



**Iceland**  
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**EEA Financial Mechanism 2014-2021**

**Strategic Report 2019 for Greece**

**General Secretariat for Public Investments & the NSRF**  
**Special Service EEA Grants - National Focal Point**

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## 1. Executive summary

As per Art. 2.6 of the EEA Grants Regulation 2014-2021, the National Focal Point submits by the present document the Strategic report of the EEA Grants 2014-2021 in Greece for the reporting period November 2018 to October 2019.

The Strategic report is following the Regulation Annex template and its foreseen sections, as follows:  
*Political, economic and social* context section presents data and analysis on Macroeconomics of GREECE (2014-2018), the social situation and sectoral needs for development  
*Effects of the Grants*, where are presented the anticipated effects of the Programmes in their sectoral interventions. Each Programme is designed to contribute to the overall objectives of the EEA Grants for the reduction of social and economic disparities and the strengthening of the bilateral relations and this contribution is break down in objectives, outcomes and outputs, relevant to critical areas of each policy sector.

*Status of Programmes* presents the developments for each Programme in the reporting period 2018-2019. Programmes operated by Greek national authorities, in this period moved from the Concept note phase to preparation of Programme Agreement. By the end of September 2019, all Programmes have officially submitted Concept notes which have been approved by the Donors, while one Programme (GR-Energy) has a signed Programme Agreement. It is noted that the prerequisites for the commencement of the Programmes' implementation are the adoption of the MCS at the national level and, given the signature of the Programme Agreement, the issuance of the Programme Implementation MD.

*Status of the Bilateral Funds* presents, under the approval of the JCBF, the developments of the Bilateral Fund. In the reporting period, the JCBF had 2 meetings, the Composition, role and functioning document of the JCBF was adopted and the Bilateral Fund Agreement was signed. At the same time the NFP is preparing the Workplan to be adopted by the JCBF before the EEA Grants for Greece Annual meeting 2019. One selected initiative has started implementation, while 2 other are on a selection pending status. Finally, the MCS at the national level is drafted to incorporate all management specifications related to the Bilateral Fund.

The *Management and implementation* section presents the developments in drafting and elaborating of the Management and Control System at the national level by the NFP in collaboration with FMO, as well as with the national authorities. The MCS at the national level is consisted of the JMD MCS which transposes the EEA Grants Regulation 2014-2021 and of the Manual of Procedures which analytically develops the day to day implementation into procedures, workflows and templates. By October 2019, it is in the phase of final elaboration.

In the *Communication* section of the report is presented the Communication strategy at the national level. The strategy objectives are to raise awareness on EEA Grants and opportunities deriving from them for potential beneficiaries. Also to raise awareness on programmes and project results from actual beneficiaries, to increase public engagement and understanding by presenting programming interventions to key societal issues (social, economic, environmental) and to promote visibility of the impact and results of the Norway, Iceland and Lichtenstein contribution to Greece. To this end the strategy incorporates provisions for the means, the messages and the target groups.

In the monitoring section are presented the main responsibilities and tasks of the NFP in monitoring the programmes progress. An Evaluation plan will be conducted upon commencement of the Programmes implementation.

Finally in the *Annexes* section further information is presented on risk assessment and mitigation per Programme, the Technical Assistance implementation and organizational issues related to NFP.

The issues to be discussed at the Annual meeting on November 26, 2019 follow the issues of the respective sections of the current Strategic report.

## 2. Political, economic and social context

After an approximately 10 years period of economic crisis and an unprecedented depression, it seems by data and analysis, as well as by empirical observation that Greece is finally recovering.

Analytically, as regards to the Macroeconomics of GREECE (2014-2018), in August 2018 Greece has concluded the third Program of financial adaptation from the year 2010 achieving the conversion of deficit in 2009 (-15,1% of the GDP) to a surplus (1.1% of the GDP) In 2019 (1,1% of GDP). In the same context by putting in place a procedure of internal devaluation and structural reforms in the labor market, Greece succeeded in improving its competitiveness in terms of the cost of labor.

During 2017 Greek economy growth rate was +1,5%. Boosting of activity was based mainly on the raise of investments- primary in transport and secondary in machinery- and not on consuming goods, as a result of the fiscal pressure inflicted to the revenues and the continuous lowering of the mean salary of the Public Sector. The development of economy was also based on exports with leading sectors, tourism, services in the maritime sector and processed goods. Unemployment was reduced to 21,5% (from 23.6% in 2016) in combination with boosting of labor force by 2.2%. Private sector deposits (125 bn euros) continued to grow by considerably low rate

Primary surplus of 4% was achieved (as GDP percentage) and thus depriving real economy of currency undermining its growth dynamics, nevertheless confirming normal budgetary implementation.

During 2018 GDP raised by 1.9% (190,8 bln euros) again based on the augmentation of exporting goods and services in the same sectors as the previous year. On the contrary investments appeared considerably lower by -12%, thus confirming that the recovery of Greek economy lacks the necessary dynamics to reclaim the losses occurred during the crisis years.

Gross fixed capital rate of growth remained negative, while unemployment reached 19.3%, though still far from the mean value Of the EE countries (6,8%). Unemployment remains particular high in special categories of employment such as young people, women and long term unemployed.

Partial recovery of deposits resulted to diminish considerably the need for urgent measures for supporting liquidity in the banking sector from the part of the Bank of Greece (ELA) as well as a minor recovery of funding mainly to the biggest enterprises.

Primary surplus reached 8,1 bn € (4,4% of GDP) surpassing again the target of 3.4% thus continuing the deprivation of the real economy of valuable resources and affecting the effort to growth. Finally public debt remains particular high (181.1% of the GDP) by the end of 2018, raising the costs of public loans and restricting the growth dynamics of the national economy.

