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Ministry of Finance of the Republic of Latvia

Republic of Latvia
Ministry of Finance (Focal Point)
EU Funds Investments Management Department

Strategic Report on Implementation of the EEA/Norwegian Financial Mechanisms 2014-2021 in Latvia in 2019

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Glossary of acronyms

AA – Audit Authority

Business Development – Programme “*Business Development, Innovation and Small and Medium Entrepreneurs*”

BF – Bilateral Funds

BS – Beneficiary States

CA – Certifying Authority

CC – Cooperation Committee

Climate Change – Programme “*Climate Change Mitigation, Adaptation and Environment*”

CN – Concept Note

CoM – Cabinet of Ministers (Latvian Government)

Correctional Services – Programme “*Correctional Services*”

DPP – Donor Programme Partner

EEA – European Economic Area

FMD – Finance and Maintenance Department of the MoF

FMO – Financial Mechanism Office

FMs – EEA Financial Mechanism and Norwegian Financial Mechanism 2014-2021

FMs grant - FMs contribution (donorstates’ financing)

ICT – information and communications technology

IFR - interim financial report

JCBF – Joint Committee for Bilateral Funds

LIDA - Investment and Development Agency of Latvia

Local Development – Programme “*Local Development, Poverty Reduction and Cultural Cooperation*”

MCS – Management and Control System

MoEPRD - Ministry of the Environmental Protection and Regional Development

MoES – Ministry of Education and Science

MoF – the Ministry of Finance

MoI – the Ministry of Interior

MoJ – Ministry of Justice

MoU – Memorandum of Understanding on the Implementation of FMs

NFP – National Focal Point

OC – open call

OECD – the Organisation for Economic Co-operation and Development

Regulation - Regulation on implementation of EEA Financial Mechanism and Norwegian Financial Mechanism 2014-2021

PA – Programme Agreement

PMCS – Programme Management and Control System

PMB – Procurement Monitoring Bureau

PO – Programme Operator

PP – Project Promoter

Programme grant – 85% of FMs grant and 15% of national allocation to programme

Research and Education– Programme “*Research and Education*”

SEDA - The State Education and Development Agency

SME – Small and Medium Entrepreneurs

SR – Strategic Report

STEM - Science, Technology, Engineering and Mathematics

TA – Technical Assistance to the Beneficiary State

1. Executive summary

The stakeholders of the FMs programmes of Latvia have been active in development of programme content and modalities of implementation towards achieving overall objectives of FMs – reduction of economic and social disparities within the EEA and strengthening bilateral relations between Iceland, Liechtenstein, Norway and Latvia. Overarching principles of effective and inclusive partnership as well as good governance have prevailed over speed of adopting the programmes and starting implementation of investment projects. 79.0 MEUR FMs grants will contribute to make a change by achieving specific objectives within 6 programmes in Latvia.

By October 2019 3 PAs have been signed for the following programmes: Correctional Services, Climate Change as well as Research and Education. The respective POs started development of national programme regulations and procedures. Each PO coordinated investment ideas and partnerships with civil society (NGO sector) from the very beginning of programme conception thus taking into account opinion of civil society at the earliest stages. The Correctional Services programme has made outstanding further progress - the programme's CoM Regulations have been adopted, AA has issued a positive assurance report on the compliance of the PMCS (on 16 October 2019 approved by NFP) as well as PA has selected and entered into contract with the pre-defined project promoter (the only projects planned in the programme). 3 programmes (Local Development, International Police Cooperation and Combating Crime and Business Development) are in programme agreement stage.

The programme development and harmonization with Donors has been more demanding, challenging and time consuming than initially expected by Donors and BS. Despite more detailed content and greater maturity of investment ideas within programmes are expected to ensure higher quality of programme results, however this leaves less time for project implementation. This risk is somewhat mitigated in programmes with predefined projects when there is an opportunity for the known potential PPs to start developing their projects on their own risk and budget earlier and in parallel with programme development. The process of agreeing on the last programmes should be speed up.

The effects of FMs grants in Latvia would be both direct and indirect with potential spillover effects in several fields in line with the National development plan and sectoral strategies and policies. To exemplify some of expected results:

- further improved correctional services by opened training centre and open prison block in Olaine prison territory;
- enhanced Baltic researchers cooperation internationally by established cooperation networks; reduced risk to human health by remediation of polluted site;
- strengthened economic development and reduced disparities by entrepreneurship support measures in all regions of Latvia with special focus on regions lagging behind;
- improved effectiveness in combating and preventing economic crime.

Bilateral relations have been fostered from the programme conception with Stakeholder meetings at the very beginning and CC meetings for all programmes at least 2 times per year. POs in cooperation with DPPs discussed not only programme development issues but also plans for bilateral activities. For example, in Research and Education programme (DPPs: Research Council of Norway; Norwegian Agency for International Cooperation and Quality Enhancement in Higher Education; National Agency for International Education Affairs, Liechtenstein), based on SEDA proposal, CC assessed and approved the dossier of a call for Latvian researchers to participate in the Launching and Matchmaking Event of the Baltic Research Programme in Estonia. This resulted in real partnerships as 6 from 7 projects of Estonian Baltic Research Programme's OC include Latvian Higher education and research institutions as project partners which exemplifies excellent cooperation. Another example shows the best practice of strong longterm cooperation ties developed, maintained and deepened between MoJ and DPP (Directorate of Norwegian Correctional Services) as highly successful bilateral relations continues from previous FMs period. Both parties are eager to strengthen bilateral cooperation further for mutual professional interests in improvement of correctional services system. MoJ has been very active in attending and organizing

wide range of bilateral events like international workshops, meetings, conference and exchange of experience visits, thus together with DPP building professional and live networks in the field between most BS.

It is expected that 1.6 MEUR of FMs grants allocated from BF to programme and strategic initiatives by the October 2019 will bring added value not only to programme and project donor partnerships but also provide wider effects in strategic areas of mutual interests. It can be noted that art and culture is the strategic area of bilateral interest receiving most of bilateral strategic initiative applications. This could be explained by highly successful experience within culture programmes in previous FMs periods generating willingness to continue valuable bilateral work as well as absence of the cultural programme within current FMs. Another excellent trend is that there is visible interest from civil society the members of which keep generating and proposing ideas of strategic bilateral initiatives. Nationally introduced dedicate advisory group with wide participation including civil society members for initiating and discussing bilateral initiatives can be noted as best practice for openness, transparency and involvement. Thus, JCBF has already been able to approve number of bilateral initiatives with important objectives to be reached, to name some:

- fostered resilience of independent media in Latvia and the Baltic States;
- built expertise of the national heritage authorities in Latvia and Norway in using innovations and contemporary technology in heritage conservation;
- widened society's knowledge about FMs support to Latvia and opportunities of bilateral cooperation through innovative annual conversation democracy festival "LAMPA" in Latvia;
- gained deeper literacy of critical infrastructure protection policies in three Baltic States (Estonia, Latvia, Lithuania) and Norway as well as proposed instruments of targeted communication to wider society.

The following years will be more dynamic in terms of providing solid basis for and actual implementation of FMs investment projects and bilateral initiatives. However, key risk of concern to be mitigated is much less time left for project implementation, especially for 3 programmes - International Police Cooperation and Combating Crime, Local Development and Business Development - due to severely prolonged stage of programme development and agreement with donors.

2. Political, economic, and social context

Within political environment the important events in Latvia can be noted - the parliamentary elections (Saeima) on 6 October 2018, the new government was approved by Latvian Parliament (Saeima) on 23 January 2019, and elections to the European Parliament on 25 May 2019.

FMs in Latvia is recognized as one of objectives of high political importance in Latvia and that is stated in the Declaration on intended activities of the new government as follows:

- to ensure effective management of investments of 85,4 MEUR in programmes of 2014-2021 FMs with a view to make use of available funding provided by donors for the implementation of investment projects until 2024;
- strengthening bilateral relations with the EEA and Norway in the interest of Latvia.

In order to pave way to Latvia's future development path, the Cross-Sectoral Coordination Centre of the Republic of Latvia on 4 October 2019 announced the first draft¹ of the **Latvian National Development Plan 2021-2027** for public consultation². National Development Plan 2021-2027 is the main national medium-term development-planning document in Latvia in accordance with the Latvian Sustainable Development Strategy 2030 and the UN Sustainable Development Goals. The FMs investments in Latvia play important role in fostering achieving development priorities in Latvia.

Similarly, several **horizontal initiatives** as new national Laws (or amendments) and initiatives by the State Chancellery will have positive impact also on implementation of FMs and fit into the overarching principle of good governance, sound financial and risks management of public investments:

- On 1 May 2019, **the Whistleblowing Law** came into force aiming to strengthen the whistleblower protection in Latvia and to promote whistleblowing on various violations that can harm the public interest. This is additional measure with potential to prevent and fight against fraud, corruption and any other illegal activity. This very well supplements and supports the dedicated complaints mechanism within FMs in Latvia. According to the Whistleblowing Law, the MoF like other ministries has appointed its whistleblowing contact person³ and created e-mail address (trauksme@fm.gov.lv) for reporting infringements⁴.
- On 13 June 2019 Latvian parliament has adopted the amendments to the **Law on International Sanctions and National Sanctions of the Republic of Latvia** (hereinafter - Sanctions Law). The Ministry of Foreign Affairs is the coordinating institution in all sanction-related matters in Latvia⁵. The amendments provide for sanction checks to be extended not only to public procurement but also to all public funding procedures, including an obligation for national bodies involved in the provision of public funding to carry out sanctions' checks especially within EU funds and foreign assistance, including FMs, projects. Sanctions' checks

¹ More information: <https://www.pkc.gov.lv/lv/nap2027-pirmas-redakcijas-publiska-apspriesana/nap2027-1-redakcija> (in Latvian).

² The proposed priorities are: Strong families, healthy and active people; Knowledge and skills for personal and national growth; Competitiveness of companies and material welfare; Quality living environment and territorial development; Culture and sport for an active and fulfilling life; United, secure and open society.

³ More information: https://www.fm.gov.lv/lv/finansu_ministrija/trauksmes_celsanas_likums/ (in Latvian)

⁴ The scope of infringement that is subject to whistleblowing is not limited. Whistleblowing Law prescribes that a whistle-blower is entitled to spread alarm especially about the following offenses: 1) inactivity, negligence or abuse of authority by a public official; 2) corruption; 3) fraud; 4) waste of financial assets and property of a public person; 5) tax evasion; 6) threat to public health; 7) threat to food safety; 8) threat to construction safety. 9) threat to environmental safety; 10) threat to labor safety; 11) public order disturbance; 12) violation of human rights; 13) violation in the area of public procurement; 14) violation in the financial and capital market sector and 15) violation of competition law.

⁵ More detailed information can be found here: <https://www.mfa.gov.lv/en/policy/sanctions>

shall be carried out by PO or agency before: 1) approval of a project 2) signing a contract 3) making any payment to the project. The PO or agency may at any stage of project's implementation verify whether the PP, project partners and winners of the procurements is included in international or national Sanction lists. PPs shall conduct a sanction check before making any payments. On 22 July 2019 NFP issued a guidance to POs regarding application of the Sanctions Law requiring to introduce respective measures in their internal procedures (selection criteria, draft project contract, on-the-spot checks). NFP also updated recommendations for selection and advisable content of report by independent and certified auditors /independent public officer under BF.

- To ensure better prevention and fight against economic crime, corruption and money laundering as well as in response to the requirements in the *Moneyval* report, Latvian Parliament has adopted **Law of the Prevention of Money Laundering and Terrorism and Proliferation Financing** on 17 July 2018⁶. In this light the due diligence and risk assessment will have to be ensured by POs in the process of verification of project applicants as well as in procurements within the FM programmes.
- In order to achieve the goal “**customer-oriented public administration**”, the CoM signed a memorandum of cooperation between supervisory authorities and entrepreneurs on the implementation of the "Consult First" principle on 15 July 2017. In accordance with the developed methodology. Thus, the principle of conduct by public administration “**consult first**” applies also towards stakeholders within FMs investments in Latvia.
- On 20 August 2019, the government adopted the initiative “**Zero bureaucracy approach**”⁷ proposed by the State Chancellery. These measures and principles should eliminate unnecessary layer of extra documents and procedures without added- value and reduce administrative burden especially for business sector.
- The State Chancellery has further promoted structured principle of “**public participation in policy-making process**”. The activities create new forms of public participation such as “discussion papers” (green papers), Hachathons (Hacking Marathons) and similar innovative instruments. It provides much more transparency and significantly widened opportunities for expanding and strengthening public participation in government decision-making.

It is important to take into account also some developments within specific **sectoral areas** relevant to FMs in Latvia:

1. **Research and Education:** MoES has begun to implement major reform regarding Latvian science policy implementation system by consolidating its smaller administrative institutions and agencies (Study and Science administration and SEDA). This process will create one-stop agency responsible for all science policy implementation through pro-active management approach and greater flexibility in programme design (including greater in-house analytical capacity). Consolidation process will result in a newly formed Latvian Council of Science. According to timetable, final amendments to national legal acts will be approved by CoM by June 2020 and Latvian Council of Science will officially begin its work in July 2020.

⁶ <https://likumi.lv/ta/en/en/id/178987> or https://www.fm.gov.lv/en/s/prevention_of_money_laundering_and_terrorism_financing/latvian_national_money_laundering_terrorism_financing_risk_assessment_report/56034-latvian-national-money-launderingterrorism-financing-risk-assessment-report

⁷ More information can be found here: <https://www.mk.gov.lv/lv/aktualitates/nulles-birokratijas-princips-administrativa-sloga-pieauguma-apturesanai> (in Latvian).

In higher education sector, MoES is working on regulations for licensing and accreditation of doctoral programs, development of doctoral schools in line with the best European practice, mobility of doctoral students, skills and competences of a doctorate holder, the postdoc, and assurance of academic integrity.

