of the EEA Grants to Portugal.

g. Media relationship

The NFP, whenever it was considered relevant, released press releases to the media (ex. deadline for selecting the 5th phase of applications of FBR Open Call #1). Since August 2019 until July of 2020 were published 95 news about EEA Grants Portugal and its Programmes.

h. Exhibition "25 years & 25 projects"

The NFP organized an exhibition in order to commemorate the 25th anniversary of the entry into force of the EEA Agreement. The photographic exhibition presented projects of all financial mechanisms that took place in Portugal. The exhibition was held in Alameda Metro Station, an EEA Grants project in the period 1994-1998.

i. Main activities for the next 12 months

It's the NFP intention to review the communication strategy and implement adjustments if necessary.

At the same time, besides continuing to focus on social media, the NFP intends to develop a communicational database with all the projects approved in Portugal in all Financial Mechanism since the entry into force of the Agreement. In total, and over the years, the EEA Grants have benefited Portugal with over 300M€ in non-repayable grants and € 315M in financial instruments, which has allowed to fund a total of 252 projects.

8. Monitoring and evaluation

a. Monitoring

According with the description of the MCS at national level the different levels of monitoring (compliance, results and risk-based monitoring) are carried out through the performance of several activities, such as:

- Biannual reports of the PO;
- Regular control meetings, at least with a biannual periodicity, with the PO;
- Consolidation of the information on controls, audits and complaints;
- Follow-up, as an observer, of the meetings of the Cooperation Committees between the PO and their respective Donor Programme Partners (DPP) and of the selection procedures by the PO;
- Validation of the open calls text in order to guarantee the accomplishment of the minimum requirements of the Regulation;
- Prior validations before submitting to the FMC/FMO the documents owed by the PO, pursuant to the Regulation, *inter alia*, provisional approval of proposals to amend the Programme Agreement (Article 6.9.3), approval of management and control systems for the PO (Article 5.7.2), positive appraisal of the Pre-defined Projects (Article 6.5.3);
- Review of the Annual Programme Reports.

In the reporting period the NFP received the first biannual reports by April 2020, after releasing the PO to submit the report due in September 2019, owing to the early stage of implementation after the Programme Agreements signed between January and May 2019.

In the reporting period the NFP has performed 2 rounds of meetings with each of the PO teams (November 2019 and June/July 2020) which provided important inputs to conclude the Risk Assessment at Programme level. The NFP also participated in several dedicated working meetings with each PO concerning the specific challenges identified along the implementation progress that proved to be very helpful and effective.

The NFP was observer in all Cooperation Meetings and Selection Committees hosted by the PO, which is considered an important monitoring tool.

The NFP has assessed all the call texts compliance with the minimum requirements of the Regulation and informed the FMO of such assessment.

The NFP has been promoting continued support to all PO in the different stages of implementation of the Programmes by setting up annual workshops on specific issues relevant for the work planning of the PO and promoting joint training sessions. In the reporting period the following joint trainings were promoted by the NFP:

1. Ethics and Integrity – Prevention tools for risk prevention, including Corruption Risks (3 sessions in November/December 2019 – 14 hours);
2. Social Media Strategy (2 sessions July 2020 - 14 hours);

Despite the provision for a Monitoring Committee was not included in the Regulation on the implementation of EEA FM 2014-2021, the setting up of such committee was maintained under the current funding period in Portugal, with representatives from the different areas supported by the EEA Grants, either government or private agencies. In the reporting period the NFP conveyed 2 Monitoring Committee meetings (December 2019 and in July 2020). The next meeting is planned for December 2020.

b. Evaluation

No evaluations were performed at the current early stage of implementation.

9. Issues for the annual meeting

- a. Mid-term Review status
- b. Preliminary discussions on possible allocation of the Reserve
- c. Joint efforts for the mitigation of the COVID-19 pandemic effects