For the year 2019 according to recent forecast from the part of European Union a growth rate of 2.1% for 2019 and 2,2% for 2020 is foreseen. Further decline of unemployment (16%-17%), improving revenues and reduction of public debt as GDP percentage to 169% are also forecasted.

Capitalization of the growth dynamics of Greece is considered that it will take place if:

1. Necessary structural reforms are put in place, thus permitting broad diffusion the benefits from the economy's stabilization to the society, and also supporting the fiscal reliability of Greece resulting in attracting funds and investments.
2. Advantage will be taken from the abolishment of capital controls, thus upgrading the country's economy and helping the Banks to improve their assets and their ability to offer loans mainly to the SMEs.
3. Tackling of the problem of the high reservoir of non-performing loans in the Banking sector will be efficient

4. Changes in the fiscal policy will reduce the taxation burden to physical and legal persons in concordance with the growth of Greek economy without putting at risk the fiscal integrity of the country.

As regards to the general description of **Greek economy and social situation and needs for development**, the exit of the country from the last program of fiscal adaptation seems to happen on different terms compared to the rest Eurozone countries that concluded their relevant programs. Firstly because Greece had and continues to have to tackle different nature of problems related to the structure of its economy, competitiveness and entrepreneurship environment. Secondly because of it taking place under most unfavorable international conditions (trade war between USA and China, uncertainty of BREXIT situation, slowdown of E.U. economy). Thirdly due to the fact that the banking system of Greece is undergoing efforts towards its empowerment inter alia trying to resolve the problem of non-performing loans. Fourthly due to public debt remaining at high level as percentage of the GDP, fact that imposes fiscal austerity and conclusion of structural reforms, so that the country recover its reliability meeting its obligations towards its lenders regularly and cost effectively.

In this context needs for Greek economy development are summarized as follows:

- Attraction of investments and improving the entrepreneurship environment
- Improvement of the access of enterprises to funds from the banking sector.
- Improvement of productivity, competitiveness and exports.

### ***Sectorial development needs***

The lack in competitiveness is due to low productivity, fact mainly connected to the lack in innovation as shows up when looking at a series of international indicators. In spite of the growth of R&D expenditure since 2012, ties between the research community and entrepreneurs remain weak in Greece. Empowering the tripartite relation EDUCATION- RESEARCH-INNOVATION continues to remain a prerequisite for the development future of Greece.

In the domain of digital convergence Greece belongs to a group of low performing countries in the EU, presenting the lowest progress in comparison to the rest of the union countries. There is a particular lag in incorporating digital technologies in the enterprises, in e-government and in the digital skills. That fact undermines the development perspectives and puts the country at risk to trap itself into a low productivity low productive infrastructure and finally low salaries economy. Infiltrations of digital technologies in economy and society can create investing opportunities which can determine in great extend middle-long term development capabilities and creation of demand well paid labor.

In the sector of energy, due to the great percentage of oil and other fossil fuel in its energy production, Greece diverts from the rest of other E.U. countries, in addition to its centralized energy market The country needs to improve its energy production mixture, having the opportunity to become an energy hub in S.E. Europe (both in natural gas and electricity). Expected is reinforced competition and the development of infrastructure of energy networks and renewable energy in high potential areas. In this context one must not omit the needs for improving production transition in affected areas such as Western Macedonia. In addition to the previous, improving energy performance will induce more social and economic benefits to the users, considering the important improvement margins in the buildings, as well as in the transportation sector (development of stable track mass transport and the use of environmental friendly mass transportation).

The threat of climatic change imposes the transition to a circular economy paradigm. Meeting the scope for this transition in production creates needs either to the side of offer/production or to the side of demand/consumers. The sector expected to sustain most negative impacts will be agriculture, whereas the impact on tourism and coastal systems will induce great consequences in the available income for households and generally to the whole of

Special attention has to be paid in the field of water management with its main branches, agriculture and drinkable water supply. Aiming at protecting the environment basic challenge for Greece remains waste management, including urban wastewater treatment and providing private enterprises the motivation to invest in.

In transport sector although much progress has been achieved by the commissioning of large projects on the central highway network, the low transport capacity of the railway system hinders considerably the multi-modality of the transport system and affects mobility, transport costs and the position the country holds in the context of global trade. Development needs of Greece are related to the conclusion of selected parts of international transport roads and highways, the completion of the main road network in large islands, the modernizing of the railway network, the achievement of multimodality for persons and goods, the development of logistics, the investment to safety and smart systems of transport and the redesign of the naval transport- including a network of waterways for aerial transport.

As related to unemployment (19,3% in the year 2018) Greece keeps having the highest rate in the E.U. (6,8 mean unemployment rate). Alarming is the image of the unemployment in younger people (<25 years 39.9% in 2018, which is also the highest among all E.U. countries) while of special concern is the fact that 70% of unemployed people are long-term unemployed. In the same time the quality of the new jobs created create a certain concern as to the way unemployment in Greece is sinking, because the raising percentage of new jobs are of a flexible character compared to the stable jobs (in 2018 54,3% of new jobs were of a flexible and not stable character) In addition during the last ten years the labor force in the age interval 20-44, was reduced by 497.1 thousand (15,7% of the total labor force) pointing at the brain drain phenomenon. Concerning poverty and social exclusion, based on the data provided the REVIEW of INCOME and HOUSEHOLD LIVING CONDITIONS 2018, one can deduce an improvement of the basic poverty indicators-indicatively the population at poverty risks or social exclusion is reduced by 353.000 in comparison to 2017 data. The main challenges Greece is facing in this field are the creation of more stable jobs and the effort to minimize the risk of social exclusion (in particular for vulnerable population groups such as ROMA et al.)