2. **Correctional Services:** reform of correctional services system will continue in Latvia. Reform aims to increase efficiency of process of execution of punishment and promote the implementation of dynamic security principles. This includes not only providing a new training centre and innovative curriculum for correctional services staff, but also a new prison in Latvia during upcoming years and continued work on development of new Penalty Enforcement Law.
3. **Local Development:** on 17 September 2019 the conceptual paper on New Administrative Territorial Division was approved by the CoM. New administrative territorial reform envisages to form 39 local governments (34 municipalities and 5 cities) instead of current 119 municipalities (110 municipalities and 9 cities). The new Law on Administrative Territories and Populated Areas will be submitted to CoM in October 2019. It should be adopted by Latvian Parliament by 1 June 2020. The main goals of reform is: 1) to create economically competitive local municipalities; 2) to ensure that municipalities can fulfill their autonomous functions according to the national laws in comparable quality and availability; and 3) to ensure that municipalities provide qualitative services for reasonable costs.

3. Effects of the Grants

Please see the summary of objectives and expected outcomes under programmes in the table 1 below and similar information for bilateral initiatives approved by JCBF/MoU can be seen in Annex E of this report. As programmes and bilateral initiatives are in the early stages of implementation, the investment progress will be assessed in next reporting.

Table 1. Programmes' objectives and expected outcomes

No	Name of Programme/ FMs grant (MEUR)	Objective according to MoU	Outcome according to CN/PA
1.	International Police Cooperation and Combating Crime 15,0 MEUR or 85%	To improve crime prevention and investigation	1) Increased effectiveness in combating and preventing economic crime 2) Improved child protection system
2.	Research and Education⁸ 14,5 MEUR or 85%	To enhance research-based knowledge development	1) Enhanced performance of Baltic research internationally 2) Improved skills and competences of students and staff in higher education and research 3) Enhanced regional knowledge development of STEM
3.	Climate Change 14,0 MEUR or 85%	To mitigate the climate change and reduce the vulnerability to climate change	1) Improved climate change policy developed and implemented at all level 2) National soil data for climate change policy planning updated 3) Reduced risk of pollution from polluted sites
4.	Correctional Services 13,0 MEUR or 85%	To improve correctional system	Improved correctional services
5.	Business Development 12,5 MEUR or 85%	To increase value creation and sustainable growth	Increased competitiveness for Latvian enterprises within the focus areas green industry innovation, ICT and welfare technologies
6.	Local Development 10,0 MEUR or 85%	To strengthen social and economic cohesion	1) Strengthened economic development at local and regional level 2) Access to professional contemporary arts and culture improved in all regions 3) Integrity and accountability of public administration at local level improved
79,0 MEUR		TOTAL FMs GRANT	

⁸ Financed from both FMs: 6 MEUR from Norwegian FM grant and 8.5 MEUR from EEA FM grant.

4. Status of programmes

CN and programme development and harmonisation with donors process has been more time consuming as initially expected⁹. As can be seen in table 2, process of CNs' development and harmonisation took from 4 months (CN for Correctional Services programme) to 17 months (CN for Business Development programme). PAs harmonisation and signing process altogether took in average 7 months. This now means less time for implementation of projects, especially for the last 3 programmes: International Police Cooperation and Combating Crime, Local Development and Business Development. The longest CN's and PA's drafting and signing process has been for International Police Cooperation and Combating Crime programme (took 1,5 year). For 2 programmes - for Local Development and Business Development and Business Development - PA harmonisation is still in process and the process altogether has taken already almost 2 years. This was unexpectedly lengthy process.

Table 2. Progress of programmes till October 2019

Programme	Date when CN submitted to Donors/ CN's harmonisation time period ¹⁰	Date when Donors notified on assessed CN/ time period ¹¹	Donors notified NFP on approved Programme	Date when signed PA/ PA's drafting time period/ total time period ¹²
1. Correctional Services	26.07.2018/ 4 months	22.08.2018/ 1 month	07.02.2019	22.03.2019/ 7 months/ 12 months in total
2. Climate Change	09.08.2018/ 5 months	07.09.2018/ 1 month	27.03.2019	23.04.2019/ 7 months/ 13 months in total
3. Research and Education	18.01.2019/ 9 months	15.02.2019/ 1 month	24.07.2019	27.08.2019/ 6 months/ 16 months in total
4. International Police Cooperation and Combating Crime	04.09.2018/ 5 months	03.12.2018./ 3 months	n/a	n/a/ 10 months up to now/ 18 months in total up to now
5. Local Development	18.04.2019/ 13 months	14.05.2019/ 1 month	n/a	n/a 5 months up to now/ 19 months in total up to now
6. Business Development	30.08.2019/ 17 months	08.10.2019/ 1 month	n/a	n/a ~ 1 month up to now/ ~ 19 months in total up to now

⁹ Article 6.3 of Regulation "the FMO and the Beneficiary State shall endeavor to finalize the draft programme agreement within six months of the date of the submission of the concept note". FMO's e-mail of 22 Mach 2018 and letter of 18 June 2018 states that CN quality is more important than meeting six months deadline (i.e. 14 June 2018 according to Regulation) and it is of mutual interest of all parties to be satisfied with final CN upon submission to Donors

¹⁰ The first step - time period covers CN's elaboration and harmonisation process starting from date when the first CN's draft submitted to Donors for comments till date CN's official submission to Donors by the NFP.

¹¹ The second step - time period starting date when NFP officially submitted CN to Donors till date when Donors' notification on assessed CN was received.

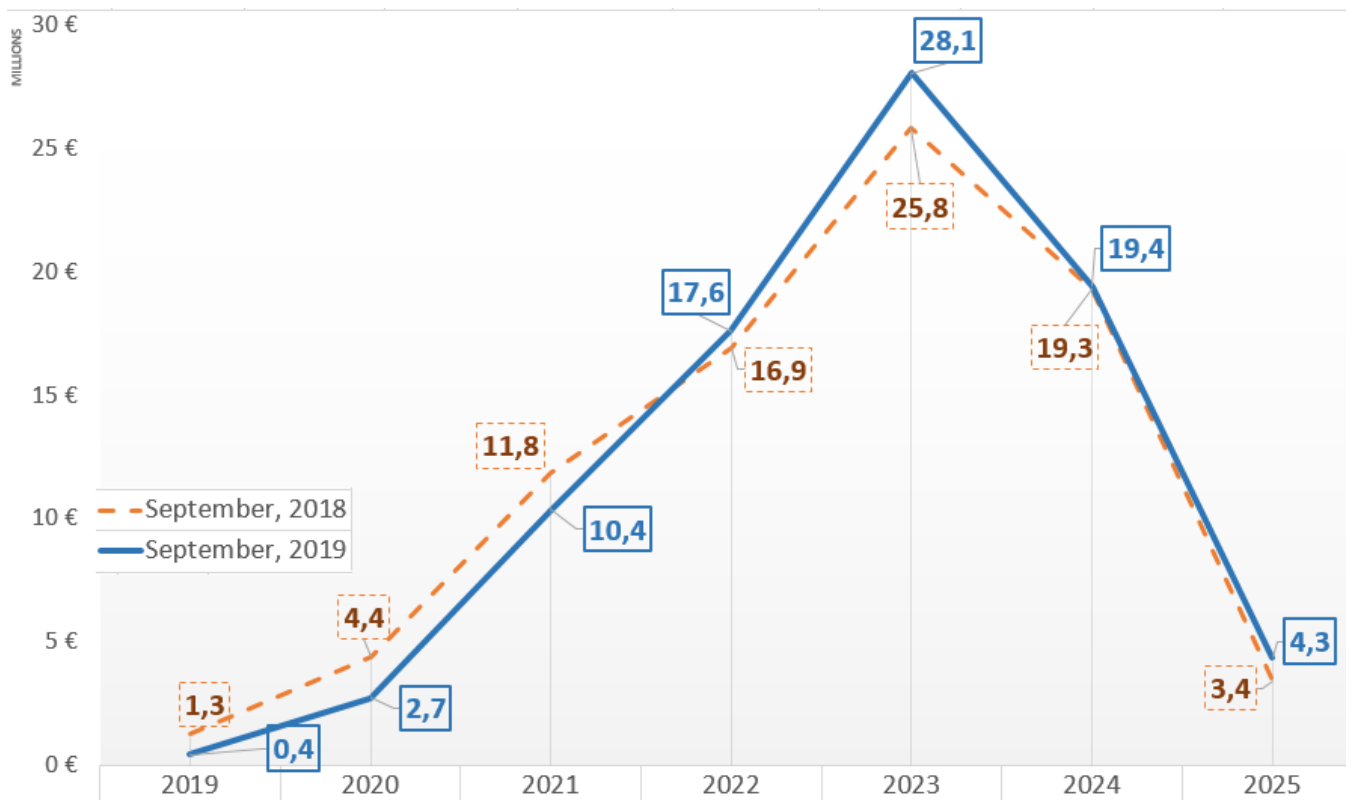
¹² The third step - time period starting from date when the first CN's draft submitted to Donors for comments till date when PA was officially signed.

Due to later adoption of programmes, the financial flow has been limited. POs have made the best use of state budget prefinancing (0,8 MEUR¹³ FMs grant) mainly for programme management costs. In total 0,2 MEUR should be received from FMO by 15 October 2019 based on declared expenditures in the first IFRs.

Please see the diagram No.1 that shows the changes between forecasts submitted to FMO in September 2019 and in September 2018. As the risk of prolonged programme development phase materialised, unfortunately, this affected the cash flow of programmes. POs were too optimistic and the most notable difference between forecasts is for: (1) in International Police Cooperation and Combating Crime programme PO, PPs and partners had not considered that it would take a year to develop and to provide FMO with detailed budgets for 6 pre-defined projects; (2) in Correctional Services programme harmonization of programme management cost budget with FMO took more time as well as signing of PA was postponed due to unexpected change of one DPP and of a name of one donor partner in pre-defined project.

NFP took an active role in reality check of POs forecasts by strongly advising to take into account previous experience in delays in CNs and PAs drafting process, more balanced project implementation flow taking into account proper due diligence and risk assessment. NFP considers the forecast of September 2019 is now realistic since it more resembles the actual flow in the previous FM's period. Major jump in financial execution should start in years 2021 and 2022 resulting in a peak of disbursements in 2023.

Diagram 1. Comparison of forecasts of likely payment applications for 2019-2025 of September 2018 and September 2019 (total FMs grant 82.9 MEUR)



Progress on special concerns in MoU and conditions in PAs

¹³ Cumulatively starting from 1 January 2018 till 30 August 2019.

I Correctional Services programme¹⁴

- *Special concern in the MoU* “Programme shall be implemented by way of the pre-defined project “Establishment of training centre infrastructure and model prison blocks for training opportunities in the Olaine prison territory”.

Fulfilled on 1 July 2019 contract of pre-defined project “Establishment of training centre infrastructure and model prison blocks for training opportunities in the Olaine prison territory” (programme grant - 14,1 MEUR) between PO (MoJ) and PP (Latvian Prison Administration) was signed. The programme is the only one where 92% of programme’s grant is allocated to one pre-defined project. It is planned to build a new Training Centre and open prison block at the Olaine Prison territory and to create content for the staff training of Latvian correctional services in order to ensure the execution of imprisonment according to modern tendencies and to improve training conditions for both newly recruited and already professional correctional service staff. Four Norwegian project partners (Directorate of Norwegian Correctional Service, Romerike prison, University College of the Norwegian Correctional Service and NGO Wayback) are to bring about valuable knowledge, share experience and further deepen bilateral ties in the field of correctional services system. It is anticipated that in the result of these partnerships Latvian correctional services system will gain valuable Norwegian expertise contributing to the improvement of correctional services system by introducing advanced working methods in correctional services.

- *General condition in the PA* - “The maximum level of funding available from the total eligible expenditure of the programme for infrastructure (hard measures) shall be 85%.”

Fulfilled - the condition was included in point 1.6 of pre-defined project contract stating that PP will ensure that at least 15% of total eligible expenditure of the programme is devoted to non-infrastructure activities (soft measures).

- *General condition in the PA* - “NFP shall ensure that PO, prior to signing a project contract/decision/administrative act for the pre-defined project set out under Section 5.1 of Annex II to the Programme Agreement, carries out an external and independent appraisal of the project, in order to verify its quality and contribution to the objectives of the programme as well as compliance with EU and national legislation.”

Fulfilled - on 2 July 2019 NFP notified FMO of MoJ decision about positive appraisal of pre-defined project in accordance with Article 6.5.3 of Regulation based also on results of appraisal carried out by external and independent expert, who was selected through external procurement process.

- *General condition in the PA* - “NFP shall ensure that that PO ensures that PP: 1) Keeps any buildings purchased, constructed, renovated or reconstructed under the project in their ownership for a period of at least 5 years following the completion of the project and continue to use such buildings for the benefit of the overall objectives of the project for the same period; 2) Keeps any buildings purchased, constructed, renovated or reconstructed under the project properly insured against losses such as fire, theft and other normally insurable incidents both during project implementation and for at least 5 years following the completion of the project; 3) Sets aside appropriate resources for the maintenance of any buildings purchased, constructed, renovated or reconstructed under the project for at least 5 years following the completion of the project. The specific means for implementation of this obligation shall be specified in the project contract.”

Fulfilled - PO integrated the above-mentioned conditions of PA in the signed pre-defined project contract. According to PO’s internal regulations regarding on-the-spot checks at project sites in FMs programme Correctional Services PO will ensure that these conditions will be followed up and monitored.

¹⁴ See information on programme in PO’s website: <https://norwaygrants.tm.gov.lv/en>.

II Climate Change programme¹⁵

- *Special concern in the MoU – “Special concern shall be given to measures for remediation of polluted sites.”*

Fulfilled - in PA, under Outcome 3 “Reduced risk of pollution from polluted sites” is foreseen OC for 11.0 MEUR or 67% of programme grant to support remediation of indicatively 3 historically polluted sites.