The educational system in Greece is for many years handicapped by its lack of connection with the labor market. Main problems are the mismatch of skills acquired during training and education with the skills needed for labor market, the inability of adapting the offered knowledge to the needs of the economy of the forth industrial revolution, the absence of the so called soft skills and the low performance of its students

During the last decade a serious worsening of the country's demographics is in view, having as main characteristics population decline, rapid aging and most low fertility index, whereas the forecast for population growth is disappointing. Demographic shrinkage affects negatively the prospects for economic growth in middle-far term, at the same time undermines fiscal stability and the sustainability of the pension system. The acute refugee crisis during the last years created considerable hosting and management challenges that still remain. During the last two years it becomes more obvious that Greece is not merely a transit place but a country for migrants to install, as it appears from the raise of the percentage of individuals not having been born in the E.U. Among the total population (8,4%). This event creates many challenges related to social inclusion of the migrants, accompanied with pressure to the labor and social policies having a pronounced fiscal cost.

### 3. Effects of the Grants

EEA Grants as a financial mechanism of EEA have a continuous presence in Greece for the 25 years of their operation. The results and achievements of the previous funding periods of the Grants are a significant base for the EEA Grants period 2014-2021, in terms of objectives achievements, institutional framework, networking, communication and publicity.

For the EEA Grants 2014-2021 period, critical sectors have been selected for the Programmes interventions, in response of the interests of both the Donor countries and of Greece as the Beneficiary country. Further to the thematic area 16 for Good Governance, Accountable Institutions, Transparency, which is instructed by the EEA Grants for intervention in all beneficiary countries, 4 other thematic areas have been selected, of significant importance. It is anticipated that the Programmes by their outcomes and outputs as well as the Bilateral Fund are expected to have a significant impact respectively, in the objectives of reducing social and economic disparities and strengthening bilateral relations with donor state entities. In particular, the effect of each Programme is anticipated to be as follows:

**Programme B for Roma Inclusion and Empowerment** aims to address the most acute housing challenges of Roma population in Greece within a holistic framework. Housing is one of the key priority areas identified by Council Recommendation of December 2013 on effective Roma integration measures in the EU Member States, which also include employment, education and health, as well as the promotion of equal treatment and the respect of fundamental rights of Roma. The focus on housing was selected because it affects critically access to, regular attendance and attainment in education, as well as providing the conditions for living in a healthy environment. Furthermore, it impacts on employment opportunities and potential for entrepreneurship. In addition, the implementation of a Task force Unit in areas of high concentration of Roma populations will ensure the effective implementation of the national strategy of Roma inclusion as it will partake in the support of local government and the activation of the Roma population in all policy – measures concerning social inclusion (housing, education, employment, health, empowerment, etc.).

**Programme D for Water Management** will address the need to improve the environmental status of water ecosystems by supporting the rational use of water mainly in vulnerable areas and islands. It is expected to provide drinking water to vulnerable areas and islands and technologies for water leakages in water grids. In addition, the programme will finance research studies which will provide with data and solutions for the improvement of the status of water bodies or improvement of water management. The programme will fund awareness campaigns for school children highlighting the water problems and the importance of improving the status of water bodies.

At the same time, bilateral relations with donor state entities will be strengthened by having donor project partners in projects and by activities organized in the context of the bilateral fund budget allocated to the Programme.

**Programme E for Renewable Energy, Energy Efficiency** aims to promote and substantially contribute to the implementation of a balanced development framework that creates high added value and prospects for the local economy, while familiarising residents with sustainable development practices and improving their quality of life.

The Programme will support all three pillars of sustainability, i.e. the economic, social, and environmental pillars, thus increasing the general welfare of their respective communities. Apart from their direct positive environmental impact, the projects will enhance social sustainability by applying Renewable Energy Sources and Energy Efficiency solutions to promote sustainable living in the local communities. All chosen projects will reinforce the local economy of their communities by providing work to local contractors, during times of adverse economic climate. At the same time, the chosen projects will promote economic sustainability, as project promoters will save energy for their public buildings and infrastructures every year.

**Programme F for Good Governance, Accountable Institutions, Transparency** will significantly and directly contribute to the integrity, transparency, accountability and effectiveness of public administration. Through the proposed actions, direct citizen access to public administration will be improved, technological modernization of public administration and reduction of bureaucracy will be enhanced. The proposed reform actions concerning the reduction of bureaucracy and the technological modernization of public administration are in line with the anti-corruption actions of the Programme. Finally, actions to reduce maladministration and enhance management concerning citizens' problems will contribute and reinforce the objectives and effects of the programme.

**Programme G for Asylum and Migration** aims at ensuring well-functioning national asylum and migration management systems while at the same time assisting asylum seekers to exercise basic rights. The target group comprises Third Country Nationals arriving at Greek territory with emphasis placed on unaccompanied minors and vulnerable groups. Moreover, the Programme contributes to strengthening the bilateral relations among national institutions playing key roles in the field of asylum and migration and Donor States partners. It is mentioned that the vast majority of the predefined projects will be implemented in close cooperation with donor project partners, such as the Norwegian Directorate of Immigration (UDI), the Norwegian Immigration Appeals Board (UTLENDINGSNEMNDA-UNE), the Norwegian Ministry of Justice and Public Security as well as the Directorate of Integration and Diversity (IMDI).

#### 4. Status of programmes

In the reporting period from November 2018 to October 2019, Programmes operated by Greek national authorities, moved from the Concept note phase to preparation of Programme Agreement. By the end of September 2019, all Programmes have officially submitted Concept notes which have been approved by the Donors, while one Programme (GR-Energy) has a signed Programme Agreement. It is noted that the prerequisites for the commencement of the Programmes' implementation are the adoption of the MCS at the national level and, given the signature of the Programme Agreement, the issuance of the Programme Implementation MD.