- *General condition in the PA - “The National Focal Point shall ensure that the Programme Operator ensures that projects selected through the call for proposals contain an awareness-raising component targeted at civil society and the general public. The awareness-raising component should preferably be implemented by a relevant civil society organisation as a partner to the Project Promoter.”*

In process of fulfilment - according to conditions of OC regarding remediation of historically polluted sites PP will be required to include integrated awareness raising activities and to dedicate a certain part of financing to them, thus encouraging that awareness raising activities will be implemented in cooperation with NGOs. Also the programme modalities foresee that NGOs are potential project partners under the OC. NFP will make sure that this condition is included in programme’s regulations of CoM and respective procedures.

- *Pre-eligibility condition in the PA - “No costs shall be eligible under pre-defined project “Integration of climate change policy in sectoral and regional policies” before a detailed description and budget for the pre-defined project has been submitted and the NMFA has confirmed the grant to the project as described in Annex II to the Programme Agreement.”*

In process of fulfilment - in October 2019, PO plans to submit the Donors the pre-defined project’s “Integration of climate change policy in sectoral and regional policies” detailed description and budget following Donors’ comments regarding the first version as of 11 July 2019. NFP will make sure that PO will fulfil this pre-eligibility condition for pre-defined project “Integration of climate change policy in sectoral and regional policies”.

III Research and Education programme¹⁶

- *Special concern in the MoU - “A. maximum of 6 MEUR of the programme grant¹⁷ shall be allocated to innovation centres located in different regions of Latvia.”*

Fulfilled - in PA, under outcome 3 “Enhanced regional knowledge development of STEM” in total 5.5 MEUR (FM grant) are foreseen for 4 pre-defined projects for development of Innovation centres located in four regions of Latvia (the rest – 0.5 MEUR FM grant - is foreseen for programme management costs).

- *Special concern in the MoU - “The location, allocation and the activities of each of the centres will be determined during concept note phase. The centres shall aim to develop new education and training programmes for teachers, students and pupils in science, technology, engineering and mathematics, and facilitate cooperation and partnerships between institutions in education, research and the world of work.”*

Fulfilled - in PA, 4 pre-defined Innovation centres’ projects located in Cesis (FM grant -1.6 MEUR), Daugavpils (FM grant – 1.5 MEUR), Liepaja (FM grant – 0.8 MEUR) and Daugavpils (FM grant – 1.5 MEUR) are foreseen. Pre-defined projects will focus on teaching and training in the field of STEM, but with a different thematic topics (Cesis - space-related, Daugavpils - entrepreneurial side of STEM, Liepaja - environmental sciences and Ventspils - natural sciences and ICT), thus ensuring

¹⁵ See information on programme in PO’s website: http://varam.gov.lv/eng/fondi/EEA_Norv/latest_news/.

¹⁶ See information on programme in PO’s website <https://www.izm.gov.lv/en/international-cooperation/eea-and-norway-grants/2014-2021-eea> and NFP’s website: <https://www.eeagrants.lv/?id=109&zina=283>.

¹⁷ According to FMO’s electronic letter received on 4 April 2018, the wording “programme grant” in MoU is meant by FMs grant, i.e., 85% of FMs contribution to programme.

complementarity and peer-learning between the four Innovation centres. Innovation centres will facilitate cooperation and partnership between institutions in education, research and the world of work in regions of Latvia, with strong emphasis on bilateral relations between Norway and Latvia.

- *Special concern in the MoU - “Infrastructure (hard measures) is not eligible for funding under this programme. The costs of mobile equipment for demonstration rooms that supports activities within the centres shall be eligible. A maximum level of funding available from the total eligible expenditure of the programme for such equipment shall be identified in CN.”*

Fulfilled - infrastructure (hard measures) is not foreseen in CN nor PA. In PA, under outcome 3 “Enhanced regional knowledge development of STEM” is foreseen that maximum level of funding available for purchase of mobile equipment in each pre-defined project shall not exceed 60% of total eligible project expenditure.

- *Special concern in the MoU - “The total allocation of the programme will be set aside for the “Baltic Research Programme”, aiming at developing a regional hub for research in the Baltic region. Approximately 7 MEUR of the programme grant is allocated to the programme area “Research”, and approximately 1.5 MEUR of the programme grant is allocated to the programme area “Education, Scholarships, Apprenticeships and Youth Entrepreneurship.”*

In the framework of the Baltic Research Programme OC in Estonia resulted in approval of 7 research projects for total amount of 6 MEUR (programme grant) of which 6 projects will be implemented involving partners from all 3 Baltic states and Norway in field of health, environment, science and engineering as well as cultural and social sciences. Estonian colleague faced a challenge that should be taken into account in OC in Latvia as 130 applications were submitted in OC, their assessment process took almost 9 months. As OC in Latvia under Baltic Research Programme is planned at the beginning of 2020, Latvian PO had an opportunity to learn from experience of Estonian colleagues. For OC in Latvia descriptions of each thematic priority thus narrowing down the scope of the priority is prepared. The Programme Committee in its meeting on 20-21 November 2019 will approve the thematic priorities and all package of OC’s documents. As at the beginning of 2020 the two OCs will be launched (Latvian and Lithuanian), therefore the number of application for each call may not be as large as in Estonian call.

Fulfilled - PA covers the following OCs:

- 1) Baltic Research Programme (FM grant – 6.4 MEUR) under programme area “Research”. It will offer broad and sustainable cooperation opportunities between researchers and research institutions in Baltic States, Donor States and third countries, thus enhancing performance of Baltic research internationally;
- 2) Scholarships (FM grant – 1.3 MEUR) under programme area “Education, Scholarships, Apprenticeships and Youth Entrepreneurship”. It will support mobility projects between higher education and research institutions in Latvia and Donor States, thus improving skills and competences of students and staff in higher education and research.

- *General condition in the PA - “For the indicators related to Outcome 1, the NFP shall ensure that the PO ensures that double counting of the achievements is avoided across the Baltic Research Programme implemented in Latvia, Estonia and Lithuania.”*

In process of fulfilment – Before signing procedure of PA took place, PO submitted assurance letter to NFP informing that PO will cooperate with POs from Estonia and Lithuania to exchange with information about Estonian and Lithuanian projects and their results under Baltic Research Programme in order to avoid from double counting. Moreover, it’s planned that SEDA will maintain data base of projects, their outputs, outcomes for Latvian OC under the Baltic Research Programme. The compliance with the general condition will be ensured by monitoring implementation of projects under the Baltic Research Programme based on SEDA’s developed internal regulation regarding monitoring of projects.

- *General condition in the PA - “The maximum level of funding available from the total eligible expenditure of each pre-defined project under outcome 3 for mobile equipment shall be 60%.”*

In process of fulfilment - PO has included it in draft regulation by the CoM. Prior to signing the project contracts, SEDA will appraise pre-defined projects in order to verify its quality and contribution to the objectives of the Programme as well as compliance with EU and national legislation. During this appraisal, SEDA will ensure that pre-defined project applications meet this condition as well as this condition will be included in pre-defined project contracts. The compliance with the general condition will be constantly monitored during projects' implementation based on SEDA's developed internal regulations regarding assessment of pre-defined projects and monitoring of pre-defined projects.

- *General condition in the PA - "Mobile equipment under outcome 3 is demonstration equipment, device or installation required for the education activities according to the respective Innovation Centre's thematic specialization and which will be purchased, developed and used to provide the Centre's educational activities both inside and outside the Centre. For this purpose, equipment may be assembled and inbuilt in the Innovation Centres, provided that the equipment is consistent with the objectives of the programme and project and are necessary for implementation of the planned project activities."*

In process of fulfilment - PO has included definition of mobile equipment in draft Programme's CoM Regulations as well as this definition will be included in pre-defined project contracts. NFP will make sure that this condition is included in programme's regulations of CoM and PO's respective procedures.

IV International Police Cooperation and Combating Crime programme¹⁸

- *Special concern in the MoU - "The programme shall focus on combating economic crime and on strengthening child friendly justice."*

In process of fulfilment - according to CN and draft PA (1st version received from Donors on 25 September 2019) the Programme aims towards 2 outcomes:

- ✓ Increased effectiveness in combating and preventing economic crime (programme grant – 14.3 MEUR);
- ✓ Improved child protection system (programme grant – 2.0 MEUR).

- *Special concern in the MoU - "pre-defined project in the area of combating economic crime with OECD as project partner, shall be explored when developing the concept note."*

In process of fulfilment - in CN assessed by Donors and draft PA, in total 3 pre-defined projects in partnership with OECD are foreseen – 2 of them aiming to combat economic crime:

- ✓ "Support to the State Police for increasing effectiveness and quality of the economic crime investigations in Latvia" (programme grant – 8.4 MEUR) to be implemented by the State Police;
- ✓ "Preventing and combating economic crime at the Border Crossing Point Terehova" (programme grant – 2.5 MEUR) to be implemented by State Revenue Service;

- *Special concern in the MoU - "A pre-defined project in the area of strengthening child friendly justice with the Icelandic Government Agency for Child Protection as project partner, shall be explored when developing the concept note."*

In process of fulfilment - in CN assessed by Donors and draft PA, a pre-defined project "Support for Barnahus implementation in Latvia" (programme grant – 2.0 MEUR) is foreseen in area of strengthening child friendly justice. It is planned to be implemented by the Ministry of Welfare in partnership with Icelandic Government Agency for Child Protection and OECD.

- *Special concern in the MoU - "The maximum level of funding available from the total eligible expenditure of the programme for infrastructure (hard measures) shall be identified in CN."*

¹⁸ See information on programme in NFP's website: <https://www.eeagrants.lv/?id=109&zina=259>.

In process of fulfilment - in CN assessed by Donors, it is stated, that:

- ✓ In the programme area “*International Police Cooperation and Combating Crime*” division between soft and hard measures is planned to be 40% soft and maximum 60% hard measures;
- ✓ In the programme area “*Domestic and Gender-based Violence*” division between soft and hard measures is planned to be 50% soft and maximum 50% hard measures.

In Annex 1 of draft PA under 1st general condition, it is stated that the maximum level of funding available from total eligible expenditure of programme for infrastructure (hard measures) shall be 60% under outcome 1 and 50% under outcome 2.

V Local Development programme¹⁹

- *Special concern in the MoU – “The programme shall give particular attention to facilitating development in the Latgale region.”*

In process of fulfilment - in CN assessed by Donors, Outcome 1 “*Strengthened economic development at local and regional level*” will have specific focus on Latgale region. Total amount of support to Latgale region will be 1.9 MEUR or 16% of programme grant. Development of Latgale region will be facilitated by:

- pre-defined project “*Entrepreneurship Support Measures in the Latgale Planning Region*” ;
- small grant scheme “*Support for business ideas in Latgale*”.
- *Special concern in the MoU – “The programme shall facilitate business support measures at regional and local level, and networking between municipalities.”*

In process of fulfilment - in CN assessed by Donors, under Outcome 1 pre-defined projects for all 5 planning regions of Latvia (Latgale, Vidzeme, Zemgale, Kurzeme, Riga) are foreseen in total amount programme grant of 4,9 MEUR, which will be aimed at facilitation of business support measures at regional and local level.

- *Special concern in the MoU – “A. maximum of 3 MEUR of the programme grant²⁰ shall be set aside for the programme area “Cultural Entrepreneurship, Cultural Heritage and Cultural Cooperation”. It shall aim at improving access to arts and culture and increased participation in arts and culture.”*

In process of fulfilment - in CN assessed by Donors, indicatively two OCs in total programme grant amount of 3.2 MEUR (FM grant – 2.7 MEUR and 0.5 MEUR - national programme co-financing) are foreseen for programme area “*Cultural Entrepreneurship, Cultural Heritage and Cultural Cooperation*” aiming to improve access to professional and contemporary arts and culture in all regions of Latvia.

- *Special concern in the MoU – “The Ministry of Culture of the Republic of Latvia shall act as Programme Partner.”*

In process of fulfilment - in CN assessed by Donors, the Ministry of Culture is Programme Partner, which will be defined also in Programme’s CoM Regulations.

- *Special concern in the MoU – “Arts Council Norway shall be actively involved in the preparation of the programme related to the programme area “Cultural Entrepreneurship, Cultural Heritage and Cultural Cooperation”.”*

¹⁹ See information on programme published in Facebook:

<https://www.facebook.com/EEANorwayGrantsLatvia/photos/a.1677338252348883/2138895242859846/?type=3&theater>

²⁰ According to FMO’s electronic letter received on 4 April 2018, the wording “programme grant” in MoU is meant by FMs grant, i.e., 85% of FMs contribution to programme.

MoEPRD together with the Ministry of Culture and in close consultation with DPP - Arts Council Norway - worked together on development of CN. Arts Council Norway as DPP also further will be involved in implementation of programme²¹.

VI Business Development programme²²

- *Special concern in the MoU – “In managing this programme the Investment and Development Agency of Latvia shall operate with autonomy and independence of the Ministry of Economics. The Ministry of Economics is together with the Investment and Development Agency of Latvia, responsible for the preparation of the programme.”*

Fulfilled - LIDA together with the Ministry of Economics were working on development of supplementary information for PA. Description of MCS states that LIDA will operate autonomously and independently of the Ministry of Economics. The separation of functions between the institutions are to be specified in the Programme’s CoM Regulations as well as competencies of specific departments are to be defined in PMCS description as well as described in the respective procedures.

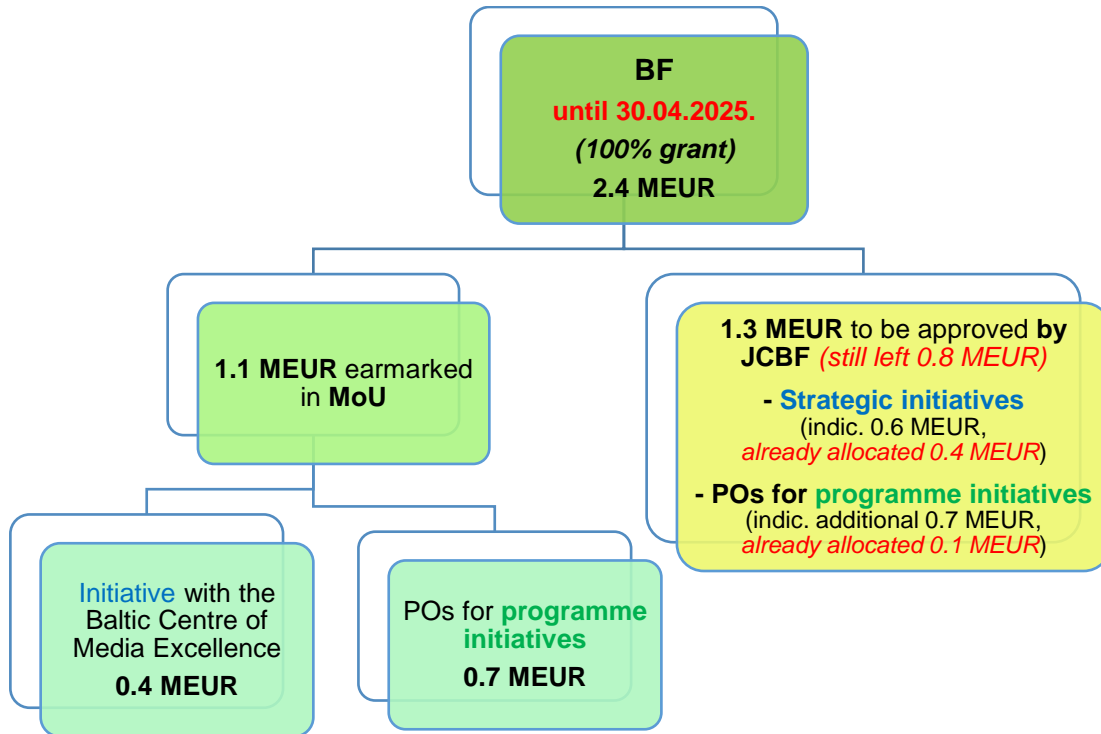
²¹ Based on Arts Council Norway electronic letter received on 15 January 2019, Donors granted Arts Council Norway some additional funds to: 1) continue facilitating partnerships in the Latvia programme; 2) facilitate and inform about travel grants and matchmaking seminars; 3) disseminate information about the programme, OCs and other partner opportunities in meetings and social media in Norway; 4) assist Norwegian partners participating in projects. Thus this issue potentially is subject to potential changes to be made in Annex B of MoU.

²² See information on programme in PO’s website http://www.liaa.gov.lv/lv/fondi/norvegijas-finansu-instruments-2014-2021?fbclid=IwAR2_vfnBrgwdbBE1plp6X7CEYy05VmJWR_uB4CdyCWGqgBU2xGNRIZ and in Facebook: <https://www.facebook.com/LIAALatvija/photos/a.157840847705579/1294536067369379/?type=3&theater>

5. Status of bilateral funds

Already 1.6 MEUR of FMs grant of BF is allocated to programme initiatives and strategic initiatives according to MoU (1.1 MEUR) and decisions of JCBF (0.5 MEUR). Diagram 2 shows the distribution of BF for strengthen bilateral relations and to increase mutual knowledge and understanding between the Donors and Latvia.

Diagram 2. Distribution of FMs grant in BF till 30.04.2025.



In reporting period, according to the decisions of JCBF **0.5 MEUR** (out of 1.3 MEUR) of FMs grant of BF is already assigned to concrete strategic and programme level initiatives. Taking into account the previous FMs` period, when the BF for programmes was 1.5 MEUR of FMs grant, it is expected, that 0.7 MEUR will be needed for POs as additional BF funding. However, at this moment it is hard to predict when POs might become interested in additional BF funding as they have only indicative plans of bilateral events within programmes until 2020, except MoJ, who received additional FMs grant of BF for programme initiative according to JCBF decision²³.

Indicative absorption of FMs grant of BF till 30 September 2019 is **60 808 EUR**²⁴ (which mainly includes programme level events by MoJ, MoES, MoEPRD and LIDA). As main challenges related to absorption of FMs grant of BF could be mentioned as follows:

- **Partnership:** lack of Donors' partners as competition between BS is very tough in context of finding Donors' partners due to limited number and capacity of potential Donors partners' institutions. As example for this challenge could be mentioned State Revenue Service of the Republic of Latvia which had an idea for initiative, but not implemented as relevant authority from Norway was not interested in the partnership;
- **National regulations:** to ensure sound management and principles of FMs implementation defined in Article 1.3 of Regulation, POs have to develop national regulations on

²³ JCBF Decision No.6 of 19 September 2019

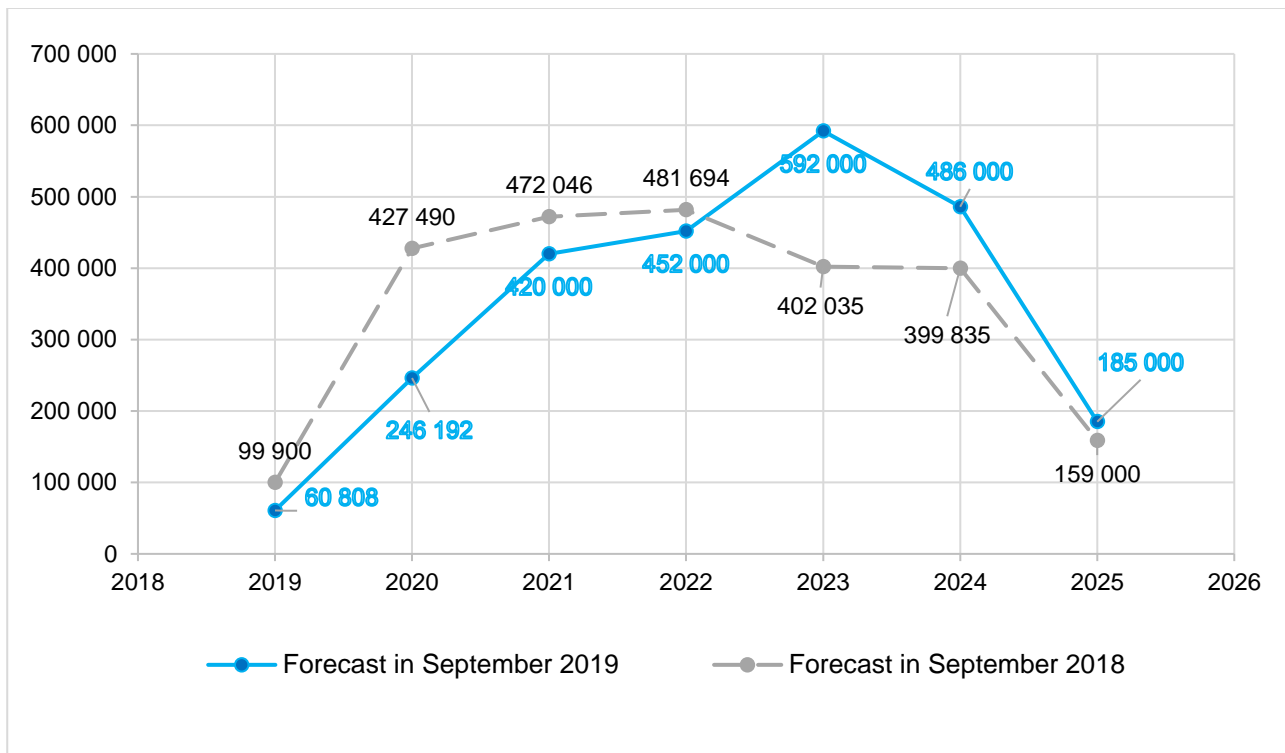
²⁴ State budget expenditures according to 1st FMs grant of BF IFR and current data information received from POs and Communications Department of MoF

management and implementation of the programmes in order to start using FM's grant of BF. So far only MoJ developed their Programme Management regulations;

- **Expenditure of initiative partner:** it is difficult to assess the justification of the estimated costs of the Donor partner of strategic initiative, which resulted in a change of 1 strategic initiative due to a significant increase in the actual cost proposal compared to what was initially planned. For solution, the initiative promoter shall to explain to donor partner at the beginning that donor partner's expenditures are fixed costs in the initiatives budget. Also donor partner could include the commitment on working within planned budget in his affirmation letter on initiative's implementation.

As it is shown in diagram 3 below, according to forecast of September, 2019 the pace of expenditure within BF should increase during 2020-2021 years when launch of OCs are anticipated and search of project partners become as actual need. The NFP considers this prognosis as very much indicative since there are too many unknowns at this stage. However, it is most likely that the most active programme and BF investment period will be seen in the second part of the FM's period.

Diagram 3. Comparison of forecasts of likely payment applications for 2019-2025 of September 2018 and September 2019 (100% FM's grant – 2.4 MEUR), in EUR



I Consideration of the initiatives within JCBF/Advisory Group/CoM

During the reporting period 6 written procedures were launched and the Work plan was updated:

- one strategic initiative was rejected²⁵;
- four strategic/programme initiatives were approved (please see the annex F of Initiatives approved by JCBF);

²⁵ Strategic Initiative "Undercurrents – immersive documentation of Artic environment", JCBF decision No.4 of 16 August 2019

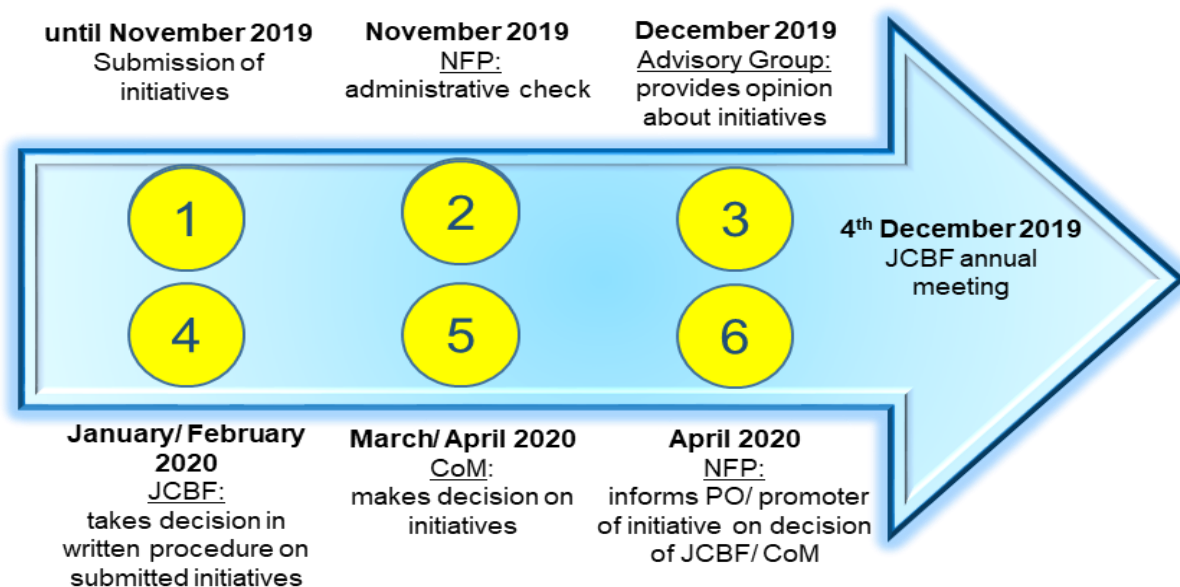
- one amendment to the strategic initiative was approved by JCBF²⁶.

In addition, the changes in delegated participants of the JCBF were also approved due to the staff changes in MoFA²⁷. NFP considers written procedures as very convenient and efficient way of JCBF decision making. The support of Norwegian Embassy during the set up of processes as well as assessing content of initiatives has been valuable.

In order to ensure wide dissemination of information regarding BF opportunities and the strategic importance of bilateral relations between Latvia and donor countries as well as for to generate new proposals of initiatives, ensure effective transparency, partnership and exchange of competent views, the generation of ideas and review of proposals of initiatives at national level is organised in structured way through the Advisory Group and the MoC.

The 2nd JCBF meeting is planned at the beginning of December 2019. In diagram 4 the next steps are shown to be done regarding submitted initiatives until the 1st quarter of 2020.