The developments as per Programme in the reporting period are as follows:

##### **Programme B - Roma Inclusion and Empowerment**

Following continuous collaboration between the Programme Operator and FMO and with the cooperation of the EU Agency for Fundamental Rights (EU FRA) and the Special Secretariat for Roma Social Inclusion & Integration, the Programme Concept note was finalized and submitted on March 13, 2019. Donors approved the Concept note and requested additional information, including risk assessment and results framework by May 2019. By September 2019, further elaboration of the additional information was underway towards Programme Agreement.

The government and associated organizational changes in July 2019, affected the Programme, as the sectoral policy competent body of Special Secretariat for Roma Social Inclusion & Integration was abolished and the competences were transferred to the General Secretariat for Social solidarity and the fight against poverty. The change however is not expected to bring actual implications for the Programme.

##### **Programme D - Water Management**

In October 2018, the Donors approved the Concept Note of the programme and additional information was requested by and provided to the FMO towards Programme Agreement. In the reporting period from October 2018 to September 2019, the Programme Agreement has been elaborated intensively and is expected to be signed during 2019. In 2020, the first call for proposals is expected to be published after the launching and matchmaking events.

##### Additional activity during the reporting period 2018-2019:

In October 2018 the PO attended the Workshop for POs, FOs and DPPs for environment, energy and climate change programmes, organised by the FMO in Brussels and made presentation of the Programme. At the workshop, the PO had the chance to attend the presentation of the environmental programmes of the other beneficiary states and meet donor entities like the Norwegian Environmental Agency

In November 2018 the PO participated to the Donor Programme Partners Kick-off Conference, organized by the Norwegian Environment Agency, in Oslo. Although the GR –Water management Programme does not have any Donor Programme Partner, the Programme Operator had the opportunity to present the Programme to entities from Norway and to the other beneficiary states.

In May 2019 the PO participated to the Green Week EEA Grants stand, for dissemination of information, raising awareness and strengthening the transparency of information about the projects implemented in the EEA Grants 2009-2014 GR 02 programme and information about the new GR-Water management EEA Grants 2014-2021 Programme.

##### **Programme E - Renewable Energy, Energy Efficiency**

The Programme had its Concept note approved by Donors in the previous reporting period of 2017-2018. As regards to the Programme Agreement preparation, in October 2018, additional information was requested by and submitted to the FMO including risk assessment and mitigation analysis and supplementary information on the results framework. By further elaboration and collaboration with

FMO and NFP, documents were finalized in January 2019, and the first draft of the Programme Agreement (PA) was sent by FMO to PO which replied with Annexes I and II. Further to additional elaboration, the PA was finally signed on June 6, 2019 by the FMC and the Greek State. From the time of Signature on, the Programme is on a stand by status, as the commencement of implementation is relied on the condition of the MCS at the national level adoption and the subsequent Implementation MD (PIA) issuance.

In parallel, PO CRES collaborated with the NFP for the preparation of the next phases of the Programme to ensure its readiness and adherence to the timetable. In particular, PO drafted the first version of Management and Control System at the programme level, in compliance with the draft Management and Control System at the national level, drafted by the NFP. The draft was submitted to the NFP for review in April 2019. Also, PO prepared a draft of the Open Call for Proposals, which contains the guide with the selection criteria and the necessary technical annexes, in compliance with the PA.

In the following period, PO intends to organise a match-making open event for the presentation of the GR-Energy programme and the content of the open call for proposals, as well as the promotion of the bilateral relations with entities from the Donor states. By the commencement of Programme implementation, PO is prepared to launch the open call for proposals ensuring the transparent and non-discriminatory evaluation process of the submitted proposals.

#### Additional activity during the reporting period 2018-2019:

PO CRES also participated to the Programme Operator, Fund Operator and Donor Programme Partner Workshop on 9-10 October 2018 in Brussels, presented the programme, discussed possible synergies with other POs and received guidelines from the FMO.

#### **Programme F - Good Governance, Accountable Institutions, Transparency**

In the reporting period 2018-2019, the Programme “Good Governance, Accountable Institutions, Transparency” elaborated in cooperation with the 3 sectoral project promoters and submitted the Concept note by March 28, 2019. In parallel, the Concept Note went under external evaluation, ordered by FMO. The external evaluation concluded that despite the fact that PDP1 needs further adaptation and elaboration, it is suggested that the NFP formally submits the Concept Note to the FMO, and the FMO will recommend that the programme is taken forward to the Programme Agreement stage. In May 2019, Donors approved and forwarded the Concept note to the Programme Agreement stage on the condition of further elaboration of PDP1. Consequently, PO sent the first version of additional information, including risk assessment and results framework.

OECD, as an International Programme Partner, commented on the submitted Concept note and (re)iterated its availability for cooperation with the Programme Operator and contribution to the Programme design.

The government change in July 2019 and the associated organizational changes, affected the Programme as sectoral competences for digitalization of public services and KEP were transferred from the Ministry of Interior (previously of Administrative Reconstruction), to the Ministry of Digital Governance, which now takes over as the Project Promoter of the foreseen Predefined Project 1. Additionally the newly established National Authority for Transparency succeeded the abolished General Secretariat against Corruption and takes over as the Project Promoter of the Predefined Project 1. As per October 2019, further to Programme developments and on the grounds of changes in competence and capacity for the implementation of co-funded programmes and in order to achieve the best and most efficient conditions for the implementation of the Programme, Greece is considering and may submit a proposal for the Programme modification in the Mo U, as regards to the assignment of the Programme Operator.