Diagram 4. Next steps in 2019 – 2020



Main strategic areas for initiatives beyond the scope of the bilateral priority programmes identified by the JCBF are as follows:

- 1) education and research (cooperation between universities, institutes and libraries; people-to-people contacts, cooperation within think-thanks, youth development; media – development of the independent media and media literacy, research in the field of security policy);
- 2) art and culture (exchange of cultural experiences, exhibitions, concerts, cultural days, conservation of the cultural heritage; translation and popularization of Latvian literature; celebrations of centenary of Latvia);
- 3) cooperation projects between local governments (twin towns) (conferences and other type of networking and exchange of ideas between Latvian and Donors` local governments);
- 4) promotional activities for business development and bilateral cooperation (conferences and other type of networking and exchange of ideas between Latvian and Donors` organisations);

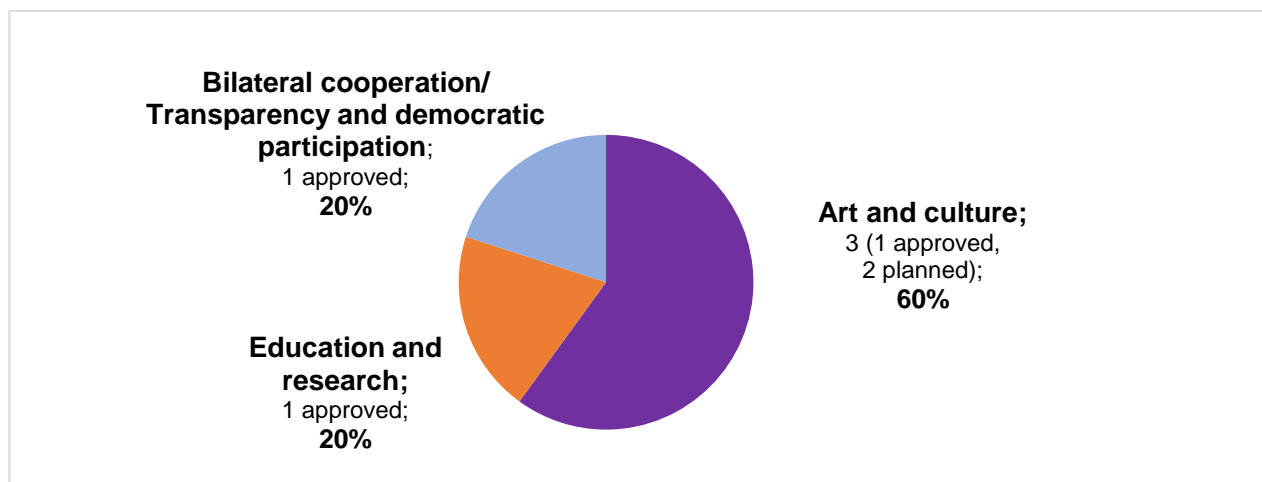
²⁶ Strategic Initiative “*Building Resilient Media and Inquisitive Audiences in the Baltic States*“, JCBF decision No.5 of 5 September 2019

²⁷ JCBF Decision No.6 of 19 September 2019

- 5) promotional events for bilateral cooperation (EEA and Norway Grants events and other events at conversation festival LAMPA in Cesis, Norwegian days in Latvia, etc);
- 6) promoting transparency and democratic participation.

Diagram 5 shows that most demanded area of strategic initiatives submitted or planned to be submitted is art and culture (already 126 606 EUR for approved initiative), what could be explained with the absence of a cultural programme within FMs. Financially the largest investment 187 000 EUR is planned in initiative within area “Education and research”. 90 000 EUR is intended for initiative within scope of bilateral corporation and transparency and democratic participation.

Diagram 5. Strategic initiatives approved by JCBF by strategic area defined in BF Work plan



Within the initiative, *Building Resilient Media and Inquisitive Audiences in the Baltic States* 2 digital newsletters were distributed to the media organizations in the Baltic States about donor support activities and are available for wider public on Baltic Centre for Media Excellence web site²⁸. The digital newsletter attracted a lot of interest – over 140 subscribers are in the mailing list (date: 01.10.2019.) and over 80 of them signed up via homepage or Facebook²⁹. In addition, an agreement is reached with media experts in Latvia, Lithuania and Estonia to conduct a study for assessment of media needs in the Baltic States. There are also 2 training seminars and 2 consultation meetings planned in November 2019 in Riga and Tallinn. The seminars will be led by lecturers from the Norwegian Journalism Institute.

The first activity of initiative *Participation in the Conversation Festival LAMPA* took place on 28 – 29 June 2019, which was the launch event for FMs. This was very successful continuation of the communication with public regarding FMs’ programmes started in previous FMs period. It is planned to carry out similar activities in 2021 and 2024. In 2023 participation in similar conversation festival in Norway is planned (please see section 7 of this report for more information).

2 initiatives – *3D scanning and new technologies in cultural heritage management*³⁰ and *Norway-Baltic Research Network. Critical Infrastructure: Institutional Coordination and Policy Preferences*³¹ - are delayed due to the reconciliation of draft agreements as well as due to the prolonged reconciliation process of description of MCS with FMO³². Implementation of these initiatives will start by the end of 2019. One of the implementation agreement was signed on 4 October 2019 and other one is still being negotiated.

Initiative *The international cycle of conferences with participation of Norwegian and Latvian experts on issues topical for correctional services* by MoJ is the first programme level initiative approved by

²⁸ Newsletters on web site: <https://baltic.media/en/our-products/>

²⁹ Facebook page: https://www.facebook.com/pg/balticmediacentre/posts/?ref=page_internal

³⁰ Initiative promoter National heritage board of Latvia.

³¹ Initiative promoter Latvian Institute of International Affairs.

³² Acknowledgment of the description of MCS received. by NFP on 11.10.2019.

JCBF, based on indicative plan of currently available FMs grant of BF for the Correctional Services programme. Approval of this initiative is subject to the decision of the CoM and the NFP will inform JCBF about decision indicatively in March or April 2020. The aim of initiative is to continue building the excellent cooperation platform and to share the knowledge with other BS that are planning to improve their own correctional services.

II Bilateral activities within Programmes (FMs grant of BF allocated in MoU)

During the reporting period MoJ, MoES, MoEPRD and LIDA started to implement the first activities using the FMs grant of BF allocated in MoU (the distributed funding is shown in table 3 below).

Table 3 FMs grant of BF within Programmes (according to MoU)

No	Title	Promoter/ PO	DPP	Period of implementation	Amount in EUR
Total Bilateral Fund					2 442 000
Allocation in MoU for programmes 29% of total BF funding					700 000
1.	Research and Education	MoES	- Norwegian Research Council - Norwegian Centre for International Cooperation in Education	till 30.04.2025.	150 000
2.	Local Development	MoEPRD	Norwegian Association of Local and Regional Authorities		125 000
3.	Business Development	LIDA	Innovation Norway		125 000
4.	International Police Cooperation and Combating Crime	MoI	Council of Europe		100 000
5.	Climate Change	MoEPRD	Norwegian Environment Agency		100 000
6.	Correctional Services	MoJ	Directorate of Norwegian Correctional Services		100 000

Programme Research and Education

The SEDA organized an OC for selection of Latvian researchers for participation in the Launching and Matchmaking Event of the Baltic Research Programme held on 25 October 2018 in Tallinn, Estonia. 36 Latvian researchers participated in the event and had an opportunity to identify common research themes and potential partners in the Baltic States and Donor States aiming for developing collaborative research project proposals under FMs.

In addition, 7 bilateral meetings within 4 pre-defined Innovation centres projects took place in Latvia and Norway from March till September 2019, where PPs together with the Donors` project partners exchanged experience and elaborated common bilateral activities thus contributing to further successful implementation of pre-defined projects.

Programme Local Development

PO in cooperation with DPP (Norwegian Association of Local and Regional Authorities) organised bilateral partnership event, which took place in Riga and Latvia's regions on 8-9 May 2019. Event provided pre-defined PP's and their Donor partners the opportunity during preparation of pre-defined projects to meet and discuss planned project partnership activities and to elaborate in details project budgets. Also PP introduced the Donor partners with the PP's organisations, thus strengthening their mutual cooperation.

Programme Business Development

PO participated in event “*Breaking the Barriers in a Circular Economy*” within Oslo Innovation Week on 24-26 September 2019 organized by DPP (Innovation Norway), where also entrepreneurs from Latvia were presented, thus providing valuable input not only in strengthening bilateral relations, but also in finding potential Norwegian project partners, which often is a challenge.

Programme Correctional Services

In May and October 2018, MoJ participated in 2 international PO workshops in Norway where opportunities of bilateral co-operation and mutual co-operation strategies were discussed between Donors and PO from Latvia, Lithuania, Poland, Czech Republic, Bulgaria and Romania. In November 2018, MoJ participated in an international criminal law conference in Ukraine, which helped to gain significant cross-country experience about the introduction of alternative sanctions to imprisonment.

Together with representatives of Latvian, Norwegian and Ukrainian justice and probation services, MoJ organized 1 experience exchange visit in November 2018 in Latvia, thus enhancing exchange of information, experience and good practice.

In January 2019 in Bucharest, Romania, DPP (Directorate of Norwegian Correctional Services) and POs of all 6 respective BS (including Latvia) made decision to establish 3 working groups: No. 1 “Education”, No. 2 “Conferences and seminars”, No. 3 “Evaluation and Indicators”, which provides organization of 1 - 2 meetings for each working group every year involving representatives of all 6 BS involved in Correctional Services programmes. Meeting in regular working groups ensures more efficient exchange and management of information between all BS and after first 3 meetings (in March-May 2019) many new ideas and initiatives have emerged in all three working groups, which are planned to be implemented in the future during the implementation of Correctional Services programmes.

6. Management and Implementation

a) Management and control systems (MCS)

During reporting period, NFP revised 3 times description of MCS according to requirements and FMO comments (clarifications-comments completed and provided to FMO, new 7 annexes were enclosed to revised description of MCS and processes at national level described in details). First version description of MCS NFP submitted to FMO on 14 June 2018, updated versions of description of MCS on 7 December 2018, 31 May 2019 and on 13 September 2019³³. The harmonization phase was 1,3 years long. One of the reasons for such a long harmonization process might be the lack of standardized template and insufficient level of details for the duties of NFP, AA and CA to be reported in the description of MCS. The description of MCS was acknowledged by FMO on 11 October 2019.

On 14 February 2019, NFP received AA's Annual Audit report including follow-up results of audit on MCS compliance assessment towards implementation of recommendations. All 14 recommendations mentioned in the AA's Annual Audit report were implemented:

- 7 recommendations were reported to FMO as implemented or partly implemented in the AA's Annual Audit report;
- 7 recommendations were implemented after Annual Audit's reporting period and accordingly reported to FMO in revised versions of description of MCS.

Please find below listed horizontal procedures, guidelines, internal procedures, and methodologies elaborated and approved during reporting period, taking into account recommendations given within MCS compliance assessment audit:

- Horizontal procedures were prepared by NFP and AA and adopted by CoM in order to define main rules in management of FMs (conclusion of PA, selection of projects, publicity, TA, BF, ex-ante procurement checks, reporting to CA, irregularities and recovery of irregularities, etc.) as well as rules for AA's compliance audits of descriptions of MCS:
 - 1) CoM Regulations No. 683³⁴ on FMs management (adopted by CoM on 13 November 2018);
 - 2) CoM Regulations No. 686³⁵ on procedures for ensuring functions of AA in the management of FMs (adopted by CoM on 13 November 2018).
- To ensure functions of CA foreseen in Article 5.4 of Regulations and Financial Guidelines, CA developed the following procedures:
 - 1) procedure describing methods of sampling, methodology and scope of verifications, as well as administration of irregularities within the competence of CA (approved on 11 January 2019);
 - 2) procedure determining provisions for separation flow of FMs transactions in programmes (approved on 11 January 2019);
 - 3) description for accounting of received, spent and recovered FMs funds in accounting system SAP ERP (Treasury Management System) and maintaining of accounting records (approved on 15 January 2019).

³³ Latest version of updated MCS in English can be found here: https://www.eeagrants.lv/files/LV_MCS_14-21_VersionNo4_13092019_draft.pdf

³⁴ Published on website of Laws and Regulations of Latvia: <https://likumi.lv/ta/id/303045-eiropas-ekonomikas-zonas-finansu-instrumenta-un-norvegijas-finansu-instrumenta-2014-2021-gada-perioda-vadibas-noteikumi> (in Latvian)

³⁵ Published on website of Laws and Regulations of Latvia: <https://likumi.lv/ta/id/303048-revizijas-iestades-funkciju-nodrosinasanas-kartiba-eiropas-ekonomikas-zonas-finansu-instrumenta-un-norvegijas-finansu-instrumentaad%C4%ABbas%20noteikumi%20> (in Latvian)

- To ensure ex-ante procurement checks on the sample basis for the FM's projects and pre-defined projects, PMB developed the following internal procedures (both approved on 21 December 2018):
 - 1) procedure describing PMB's performed ex-ante procurement documentation verifications within projects and predefined projects and verification of the ex-ante checks carried out by POs;
 - 2) methodology for ex-ante procurement verifications for POs and agencies including risk assessment of the procurements, sampling method and minimum scope of ex-ante verifications.
- To ensure monitoring and implementation of TA and BF according to Regulations and national regulations the following internal procedures for:
 - 1) implementation of TA at the MoF (approved on 15 February 2019);
 - 2) cooperation between MoF, CA and PMB in the implementation of TA (approved on 22 February 2019);
 - 3) implementation of BF describing regularity and correctness of expenditures, procedure on how accounting of transactions shall be organised as well as separation of transactions (approved on 27 May 2019).
- To fulfil NFP's functions in more effective and transparent way, NFP developed and updated the following internal procedures and guidelines:
 - 1) internal procedure on how NFP ensures implementation, monitoring and assessment of FMs (updated on 27 December 2018 and on 7 October 2019);
 - 2) guidelines for POs with description of specific eligibility principles of FMs, verifications of programmes/projects' supporting documents, determination of project risks to decide on verification frequency and volume (approved on 5 April 2019);
 - 3) guidelines for reporting and informing NFP about irregularities, recording of irregularities and applying financial corrections in the projects financed from FMs (approved on 27 May 2019);
 - 4) procedure, on how NFP identifies and evaluates potential irregularities and information on irregularities detected in the implementation of the FMs (approved on 12 June 2019);
 - 5) recommendations for POs/agency and promoters of strategic initiatives under BF to ensure the proper selection process of a sworn auditor as well as to determine the scope of the work, purpose, procedures and results to be done by the sworn auditor or internal auditor (approved on 19 June 2019; updated on 16 September 2019).

In addition, to make the work processes more efficient and effective, optimization in EU Funds sector at MoF was made in June 2018. EU Funds Monitoring Department changed name to EU Funds Investments Managing Department and EU Funds Management and Control Department to EU Funds System Management Department.

As to separation of functions, EU Funds Investments Managing Department took over from:

- EU Funds Strategy Department - FMs planning function, but Strategy Department will still remain responsible for FMs evaluation function;
- EU Funds System Management Department - FMs management and control system function, but System Management Department will still remain responsible for FMs legal advice function.

b) Complaints

NFP as entity responsible for complaints received by NFP establishes and maintains Complaints Register in electronic form³⁶, including information on complaints (data when complaint is received,

³⁶ More detailed information can be found here: <https://www.eeagrants.lv/?id=123>

submitter of complaint, institution that submits complaint, justifications for complaint, essence of complaint, responsible department for follow-up etc.). NFP once in a quarter reviews status of complaints according to Complaints Register and, if necessary, requires information from involved parties (for example, from POs).

No complaints have been received since previous SR.

c) Irregularities

No irregularities have been detected since previous SR.

d) Audit

During September 2019, AA carried out audit on TA at MoF in order to verify the eligibility of expenditures included in IFR No.1 (for period 1 July 2018 – 30 June 2019). AA approved that TA is implemented according to the Article 8.11 of Regulation and national Laws and Regulations and all expenditures made are reasonable and justified. No other audits were carried out by national audit authorities during reporting period.

7. Communication

On 14 August 2019, FMs Communication Strategy in Latvia was accepted by FMO³⁷. Based on the Strategy POs are working on their Communication Plans (5 Programmes Communication plans completed). The Strategy defines the period from December 2017 until December 2019 as programmes launching stage. During this stage, following activities were implemented: developed Communication Strategy, FMs opening event, one PO's programme opening, partnership events, provision of information for mass and social media.

The FMs opening event was placed on the platform of annual conversation democracy festival "LAMPА" (<https://www.festivalslampa.lv/en>) on 28-29 June 2019 in Cesis, Latvia. NFP in strong cooperation with Norwegian Embassy in Riga and POs participated in festival with its own tent fulfilled with two day presentations and discussions programme. Festival visitors had opportunity to engage in discussions regarding all FMs programmes areas in Latvia with Norwegian and Latvian field experts ([event video](#)). Festival gathered more than 20 000 visitors in total and all discussions were translated in NFP and POs Facebook account, thus wide general public was reached and information about FMs and upcoming programmes spread. Conversation festival "LAMPА" ensured an environment for direct communication and the exchange of thoughts among various representatives of the public and direct discussion with society on site.

The informative events about FMs at the conversation festival "LAMPА" are planned to take place every second year as a bilateral activity.



FMs tent in festival "LAMPА"

According to the Communication Strategy, national FMs Communication Management Group (which is responsible for provision and coordination of the communication process of FMs in Latvia) was gathered on 11 November 2018 to discuss publicity requirements and to provide practical training to PA about making visualizations for social media. In 2019, there have been altogether 20 meetings with POs and project level representatives in order to organize FMs opening event and to discuss other common communication actions.

To unify information about FMs on social media, on 21 April 2018 Facebook account "EEA and Norway Grants Latvia" was launched and from October 2018 till now it has reached 183 followers, altogether - 231 followers (generic reach).

The work on elaboration of new FMs web portal in Latvia has been started and it is planned to be finalized by the end of 2019. Initially, it was planned to launch web portal on the begging of 2019, but due to complexity of web portal and necessary feasibility study, preparation of public procurement documents took more time than expected, therefore, finalization of web portal was postponed to the end of 2019. NFP and POs would administrate web portal (that is, simultaneously providing), it means that all topical information about FMs, results of programmes and projects, etc. will be published in one place avoiding fragmentation and overlapping of information about FMs as it is at the moment.

³⁷ On 14 June 2018 NFP submitted the first version of FMs Communication Strategy for assessment to Donors, which was afterwards updated three times (on 4 January, 10 May and 22 July 2019) taking into account comments received from Donors.

In this reporting period, NFP focused more on providing support to POs and encouraging them to be active in terms of sharing results through various information channels and using more visual information tools such as visuals in social media, videos etc. A lot of NFP attention and consultations were provided to POs regarding fulfilment of new design and communication requirements at POs level.

Communication activities of NFP are planned/implemented in coordinated manner with and involving Norwegian Embassy in Riga whenever possible. For example, jointly planned one of communication activities - FMs photo projects travelling exhibition in 2020, which will be used in all significant events.

8. Monitoring and evaluation

a) Monitoring

During reporting period, NFP has not carried out monitoring activities regarding programmes' results, as only 3 out of 6 programmes were approved by Donors. As of signing MoUs, four times a year NFP reviewed and discussed with POs the forecasts on programmes' eligible expenditures to be included in next IFRs in the years 2019-2025 in order to ensure that forecasts are well justified and not overestimated. NFP also harmonized final forecast compiled by CA based on information by POs.

Monitoring is based on the risk analyses described in detail in the Annex A. NFP continuously, in a structured manner assesses the risks and works in close cooperation with PO, CA and AA on a regular basis to ensure the implementation of the FM's in line with Article 1.3. of the Regulation. NFP ensure risk monitoring by participating in POs' organized CC meetings, harmonization of POs' FMs forecasts, developing guidelines and providing explanations on current horizontal issues³⁸.

b) Evaluation

No programme evaluations have been carried out since the previous Strategic Report, as during previous 12 months three PAs were signed. Nevertheless, FP has planned to carry out one overall final evaluation of all FMs` programmes. The resources for this evaluation are incorporated within TA budget under FP`s expenditures.

³⁸ More information: <https://www.eeagrants.lv/?id=127> (in Latvian)

9. Issues for the annual meeting

NFP would like to underline the following issues and conclusions of particular importance from the point of view of NFP regarding reporting, monitoring and implementation of FMs that could be discussed during annual meeting, if there is time, or at least draw attention of Donors:

- I. During development of this SR, NFP came to conclusion the reporting period established by 1st SR (from December 2017 till October 2018) and continued in this SR (November 2018-October 2019) is not favorable for reporting and creates a lot of confusion. When reporting period of report is not calendar year and it does not match reporting period of annual programme report (1 January - 31 December), NFP has an extra work to filter out financial progress from November 2018-October 2019, including requesting from POs extra information on programmes' progress. Uncertainty also occurred relating with fulfillment of rules of Regulation regarding submission of annual report for Technical assistance which according to annotated template of SR and the FMO reply have to be enclosed to SR as annex D, instead of submitting it separately in February 2020 as foreseen in the Regulations.

Taking into account the above mentioned, on 9 April 2019 NFP has informed FMO about all concerns and extra unnecessary administrative burden regarding development of SR and proposed more rational solution for reporting period of SR and timing for annual meeting. Unfortunately, the NFP's proposal was declined.

- II. During 2018 and 2019, improved versions of description of MCS and replies to many questions from FMO were sent between NFP and FMO back and forth. For future, NFP would appreciate to have annotated template for description of MCS like in case of SR in order to have better understanding about technicalities and minimum requirements for description of MCS. NFP highly appreciated sincere interest showed and support provided by Norwegian Embassy regarding prolonged process in determining whether description of MCS meets the minimum requirements of Article 5.7 of Regulation.

- III. NFP has analyzed the difference between of implementation system of BF and requirements of Regulations to BF in 2009-2014 and foreseen in 2014-2021, and came to conclusion that it will be challenging for NFP to handle with implementation of BF. Back in 2017, when Beneficiary States had opportunity to comment draft Regulations, NFP proposed to reconsider new set up for implementation of BF and during MoU negotiation agree on responsible institution for implementation of BF in Latvia. Unfortunately, the proposal was not accepted by Donors.

NFP still maintains the view that funds of BF should be easily accessible instrument for promotion of bilateral relations, implementation should be ensured in most effective way and with less bureaucratic burden to promoters of initiatives. As NFP presents government sector strictly regulated by national rules and decisions of MoC, it has limited ability to avoid cumbersome and lengthy appraisal process for proposals of initiatives at national level before or in parallel of JCBF. In this context, NFP considers that FMO or any other Donors' selected body for implementation of BF which is not regulated by national laws could significantly reduce negative effect of bureaucratic procedures in implementation of BF.

A. NFP risk assessment and management plan

B. Risks (key risks to programme from point of view of NFP)	Likelihood ³⁹	Consequence ⁴⁰	Risk Score ⁴¹	Responses to risks (undertaken by NFP in last 12 months)	Responses to risks (planned by NFP in next 12 months)
Horizontal risks (all programmes) <i>Total Risk Score: 1</i>					
Corruption risk and conflicts of interest	1	1	1	<p>NFP immediately takes necessary actions (e.g. communication with FMO, Embassy) in case of urgent issues found when monitoring FMs by performing following activities:</p> <ol style="list-style-type: none"> 1) NFP has maintained Complaint Register according to suggested standard practice and taking into account a guide provided by the Transparency International; 2) Established new Complaints' Register for FMs 2014-2021; 3) 4 eyes principle shall be ensured in all relevant processes at NFP and PO level; 4) Persons involved in management of FMs are required to acknowledge lack of conflict of interest; 5) Ensured methodology and guidelines; 	<p>Actions carried out in last 12 months will be continued in next reporting period and additional activities will be carried out:</p> <ol style="list-style-type: none"> 1) Maintain Complaint Mechanism by taking proper action when receiving complaints, maintain Complaint Register, analyze complaints registered once in a quarter, if any; 2) If necessary, collaborate with Corruption Prevention and Combating Bureau on any particular case related to corruption and conflict of interest issues in relation to FMs; 3) Once a year, analyze and reassess corruption risk and risk of conflict of interest within the Risk management group of EU Funds and other financial mechanisms;

³⁹ **The Likelihood**, where 4 = Almost certain; 3 = Likely; 2 = Unlikely; 1 = Very unlikely

The Consequence(s), where 4 = very serious; 3 = serious; 2 = moderate; 1 = minimal

⁴⁰ Overall level of risk of programme (on a scale 1-4, where one is very low and 4 is very high)

⁴¹ **Risk score calculations** according to Mandatory risk assessment and mitigation analysis template provided within the Financial Guidelines (Annex 4 of the Results Guideline); Programme risk levels are set in 3 categories and principle of "Colours of signal lights" is used – **Low**; **Medium-low**; **Medium-high** and **High**

			<p>6) Latvian Government has adopted the Whistleblowing Law, thereby ensuring protection mechanism for whistleblowers;</p> <p>7) Persons involved in management of the FMs are required to attend training on corruption prevention (organized for public officials).</p>	<p>4) PMB carry out ex-ante procurement checks, based on risks assessment.</p>
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Risks (key risks to programme from point of view of NFP)	Likelihood	Consequence	Risk Score	Responses to risks (undertaken by NFP in last 12 months)	Responses to risks (planned by NFP in next 12 months)
Specific programme risks					
Research and Education <i>Total Risk Score: 2,5</i>					
Insufficient number of high-quality projects within Baltic Research programme and Scholarships in order to absorb all available funding and to achieve outputs of the Programme	2	3	2,45	<p>NFP immediately takes necessary actions (e.g. communication with FMO, Embassy) in case of urgent issues found when monitoring FMs by performing following activities:</p> <p>1) PO worked in close cooperation with NFP, DPP and FMO to ensure sooner CN/PA approval (on a regular basis);</p> <p>2) biannual participation in programmes' CC meetings and Programme Committee (PC) meetings, where also planned activities/initiatives of BF and progress within ongoing initiatives are being discussed/decisions taken;</p> <p>3) NFP closely cooperated with FMO and Embassy on issues related to implementation of FMs, including bilateral relations;</p> <p>4) biannual reporting to Latvian Government on the implementation progress of the FMs;</p> <p>5) regular communication with and support to the POs by phone/e-mails/letters/meetings regarding horizontal clarifications, guidelines and specific programme level issues;</p> <p>6) monitoring of planned and actual total FMs expenditures from State Budget (including Grants to be disbursed from FMO) according to data provided by CA once in a month;</p>	<p>Actions carried out in last 12 months will be continued in next reporting period and additional activities will be carried out:</p> <p>1) NFP analyzes and harmonizes programme annual reports and according to data included in annual reports ensures data storage and monitoring of programme outcome and output indicators, fulfillment of PA conditions as well as information of cancelled financial contribution;</p> <p>2) NFP ensures OC publicity by publishing OC information on FMs webpages as well as in social media to attract potential applicants;</p> <p>3) If necessary NFP will require PO to describe future actions planned in order to avoid delays in FMs implementation;</p> <p>4) If necessary, NFP will follow up if PO will organize informative events for potential PPs of BF;</p> <p>5) NFP will analyze programmes' bilateral relations and its indicators carried out within elaboration of the Strategic Report and during analyzing and harmonization of programmes annual reports.</p>
The launch of the OCs are delayed (due to delays in Programme regulations of CoM for Baltic Research programme and Scholarships)	3	3	3		
Lack of capacity to evaluate all applications received within launched OC in Baltic Research programme in timely manner, thus evaluation process could lead to delays in projects selection and implementation	3	3	3		

<p>Project Promoters and partners lack of capacity and interest in bilateral cooperation and implementation of bilateral activities at projects level</p>	<p>3</p>	<p>3</p>	<p>3</p>	<p>7) biannual monitoring of planned and actual total FMs expenditures by checking PO's forecasts submitted to NFP; 8) monitoring of POs forecasts of likely payment applications before submission to FMO four times a year; 9) NFP required PO to describe the actions taken and future actions planned in order to avoid delays in evaluation process taking into account Estonia's experience (clarification included in Strategic report'); 10) Biannually organized Communication Group meetings by the NFP with all POs and Embassy, where the bilateral cooperation aspects are also discussed.</p>	
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Risks (key risks to programme from point of view of NFP)	Likelihood	Consequence	Risk Score	Responses to risks (undertaken by NFP in last 12 months)	Responses to risks (planned by NFP in next 12 months)
Local Development <i>Total Risk Score: 2,2</i>					
Insufficient number of qualitative project applications submitted in the OC and small grant scheme	2	3	2,45	<p>NFP immediately takes necessary actions (e.g. communication with FMO, Embassy) in case of urgent issues found when monitoring FMs by performing following activities:</p> <p>1) PO worked in close cooperation with NFP, DPP and FMO to ensure sooner PA approval (on a regular basis);</p>	<p>Actions carried out in last 12 months will be continued in next reporting period and additional activities will be carried out:</p> <p>1) NFP analyzes and harmonizes programme annual reports and according to data included in annual reports ensures data storage and monitoring of programme outcome and output indicators, fulfillment of PA conditions as well as information of cancelled financial contribution;</p>
<p>Low interest of target groups to apply for the entrepreneurship activity of programme due to high intensity of similar entrepreneurship support activities available within different entrepreneurship support programmes in the same time period (FMs, EU Funds and other financial instruments)</p>	2	3	2,45	<p>2) biannual participation in programmes' CC meetings, where also planned activities/initiatives of BF and progress within ongoing initiatives are being discussed/decisions taken;</p> <p>3) NFP closely cooperated with FMO and Embassy on issues related to implementation of FMs, including bilateral relations;</p> <p>4) biannual reporting to Latvian Government on the implementation progress of the FMs;</p> <p>5) regular communication with and support to the POs by phone/e-mails/letters/meetings regarding horizontal clarifications, guidelines and specific programme level issues;</p> <p>6) monitoring of planned and actual total FMs expenditures from State Budget (including Grants to be disbursed from FMO) according to data provided by CA once in a month;</p>	<p>2) NFP ensures OC publicity by publishing OC information on FMs webpages as well as in social media to attract potential applicants;</p> <p>3) If necessary NFP will require PO to describe future actions planned in order to avoid delays in FMs implementation;</p> <p>4) If necessary, NFP will follow up if PO will organize informative events for potential PPs of BF;</p>