### **Programme G - Asylum and Migration (Capacity building of national asylum and migration management systems)**

In the reporting period 2018-2019, Programme Asylum and Migration submitted the Concept Note on November 30, 2018. Donors approved the Concept Note by January 17, 2019 and requested the foreseen additional information towards Programme Agreement. By September 2019, PO has submitted the 5<sup>th</sup> draft of the RAI document (including Annex I and Annex II of the PA).

As regards to the activities related to Donor Programme Partner – UDI, at the Convention of 1<sup>st</sup> Cooperation Committee Meeting on December 18, 2018, in Brussels there were adopted the Rules of Procedures of Cooperation Committee. UDI's delegation made a partnership visit to Athens from 8<sup>th</sup> to 10<sup>th</sup> of April 2019. Meetings were held with the Programme Operator, the Asylum Service, EKKA and the Greek Ombudsman in their premises whereas special concerns regarding the Donor Programme and Donor Project partnerships were addressed.

In the following period, PO plans as immediate actions the Convention of the 2<sup>nd</sup> Cooperation Committee Meeting by October 2019 as well as drafting of the Management and Control Systems at the Programme level by November 2019. PO will proceed to appraisal requests of the Pre-Defined Projects, Partnership Agreements and Project Contracts, upon finalization of prerequisite legal framework for the commencement of the Programme implementation.

#### Additional activity in the reporting period:

In the context of the Programme preparation, representatives of the Programme Operator, the policy maker (former General Secretariat of Migration Policy), and Project Promoters (Appeals Authority, Asylum Service and the colleagues from the former Ministry of Migration Policy) took part to a study visit to Oslo from 24<sup>th</sup> of February until 2<sup>nd</sup> of March 2019.

Convention of the 2<sup>nd</sup> Cooperation Committee Meeting on 31<sup>st</sup> of October 2019.

Programme Agreement approval on 1<sup>st</sup> of November 2019.

Approval of the detailed description of the Management and Control Systems (MCS) until 15<sup>th</sup> of November 2019.

Programme Implementation Agreement to be concluded until 1<sup>st</sup> of December 2019.

Appraisals of the Pre-Defined Projects until the 15<sup>th</sup> of December 2019.

Signatures of the Project Contracts until 31<sup>st</sup> of December 2019.

Signature of the Partnership Agreements until 16<sup>th</sup> of February 2020.

## 5. Status of bilateral funds

In the reporting period, the Bilateral Fund was engineered to commence implementation, fulfilling most of the necessary preliminary actions. The Joint Committee for Bilateral Funds between the Donor States and Greece - JCBF held its 1<sup>st</sup> meeting on October 16, 2018. Following an extensive discussion and consultation on the agenda issues, the members agreed (that):

- The adoption of the Composition, role and functioning document of JCBF
- Activities within the thematic areas of the 2014-2021 Programmes should be encouraged to be implemented (and funds delegated) at Programme Level. NFP will continue to have overall monitoring and reporting responsibility.
- An open call for selected thematic areas might be considered at mid-term period, in relation to the implementation progress or evaluations at the time.
- Proposals initially presented at this meeting will be officially submitted to the JCBF, using the templates that will be provided by the FMO.
- Proposals shall be approved and Work plan adopted via meetings or written procedure (as per JCBF Composition, role document).
- FMO and NFP to conclude the Bilateral Fund Agreement

The conclusions of JCBF meeting were presented and approved at the EEA Grants 2014-2021 annual meeting held on November 8, 2018 in Athens.

JCBF held its second meeting on March 12, 2019, upon the submission of 2 bilateral initiatives proposals. It agreed:

- The inclusion of Proposal No 1. 'Transmissions' to the Work Plan (PP Onassis Foundation & ULTIMA Festival). The JCBF decided that the first date of eligibility for this initiative shall be the date of minutes approved [i.e.15 May 2019]. Payments to the promoter shall only be processed after the adoption and in accordance with the MCS.
- The proposed project No. 2 'Brain drain' needs further modification regarding costs, achievements, level of bilateral involvement and purpose. The NFP shall circulate a new draft by written procedure to the JCBF for approval, when the required modifications are finalised.
- An open call for thematic areas might be considered at the programming period mid-term, in relation to the implementation progress or evaluations at the time.
- The NFP to proceed with the adoption of the Work Plan, after signature of the BF Agreement and as per the MCS and Ministerial Decrees for payments, as follows: a) with the amounts in the MoU allocations to Programmes, including the increase for CRES and b) the approved project 'Transmissions'.
- The NFP shall circulate by written procedure a 3rd intended strategic proposal (with possible PPs ELIAMEP – FAFO) to the JCBF for approval, when this is finalised; or any other mature proposals timely submitted to the NFP

Alongside the operation of the JCBF and in follow up of its instructions, the NFP drafted and submitted to FMO in accordance with Article 4.2 of the Regulation, its proposal for the Bilateral Fund Agreement

(Annex 4, Word template) on February 8, 2019, The Bilateral Fund Agreement was eventually signed on April 2, 2019. Following the official adoption of the MCS, a Ministerial Decree will transpose the BF Agreement into the national framework.

In conclusion, as per October 2019:

- The JCBF had 2 meeting, in October 2018 and in March 2019.
- The Composition, role and functioning document of the Joint Committee for Bilateral Funds - JCBF between the Donor States and Greece has be adopted
- The Bilateral Fund Agreement has been signed on April 2, 2019
- The NFP is underway to finalize and submit the Workplan to be adopted by the JCBF before the EEA Grants for Greece Annual meeting 2019
- The Initiative 'Transmissions' (PP Onassis Foundation & ULTIMA Festival) has started implementation under the decision of the JCBF and the guidance by NFP
- The bilateral initiative proposal by ELIAMEP – FAFO, as concluded by the JCBF 2<sup>nd</sup> meeting has been submitted to the NFP. The proposal will be submitted to the JCBF as part of the Workplan to be adopted.
- The funding flow to all adopted initiatives will start only after the following preconditions are fulfilled: Adoption of the MCS, issue of the MD for the Implementation of the Bilateral Fund which will also transpose the BF Agreement to the national framework of implementation, the foreseen MCS procedures have been conducted.

The above reporting on the Bilateral Fund was approved by the members of the JCBF under a written procedure in September 2019.

## 6. Management and implementation

### ***a. Management and control systems (MCS)***

In accordance with Article 5.7 of the EEA Grants Regulation 2014-2021, the NFP drafted the Management and Control System - MCS at the national level and further to Article 5.7.1 the NFP submitted the Detailed Description of the MCS on February 25, 2019. It was submitted to FMO, accompanied by a report and opinion by the Audit Authority as per Art. 5.7.3, confirming that the implementation system in Greece at national and programme level complies with the EEA Regulation and generally accepted accounting principles.

The MCS is consisted by the Joint Ministerial Decree (JMD) and the Manual of Procedures. It covers the organization and competences of the relevant entities and the rules and procedures to be implemented by all involved actors and public authorities of the administration, structured in an organisational mechanism with the objective of sound financial management of EEA Grants. As regards to the national framework and the procedures of implementation, the MCS is based on and adapts the framework and procures in effect for the implementation of for other co-financed mechanisms (namely EU funds of the corresponding period 2014-2020), thus taking advantage of the well-established knowledge and experience of the system by the involved authorities.

The MCS at the national level is a standardized generic system, developed to cater for all elements of implementation and thus functions as well as the MCS at programme level, covering inter alia the areas of selection, monitoring, administrative and on-spot verification, audit, complaints, irregularities and reporting. Therefore the MCS's at programme level (to be outlined in accordance with Art. 5.7 pars. 2 and 4) need to include information on the structure and organization of the Programme Operator and minor adaptations, for elements specific to the programme, such as selection terms and conditions, small grant schemes, registries, etc.

The MCS is applied to the implementation of the EEA funded programmes in Greece by the national authorities. It does not apply to the programmes directly contracted by the FMO.

More specifically, according to the MCS structure:

- The JMD-MCS transposes the [2016] EEA Regulation 2014-2021 and the [2017] MoU between Greece and the Donor States, into the Greek legal order. It is a Joint Ministerial Decree – JMD, by the Minister of Development & Investments and the Minister of Finance, enforced by Law 4314/2014, it provides and foresees the implementation framework for the EEA Grants 2014-2021, valid at both national and programme level. The largest part of the JMD content is the EEA Regulation translated and suitably adapted into Greek, with the same numbering (for ease of reference of all parties). The Ministerial Decree also contains the provisions of the signed GR MoU 2014-2021 as its Annex I.
- The Manual of Procedures is enforced by the JMD, but not included in the JMD, as it is procedural and does not require higher level authorization. The Manual elaborates and unfolds the day to day management and control procedures, provides guidelines (including references to the EEA Guidelines) and workflow diagrams and all the necessary templates of implementation. The Manual of Procedures applies also to the Bilateral Fund and to the Technical Assistance.
- The Management Information System – MIS of the Ministry of Development & Investments is also an integral component of the MCS in Greece and subsequently it is applied to the programmes implemented by the national authorities and not to those directly contracted by the FMO It incorporates and processes data of implementation, financial (invoices – payments) and physical

object, providing a standardized, accountable and transparent context for a firm and sound financial management and implementation monitoring.

The MCS drafting was coordinated and will be issued by the National Focal Point. Its elaboration was possible thanks to the collaboration of all competent bodies and authorities, namely:

- The Certification Authority
- The Audit Authority
- The Special Service for MIS
- MOU S.A. (MCS Department and Operator of Technical Assistance for EU funds)

Also contributed:

- The Special Service for Institutional support
- The General Secretariat against Corruption, which by September 2019 it has been succeeded by the National Authority for Transparency

Additionally, the Programme Operators were notified and contributed with their feedback.

By October 2019, the MCS is under elaboration between FMO and NFP, with the contribution, where necessary of all other competent authorities. In addition to the submission on February 21, the NFP sent supplementary documentation in March 2019 as requested. FMO extensive feedback was sent on May 28, 2019 and further exchanges took place in August – September 2019. On September 20, 2019 a meeting was held in Athens with the participation of FMO, NFP, CA and AA which thorough discussion on issues arisen. Following the meeting, a second draft version of the Detailed Description and the Manual of Procedures was submitted by the NFP in October 2019. Both sides acknowledge the significance of the completion of this procedure, as setting MCS in effect is a precondition for the adoption of the Implementation MD's (acting as Programme Implementation Agreements) and therefore the kickoff of Programmes' and Bilateral Fund's implementation. Given that the elaboration will be finalized in November 2019, the NFP aspires that the MCS will come into effect until December 2019.

#### ***b. Irregularities***

In accordance with Chapter 12 of the EEA Grants Regulation 2014-2021 for Irregularities, the MCS incorporates a dedicated Operational Area consisted by Procedures , including workflows and templates, for the management of irregularities.

The MCS identifies irregularities following the definitions of the EEA FM 2014-2021 Regulation. Identification of the irregularities is expected through the MCS administrative Procedures at the different phases-elements of implementation as well as through audits and complaints.

The MCS recognizes that Irregularities may refer to cases not identified as fraud. To examine however, case by case whether any of the above infringements constitutes possible fraud, it includes at every step of the procedure, provision for the examination of this possibility.