<p>Project Promoters and partners lack of capacity and interest in bilateral cooperation and implementation of bilateral activities at projects level</p>	<p>3</p>	<p>3</p>	<p>3</p>	<p>7) biannual monitoring of planned and actual total FMs expenditures by checking PO's forecasts submitted to NFP; 8) monitoring of POs forecasts of likely payment applications before submission to FMO four times a year; 9) Biannually organized Communication Group meetings by the NFP with all POs and Embassy, where the bilateral cooperation aspects are also discussed.</p>	<p>5) NFP will analyze programmes' bilateral relations and its indicators carried out within elaboration of the Strategic Report and during analyzing and harmonization of programmes annual reports.</p>
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Risks (key risks to programme from point of view of NFP)	Likelihood	Consequence	Risk Score	Responses to risks (undertaken by NFP in last 12 months)	Responses to risks (planned by NFP in next 12 months)
International Police Cooperation and Combating Crime <i>Total Risk Score: 2</i>					
Possible delays in pre-defined projects procurement procedures and infringements and errors within procurements (reconstruction of facilities for cynology needs, including training grounds in Terehova and infrastructure expanded, reconstructed, secured and adjusted for increasing effectiveness of State Police work)	3	3	3	<p>NFP immediately takes necessary actions (e.g. communication with FMO, Embassy) in case of urgent issues found when monitoring FMs by performing following activities:</p> <p>1) PO worked in close cooperation with NFP, DPP and FMO to ensure sooner PA approval (on a regular basis);</p> <p>2) biannual participation in programmes' CC meetings, where also planned activities/initiatives of BF and progress within ongoing initiatives are being discussed/decisions taken;</p> <p>3) NFP closely cooperated with FMO and Embassy on issues related to implementation of FMs, including bilateral relations;</p> <p>4) biannual reporting to Latvian Government on the implementation progress of the FMs;</p> <p>5) regular communication with and support to the POs by phone/e-mails/letters/meetings regarding horizontal clarifications, guidelines and specific programme level issues;</p> <p>6) monitoring of planned and actual total FMs expenditures from State Budget (including Grants to be disbursed from FMO) according to data provided by CA once in a month;</p>	<p>Actions carried out in last 12 months will be continued in next reporting period and additional activities will be carried out:</p> <p>1) NFP analyzes and harmonizes programme annual reports and according to data included in annual reports ensures data storage and monitoring of programme outcome and output indicators, fulfillment of PA conditions as well as information of cancelled financial contribution;</p> <p>2) If necessary NFP will require PO to describe future actions planned in order to avoid delays in FMs implementation;</p> <p>3) PMB carries out ex-ante checks on the sample basis for the public procurement documentation and procurement procedure (prior conclusion of procurement contract) of the projects and pre-defined projects;</p> <p>4) PMB ensures methodology for ex-ante procurement checks to be performed by POs as well as checks on a sample bases pre-verifications performed by POs;</p> <p>5) PMB ensures advise and opinion to POs if requested and organizes quarterly meetings with POs to discuss actual procurement issues;</p>
Non-achievement of programme's results due to long PA development and harmonization process	2	2	2		
Lack of efficiency in interinstitutional cooperation (involved 6 PP and other institutions as partners)	2	2	2		

<p>Shortage of capacity and/or knowledge of the employees of PO and agency due to the frequent personnel changes</p>	<p>2</p>	<p>2</p>	<p>2</p>	<p>7) biannual monitoring of planned and actual total FMs expenditures by checking PO's forecasts submitted to NFP; 8) monitoring of POs forecasts of likely payment applications before submission to FMO four times a year; 9) Biannually organized Communication Group meetings by the NFP with all POs and Embassy, where the bilateral cooperation aspects are also discussed.</p>	<p>6) PMB informs POs and NFP biannually regarding performed ex-ante procurement checks; 7) If necessary, NFP will organize meetings with PO and institutions involved in implementation of the programme.</p>
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Risks (key risks to programme from point of view of NFP)	Likelihood	Consequence	Risk Score	Responses to risks (undertaken by NFP in last 12 months)	Responses to risks (planned by NFP in next 12 months)
Business Development <i>Total Risk Score: 2</i>					
Non-achievement of programme's results due to long CA/PA development and harmonization process	2	3	2,45	<p>NFP immediately takes necessary actions (e.g. communication with FMO, Embassy) in case of urgent issues found when monitoring FMs by performing following activities:</p> <p>1) PO worked in close cooperation with NFP, DPP and FMO to ensure sooner CN/PA approval (on a regular basis);</p> <p>2) biannual participation in programmes' CC meetings, where also planned activities/initiatives of BF and progress within ongoing initiatives are being discussed/decisions taken;</p>	<p>Actions carried out in last 12 months will be continued in next reporting period and additional activities will be carried out:</p> <p>1) NFP analyzes and harmonizes programme annual reports and according to data included in annual reports ensures data storage and monitoring of programme outcome and output indicators, fulfillment of PA conditions as well as information of cancelled financial contribution;</p> <p>2) If necessary NFP will require PO to describe future actions planned in order to avoid delays in FMs implementation;</p>
Delays in pre-defined project procurement procedures and infringements and errors within procurements (infrastructure for setting up a space for co-working, events, expositions of new products, conferences, trainings and innovation and smart lab facilities in planned Tech Business Center)	2	2	2	<p>3) NFP closely cooperated with FMO and Embassy on issues related to implementation of FMs, including bilateral relations;</p> <p>4) biannual reporting to Latvian Government on the implementation progress of the FMs;</p> <p>5) regular communication with and support to the POs by phone/e-mails/letters/meetings regarding horizontal clarifications, guidelines and specific programme level issues;</p>	<p>3) If necessary, NFP will follow up if PO will organize informative events for potential PPs of BF;</p> <p>4) NFP will analyze programmes' bilateral relations and its indicators carried out within elaboration of the Strategic Report and during analyzing and harmonization of programmes annual reports.</p>

<p>Structural reforms leading to consolidate of some divisions of involved authorities</p>	<p>2</p>	<p>1</p>	<p>1,4</p>	<p>6) monitoring of planned and actual total FMs expenditures from State Budget (including Grants to be disbursed from FMO) according to data provided by CA once in a month;</p> <p>7) biannual monitoring of planned and actual total FMs expenditures by checking PO's forecasts submitted to NFP;</p> <p>8) monitoring of POs forecasts of likely payment applications before submission to FMO four times a year;</p>	<p>5) PMB carries out ex-ante checks on the sample basis for the public procurement documentation and procurement procedure (prior conclusion of procurement contract) of the projects and pre-defined projects;</p> <p>6) PMB ensures methodology for ex-ante procurement checks to be performed by POs as well as checks on a sample bases pre-verifications performed by POs;</p> <p>7) PMB ensures advise and opinion to POs if requested and organizes quarterly meetings with POs to discuss actual procurement issues;</p>
<p>Project Promoters and partners lack of capacity and interest in bilateral cooperation and implementation of bilateral activities at projects level</p>	<p>3</p>	<p>3</p>	<p>3</p>	<p>9) Biannually organized Communication Group meetings by the NFP with all POs and Embassy, where the bilateral cooperation aspects are also discussed.</p>	<p>8) PMB informs POs and NFP biannually regarding performed ex-ante procurement checks;</p> <p>9) NFP ensures OC publicity by publishing OC information on FMs webpages as well as in social media to attract potential applicants.</p>

Risks (key risks to programme from point of view of NFP)	Likelihood	Consequence	Risk Score	Responses to risks (undertaken by NFP in last 12 months)	Responses to risks (planned by NFP in next 12 months)
Climate Change <i>Total Risk Score: 2</i>					
Delays of the implementation of the pre-defined and OC projects	2	2	2	<p>NFP immediately takes necessary actions (e.g. communication with FMO, Embassy) in case of urgent issues found when monitoring FMs by performing following activities:</p> <p>1) PO worked in close cooperation with NFP, DPP and FMO to ensure sooner CN/PA approval (on a regular basis);</p> <p>2) biannual participation in programmes' CC meetings, where also planned activities/initiatives of BF and progress within ongoing initiatives are being discussed/decisions taken;</p>	<p>Actions carried out in last 12 months will be continued in next reporting period and additional activities will be carried out:</p> <p>1) NFP analyzes and harmonizes programme annual reports and according to data included in annual reports ensures data storage and monitoring of programme outcome and output indicators, fulfillment of PA conditions as well as information of cancelled financial contribution;</p>
Possible delays in procurement procedures and infringements and errors within procurements of OC's (in remediation projects)	2	3	2,45	<p>3) NFP closely cooperated with FMO and Embassy on issues related to implementation of FMs, including bilateral relations;</p> <p>4) biannual reporting to Latvian Government on the implementation progress of the FMs;</p> <p>5) regular communication with and support to the POs by phone/e-mails/letters/meetings regarding horizontal clarifications, guidelines and specific programme level issues;</p> <p>6) monitoring of planned and actual total FMs expenditures from State Budget (including Grants to be disbursed from FMO) according to data provided by CA once in a month;</p>	<p>2) If necessary NFP will require PO to describe future actions planned in order to avoid delays in FMs implementation;</p> <p>3) PMB carries out ex-ante checks on the sample basis for the public procurement documentation and procurement procedure (prior conclusion of procurement contract) of the projects and pre-defined projects;</p> <p>4) PMB ensures methodology for ex-ante procurement checks to be performed by POs as well as checks on a sample bases pre-verifications performed by POs;</p>

			<p>7) biannual monitoring of planned and actual total FMs expenditures by checking PO's forecasts submitted to NFP;</p> <p>8) monitoring of POs forecasts of likely payment applications before submission to FMO four times a year;</p> <p>9) Biannually organized Communication Group meetings by the NFP with all POs and Embassy, where the bilateral cooperation aspects are also discussed.</p>	<p>5) PMB ensures advise and opinion to POs if requested and organizes quarterly meetings with POs to discuss actual procurement issues;</p> <p>6) PMB informs POs and NFP biannually regarding performed ex-ante procurement checks.</p>
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Risks (key risks to programme from point of view of NFP)	Likelihood	Consequence	Risk Score	Responses to risks (undertaken by NFP in last 12 months)	Responses to risks (planned by NFP in next 12 months)
Correctional Services <i>Total Risk Score: 1,7</i>					
Possible delays in pre-defined project procurement procedures and infringements and errors within procurements (construction/infrastructure of Training Center and open prison block)	2	4	2,8	<p>NFP immediately takes necessary actions (e.g. communication with FMO, Embassy) in case of urgent issues found when monitoring FMs by performing following activities:</p> <p>1) PO worked in close cooperation with NFP, DPP and FMO to ensure sooner CN/PA approval (on a regular basis);</p> <p>2) biannual participation in programmes' CC meetings, where also planned activities/initiatives of BF and progress within ongoing initiatives are being discussed/decisions taken;</p>	<p>Actions carried out in last 12 months will be continued in next reporting period and additional activities will be carried out:</p> <p>1) NFP analyzes and harmonizes programme annual reports and according to data included in annual reports ensures data storage and monitoring of programme outcome and output indicators, fulfillment of PA conditions as well as information of cancelled financial contribution;</p>
Possible delays in approving planned training programmes to be implemented in the pre-defined project Training Centre (related to legislation issues, as legal framework may not be adjusted for approbation of training programmes in time)	1	2	1,4	<p>3) NFP closely cooperated with FMO and Embassy on issues related to implementation of FMs, including bilateral relations;</p> <p>4) biannual reporting to Latvian Government on the implementation progress of the FMs;</p> <p>5) regular communication with and support to the POs by phone/e-mails/letters/meetings regarding horizontal clarifications, guidelines and specific programme level issues;</p> <p>6) monitoring of planned and actual total FMs expenditures from State Budget (including Grants to be disbursed from FMO) according to data provided by CA once in a month;</p> <p>7) biannual monitoring of planned and actual total FMs expenditures by checking PO's forecasts submitted to NFP;</p>	<p>2) If necessary NFP will require PO to describe future actions planned in order to avoid delays in FMs implementation;</p> <p>3) PMB carries out ex-ante checks on the sample basis for the public procurement documentation and procurement procedure (prior conclusion of procurement contract) of the projects and pre-defined projects;</p> <p>4) PMB ensures methodology for ex-ante procurement checks to be performed by POs as well as checks on a sample bases pre-verifications performed by POs;</p>

			<p>8) monitoring of POs forecasts of likely payment applications before submission to FMO four times a year;</p> <p>9) Biannually organized Communication Group meetings by the NFP with all POs and Embassy, where the bilateral cooperation aspects are also discussed.</p>	<p>5) PMB ensures advise and opinion to POs if requested and organizes quarterly meetings with POs to discuss actual procurement issues;</p> <p>6) PMB informs POs and NFP biannually regarding performed ex-ante procurement checks.</p>
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B. Evaluation plan