In the reference period 2018-2019, the MCS had not come into effect and consequently neither the implementation in the context of PA, BFA and TAA had commenced. Therefore, there were not identified, managed and reported any irregularities.

### ***c. Complaints***

Alike irregularities and in accordance with Article 12.7 of the EEA Grants Regulation 2014-2021, the MCS incorporates a dedicated Procedure, including workflow and templates for the management of complaints.

A Complaints mechanism is set up which follows the pattern of first assessment at the filing service, and then further examination by PO, AA. In case of suspicion of fraud, the case is forwarded to judiciary authorities. In the respective Procedure are demonstrated the roles and responsibilities of the involved authorities in the context of Complaints mechanism.

In the reporting period 2018-2019, the MCS had not come into effect and consequently neither the implementation in the context of PA, BFA and TAA had commenced. Therefore, there were not filed, managed and reported any complaints.

### ***d. Audit***

As per Art. 5 5, Audit Authority - EDEL shall conduct an audit strategy that spreads throughout the programming period 2014-2021, lays down general and specific objectives and incorporates the methodology that is necessary for its implementation.

The audit strategy will cover all the programmes of EEA Grants for which EDEL is the Audit Authority and will set out the audit methodology, the sampling method for audits on projects and the indicative planning of audits to ensure that audits are spread evenly throughout the programming period.

Audits are performed according to EDEL's Audit Manual that meets the requirements of the international standards on auditing, INTOSAI (International Organisation of Supreme Audit Institutions) Auditing Standards, ISA (International Standard on Auditing) and the Greek Auditing Standards of the Hellenic Accounting and Auditing Standards Oversight Board (HAASOB).

The Audit strategy is due to be conducted upon MCS at the national level adoptino and Programme Implementation commencement. Therefore, in the reporting period 2018-2019, no audits were implemented.

## 7. Communication

Further to Article 3.2.a of the Regulation the NFP initially submitted the Communication Strategy for EEA Grants 2014-2021 in Greece, to FMO on December 5, 2018. Following the FMO remarks in February 2019 on aspects of the strategy to be elaborated, the Communication Strategy was resubmitted on March 18, 2019.

The Communication Strategy aims to communicate clearly and effectively the objectives, possibilities and actual results of the EEA Grants programmes to all potential beneficiaries, relevant stakeholders, or any other associated entities and individuals. The implementation and overall impact of the Financial Mechanism to the related issues of concern nowadays in Greece will also highlight the strengthening of the bilateral relations between the Donor states and Greece. To this aim, cooperation between the National Focal Point and the Programme Operators will be pursued by the communicators' network, so as to ensure that the selected messages will reach their corresponding targets, through interconnection and joint activities. Moreover, the National Focal Point (NFP) shall ensure that Programme Operators fulfil their information and publicity obligations.

The communication objectives are:

- raising awareness on programmes and opportunities deriving from them for potential beneficiaries
- raising awareness on programmes and project results from actual beneficiaries
- increasing public engagement and understanding by presenting programming interventions to key societal issues (social, economic, environmental)
- promoting visibility of the impact and results of the Norway, Iceland and Lichtenstein contribution to Greece.

According to the strategy, the target audiences for the EEA Grants in Greece are:

- Potential Applicants / Beneficiaries
- Actual Beneficiaries / Project Promoters
- Project Partners
- Stakeholders
- Donor Countries
- Cooperation Committees
- Joint Committee for Bilateral Funds
- Press/ Media / Journalists
- General Public

The message promoted is “**Working together for a green, competitive and inclusive Europe**” as the overarching narrative of the EEA and Norway Grants (2014-2021) that must be used by everyone involved in communicating the Grants, as defined in the Communication and Design Manual of EEA and Norway Grants 2014-2021.

The Greek translation of the slogan will be: “**Συνεργαζόμαστε για μια πράσινη, ανταγωνιστική Ευρώπη, χωρίς αποκλεισμούς**»

Depending on the nature of each specific programme, the slogan may be adapted as follows, in English and Greek:

- Working together for a green Europe / Συνεργαζόμαστε για μια πράσινη Ευρώπη
- Working together for a competitive Europe / Συνεργαζόμαστε για μια ανταγωνιστική Ευρώπη
- Working together for an inclusive Europe / Συνεργαζόμαστε για μια Ευρώπη χωρίς αποκλεισμούς
- Working together for a green and competitive Europe / Συνεργαζόμαστε για μια πράσινη και ανταγωνιστική Ευρώπη

The channels and the activities employed by the Communication Strategy follow the rationale of an optimization exercise; make the best of what is available, use synergies, employ resources smartly, select and promote those channels or activities that can deliver the messages most effectively and efficiently to the target audience(s). Channels for information and communication will be:

- An Internet Website as a constant source of information for the majority of stakeholders and the public looking for information about projects and programmes. The website address for the Greek programmes is [www.eeagrants.gr](http://www.eeagrants.gr) and the information is bilingual (English and Greek).
- Social media are as a requirement for the National Focal Point, while other entities involved in the Grants, such as Programme Operators, Fund Operators, project promoters and partners from the donor countries are also strongly encouraged to use social media in their communications to enhance messages' spread. The social media accounts managed by the NFP are on the platforms of **Facebook** and **Twitter**.
- Three information major activities are to be held in the current period, namely:
  - A major launching event, open to all target groups, which will present an overview of the financial mechanism, the Programmes areas, objectives and possibilities for support and encouraging cooperation with entities in Iceland, Liechtenstein and/or Norway.
  - A mid-term event will present the progress and impact from EEA Grants to stakeholders and the media. Depending on progress, good practice examples may be presented by Project Operators.
  - A closing event, open to all target groups, with an emphasis to the active participation of Project Operators, will be organized at the end of the Programming period. This event will be a major opportunity for presenting the outcomes of the EEA Grants in social and economic terms for the current period and a vehicle for introducing the forthcoming period priorities.
- Printed and audiovisual information material of the programmes will be used during the major information activities and may be reproduced through the accounts social media platforms.
- Media relations and visibility for raising awareness and interest towards the benefits of the programmes. Organising press conferences during the major events and producing and sending press releases to promoting results throughout the programming period is essential.
- Additional communication activities that the NFP will perform:
  - Working meetings with stakeholders,
  - Seminars and/or conferences on project related subjects,

- Participation and presentations at international network organisations and international meetings,
- Photos and general data collection, infographic reports and publications.

In the reference period of the year 2018-2019, the NFP, in accordance with the Communication Strategy provisions, maintains and operates the website on [www.eeagrants.gr](http://www.eeagrants.gr) and the social media accounts on Facebook and Twitter. To facilitate the full development of the Communication strategy, the NFP by September 2019 is working on tendering/contract procedure of Communication services which will include support for all channels and activities of the strategy. The contract award is anticipated in November 2019.

By October 2019, the updated time plan of the Communication strategy is set as follows:

- Fully updated website as per design and content to be in operation by December 2019
- Launching event to be held in January 2019, in coordination with the MCS adoption and the kickoff of implementation of Programmes which will have a PA
- Promotional and audiovisual material to be available upon launching event
- Media relations network to be established and activated by the Launching event
- A Communication seminar by FMO for the PO and the PPs to be proposed for implementation up to the time of launching event

## 8. Monitoring and evaluation

### *a. Monitoring*

The National Focal Point (NFP) has the following responsibilities concerning the monitoring of Programmes:

- It bears the overall responsibility for the achievement of goals and the overall implementation of the Programmes of the EEA FM for the 2014–2021 period within the territory of Greece, as set forth in the Memorandum of Understanding (MoU) signed between the donor countries and the Greek State, as well as for ensuring that the implementation of the EEA financial mechanism 2014–2021 in the beneficiary state complies with Article 1.3 of the EEA FM 2014–2021 Regulation.
- The NFP ensures that the programmes are implemented according to the legal framework of the EEA financial mechanism 2014–2021, and monitors the progress and quality of their application. To this end, the NFP shall evaluate risks during the implementation of the EEA Financial Mechanism 2014–2021 in a continuous and structured manner, and may take any measures it deems necessary and in conformity with the Regulation, including those concerning the certification of the quality and fullness of the content of the documents sent to the FM EEA Committee via the NFP. The NFP takes all the measures necessary to ensure that the Programme Operators are fully aware of their responsibilities under the legal framework of the EEA Financial Mechanism 2014–2021.
- The NFP regularly monitors the progress of Programmes — including through on-the-spot visits, if deemed necessary — with respect to the results and goals of each Programme, according to the indicators agreed upon and the specific financial requirements of each programme. The monitoring results are recorded in the Strategic Report.
- The NFP may propose re-allocation of the co-funding from one programme to another to the EEA FM Committee (FMC), provided this is in line with the MoU.
- The NFP shall approve the programme implementation agreement and any amendment thereto, and communicate the agreement to the FMC before the first Programme payment at the latest.
- At least two months prior to the annual meeting, the NFP shall submit the annual Strategic Report to the FMC, as well as any clarifications requested by the Committee.
- The NFP is responsible for organising annual meetings between the FMC and the NFP, preparing the agenda and keeping minutes.
- Finally, the NFP is responsible for certifying the achievement of the goals set by the Programme Operators in compliance with the Regulation.

In the reporting period 2018-2019, the NFP had systematic communication and cooperation with the POs, in the context of monitoring the Programmes, a) to monitor the development of the concept notes and the additional information towards the Programme Agreements, where relevant; b) to address any problems arising in cooperation with the PO and in a timely manner; and c) to

continuously confirm the effective exercise of the responsibilities or duties assigned to it, in compliance with the requirements and rules of the Regulation and the entire framework.

The NFP provided POs with the following support:

- ✓ Cooperation for the formulation of methodology and criteria for the selection of the projects managed;
- ✓ Support for compliance with disclosure rules in the context of the EEA FM Regulation;
- ✓ Support for the assessment of management risks;
- ✓ Organisation of technical meetings on the progress of implementation of projects and the addressing of any problems or complications that might arise;
- ✓ Provision of clarifying instructions and support to the PO for the implementation of corrective measures;
- ✓ Training of PO executives on issues concerning the management and implementation of co-funded projects and the management and control system, and notification of the PO of any changes to the MCS.

***b. Evaluation***

By October 2019, there is only one Programme with Programme Agreement (GR - Energy), while MCS at the national level, as a prerequisite for the implementation has not been issued. Therefore, an evaluation plan will be prepared upon adoption of the MCS at the national level and the commencement of the Programmes' implementation.

## 9. Issues for the annual meeting

1. Status of Programmes: Progress towards PA, timeframe, risks and deficiencies, planning and goals for the year ahead
  2. Status of the Bilateral Fund: Progress of implementation, workplan, timeframe, planning and goals for the year ahead, risks, JCBF function
3. Management and Control System at the national level: Major issues, results of elaboration and progress, planning for issuance
4. Communication -Publicity: Communication strategy, launching event, other issues related
5. Organizational issues of NFP – Technical Assistance: Staffing of NFP and new Head of Service, new premises, implementation of eligible actions/ expenditure

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<sup>i</sup>Based on the analysis provided in the 2nd Progress report of NSRF 2019 drafted by the services of the Ministry of Development and Investments (August 2019)