[Once all programme agreements have been signed]

N/A

C. Cooperation with DPPs and International Partner Organisations

Programme/ PO	DPP/ International programme partner (IPP)	Assessment of bilateral cooperation
<p>Correctional Services/ MoJ</p>	<p>✓ Directorate of Norwegian Correctional Services</p>	<p>DPP provided valuable input within development of programme’s content by provided expertise in justice area, for example, DPP took part in assessment process of pre-defined project application. DPP analysed the needs of pre-defined project, proposed the most suitable donors’ project partners and has regular communication with partners’ organizations regarding pre-defined project activities. Regular CC meetings were carried out (3 per reporting period) where all members of DPP and PO are represented in every meeting and DPP always expressed to PO their readiness to listen and cooperate.</p> <p>PO’s and DPP’s cooperation could be considered as excellent example, as both sides take an active role in planning and implementing bilateral activities, for example, based on suggestion of DPP and PO three international working groups have been set up in Correctional Service programmes involving representatives of all 6 respective BS.</p> <p>No challenges were identified within reporting period.</p>
<p>Climate Change/ MoEPRD</p>	<p>✓ Norwegian Environment Agency</p>	<p>DPP provided valuable support and expertise in environmental area during development of programme’s content. For example, DPP was actively involved in CN drafting stage, took part in programme’s CC meetings and provided opinion on selection criteria for remediation of historically polluted places OC. Also, it’s</p>

Programme/ PO	DPP/ International programme partner (IPP)	Assessment of bilateral cooperation
		<p>planned that DPP will be involved as non-voting member in the Selection Committee.</p> <p>No challenges were identified within reporting period.</p>
<p>Research and Education/ MoES (incl. SEDA)</p>	<ul style="list-style-type: none"> ✓ Research Council of Norway; ✓ Norwegian Agency for International Cooperation and Quality Enhancement in Higher Education; ✓ National Agency for International Education Affairs, Liechtenstein 	<p>All three DPP provided valuable input and expertise in research and education area during development of programme's content, for example, bilateral programme's drafting meeting in <i>Svaldbar</i> (Norway) organised by DPP in January 2019 contributed to the establishment of partnerships between 4 Latvian municipalities/ pre-defined projects' promoters of innovation centres projects and Norwegian science centres, thus ensuring bilateral cooperation during projects' implementation.</p> <p>No challenges were identified within reporting period.</p>
<p>International Police Cooperation and Combating Crime/ Mol</p>	<ul style="list-style-type: none"> ✓ International programme partner - Council of Europe 	<p>International programme partner (hereinafter – IPP) contributed to the development of programme's content by taking part in both CC meetings (29-30 November 2018 and 12-14 June 2019) and by regular informal consultations (by e-mails and telephone) providing advices on issues regarding Moneyval recommendations for Latvia and improvement of child protection system. Moreover, it is planned that IPP will take part in assessment process of all 6 pre-defined projects' applications.</p> <p>No challenges were identified within reporting period.</p>
<p>Local Development/ MoEPRD</p>	<ul style="list-style-type: none"> ✓ Norwegian Association of Local and Regional Authorities; ✓ Arts Council Norway 	<p>Both DPP provided valuable support and expertise in regional development area and in cultural area during development of programme's content. For example, Both DPP were actively involved in CN drafting stage and took part in programme's CC meetings. Norwegian Association of Local and Regional Authorities - took active part in partners' search for pre-defined projects, which succeeded in real donors' partnerships for 6 pre-defined projects. Moreover, Arts Council Norway</p>

Programme/ PO	DPP/ International programme partner (IPP)	Assessment of bilateral cooperation
		<p>performed mapping of potential applicants of OC in cultural area, which already helped to receive some initial projects' ideas in cultural cooperation field prepared in cooperation with Donor partners.</p> <p>No challenges were identified within reporting period.</p>
<p>Business Development/ LIDA</p>	<p>✓ Innovation Norway</p>	<p>DPP contributed to the development of programme's content by providing expertise in business development, innovation and SMEs area and by taking active part in CN drafting meeting/CC meeting on 15 March 2019 and by regular informal consultations (by e-mail and telephone). In addition, DPP organized two bilateral events with participation of PO: 1) Conference and Matchmaking in Oslo (Norway) in March 2019 in field of Green Industry and Information and communications technology /Digitalisation; 2) Event "Breaking the Barriers in a Circular Economy" within Oslo Innovation Week on 24-26 September 2019. In both events entrepreneurs from Latvia were presented, thus providing valuable input not only in strengthening bilateral relations, but also in finding potential Norwegian project partners, which often is a challenge.</p> <p>No challenges were identified within reporting period.</p>

1. OVERVIEW OF MAIN ACTIVITIES

National entities	A brief summary of the main activities carried out
1.National Focal Point	<p>Management, monitoring and implementation of FMs according to the requirements of the Regulation was ensured, including:</p> <ul style="list-style-type: none"> - Actively participated as observer in Stakeholder meetings, CN drafting and CC meetings of 6 programmes: 1) Correctional Services; 2) Climate Change; 3) International Police Cooperation and Combating Crime; 4) Research and Education; 5) Local Development; and 6) Business Development. - Organized one Annual Meeting with Donors. - Organized pre-meeting of JCBF and 1st JCBF. - Initiated 6 written procedures for JCBF decision making. - Ensured development of national CoM Regulations No. 683 on FMs management. - Ensured development of MCS and submission of MCS description to Donors. - Ensured submission of all 6 programmes CN to Donors. - Ensured signing 3 (Correctional Services, Climate Change as well as Research and Education) out of 6 PA. - Developed the common register of irregularities. - Submitted first SR to the FMO in October 2018. - Developed and approved NFP guidelines for POs 1) on reporting and informing NFP on irregularities, recording of irregularities and applying financial corrections in the projects financed from FMs; 2) on verifications of programmes/projects' supporting documents, determination of project risks to decide on verification frequency and volume; 3) recommendations for POs/agency and promoters of strategic initiatives under BF to ensure the proper selection process of a sworn auditor as well as to determine the scope of the work, purpose, procedures and results to be done by the sworn auditor or internal auditor. - Effectively set up system for implementation of BF. - Ensured preparation of forecasts of likely payment applications and IFRs of BF and TA. - Maintained websites www.eeagrants.lv and www.norwaygrants.lv. - Distributed information (press releases) in the mass media, social media (https://www.facebook.com/EEANorwayGrantsLatvia/) and for specific list of other recipients; updated and published the information (press releases and short news) on these websites. - Participated in FMO's organized EEA and Norway Grants' communication working groups for NFPs. - Organized FMs opening event on the platform of annual conversation democracy festival "LAMPА" (https://www.festivalslamp.lv/en) on 28-29 June 2019 in Cesis, Latvia in close cooperation with Norwegian Embassy and POs.
2.Certifying Authority	<ul style="list-style-type: none"> - Verification and certification of the TA, BF, Climate Change and Correctional Services IFR. - Verification of the Business Development, Research and Education, Local Development and International Police Cooperation and Combating Crime expenditures for period 01.01.2018. – 30.06.2019., what PO are planning to include in first IFR. - Submission to the FMO a forecast of likely payment applications. - Participation in the development of the MCS description. - Participation in the development of national CoM Regulations No. 683 on FMs management. - Participation in the development of national guidance related to the FMs.

	- Elaboration of the CA procedure about the submission and preparation of the information to be added to the interim and the final financial report.	
3.Audit Authority	1.	FAR, Opinion and Closure declaration 2009-2014 According to the requirements of Art.4.6.1.(e, f) the Regulations on implementation of the FMs 2009-2014 the AA: - Submitted to the FMO a Final Audit Report setting out the findings of the audits carried out during the period 01.07.2017-21.12.2018. - Issued an opinion to the FMO, on the basis of the controls and audits that have been carried out under its responsibility, as to whether the MCS functions effectively, so as to provide a reasonable assurance that statements of actual expenditure incurred presented to the FMC and NMFA are correct and as a consequence reasonable assurance that the underlying transactions are legal and regular. - Submitted to the FMO a closure declaration assessing the validity of the application for payment of the final balance claimed in the final programme report.
	2.	Compliance assessment audits According to the requirements of Art.5.7.3. of the Regulation AA carried out 3 compliance assessments: - Compliance assessment of the MCS on a BS level. (And later AA performed also a follow-up audit). - Compliance assessment of the MCS of the <i>Correctional Services</i> . - Compliance assessment of the MCS of the <i>Climate Change</i> .
	3.	Project audits According to the requirements of Art.5.5.1.(c) of the Regulation AA carried out: Audit on projects to verify expenditure declared for the period 14.12.2017-31.12.2018 which were included into IFRs and sent to the donors during the period 01.07.2018-30.06.2019 The audit was based on appropriate sample.
	4.	Annual Audit Report (AAR) and Opinion According to the requirements of Art.5.5.1.(e) the Regulation AA by 15 February 2019: - Submitted to the FMO an AAR setting out the findings of the audits carried out during the period 14.12.2017.-31.12.2018. - Issued an Opinion on the basis of the controls and audits that have been carried out under its responsibility, as to whether the MCS functions effectively, so as to provide a reasonable assurance that statements of actual expenditure incurred presented to the FMC are correct and as a consequence reasonable assurance that the underlying transactions are legal and regular.
	5.	Methodology - Developed and the CoM approved "Procedures for Ensuring the Functions of the AA in the Management of the FMs" (Regulation No. 686 of 13.11.2018). - Prepared information about AA functions for the BS level MCS description and updated it in compliance with comments received from the FMO. - Developed several internal procedures for ensuring functions of the AA in the Management of the FMs.
4.Other entities (Procurement Monitoring Bureau)	There have been no activities (ex-ante controls of procurement procedures) carried out by the PMB during the period from 2018 to 30.09.2019, as well as there have been no project expenditures, nor any staff has been involved in the implementation of the Grants.	
5.Entity responsible for irregularity reporting	Developed the common register of irregularities (including manual for POs). No irregularities have been detected within this period.	

2. BUDGET OVERVIEW in EUR

Disbursements till 30.06.2019. (according to IFR1 and IFR2)	Planned expenditure till 30.06.2019. (forecast of 20.04.2017.)	Unused amount in EUR, %
206 905	231 097	24 192*
Actual expenditure till 30.09.2019. (State Budget expenditures)	Total TA budget	Absorption rate in %
260 636	1 531 500	17,02

*Deviations between forecast versus requested amounts (IFR) are due to: 1) employees' turnover, therefore part of the planned remuneration costs were actually financed from the state budget (e.g., if a new employee has not worked with FMs before, vacation pay shall not be financed from the FMs in order to observe principle of proportionality). 2) the actual status of programme evaluation and approval (3 programmes and 1 pre-defined project approved) therefore the PMB did not have to verify projects' procurement documentation. 3) initially planned opening conference was organized within Conversation festival LAMPA (financed by strategic initiative under BF); 4) society opinion survey (opinion poll) regarding awareness of FMs will be organized by the end of 2019.

3. PROCUREMENTS

Activity outsourced by national level institution	National entities	Value of the procurement <i>EUR</i> without VAT	Name of the provider
Providing translation services	NFP, AA	40 000 EUR (of which TA ~ 4772 EUR)	Ltd "Skrivanek Baltic"
Providing traveling services	NFP, AA	1 800 000 EUR (of which TA ~ 66 393 EUR)	Ltd "Averoja"
Providing catering services	NFP	18 000 EUR (of which TA ~ 1000 EUR)	Ltd "Fileja"
Employee insurance services	NFP, AA	218 211 EUR (of which TA ~ 12 000 EUR)	Compensa Life Vienna Insurance Group SE affiliate of Latvia

4. STAFFING

Name of staff	Official position	Main tasks	Level of effort (% of working time)	Funded through the Grants (Y/N)
National Focal Point – The Ministry of Finance				
Armands Eberhards	Head of NFP, Deputy State Secretary of MoF	Main responsible authority of NFP.	1%	N
Diāna Rancāne	Head of EU Funds Investments Management Department	Overall management and monitoring of FMs' programmes in Latvia	10 %	N
Inga Vajevska <i>from January till May 2018</i>	EU Funds Investments Management Department, Head of EEA, Norway and Swiss Investments Division	Overall management and monitoring of FMs.	50%	N
Diāna Aboliņa <i>from May till October 2018</i>			30% <i>from August till October 2018</i>	Y
Inga Vajevska <i>from November 2018 till now</i>			30%	Y
Signe Gulbe <i>from January till May 2018</i>	EU Funds Investments Management Department, EEA, Norway and Swiss Investments Division, Deputy Head	Overall management and monitoring FMs including MCS (description of MCS, national guidelines, procedures, risks' management)	70% <i>in May 2018</i>	Y
Inga Vajevska <i>from May till October 2018</i>			30% <i>from September till October 2018</i>	Y
Gita Tenisone <i>from November 2018 till now</i>			30%	Y

Diāna Bremšmite <i>from January 2018 till July 2019</i>	EU Funds Investments Management Department, EEA, Norway and Swiss Investments Division, Senior Expert	Management of BF, including organizing of JCBF, Management and monitoring of TA` activities Planning and monitoring of TA budget (monthly/yearly).	50% <i>from September 2018 till July 2019</i>	Y
Liene Ernestsonsone <i>from August 2019 till now</i>			50%	Y
Aija Paleja <i>from January 2018 till now</i>	EU Funds Investments Management Department, EEA, Norway and Swiss Investments Division, Senior Expert	Management and monitoring of FM's programmes: Research and Education, Local Development, Climate Change	70% <i>from January till August 2018</i>	Y
			100% <i>from September 2018 till now</i>	Y
Lauma Lazdina <i>from January till May 2018</i>	EU Funds Investments Management Department, EEA, Norway and Swiss Investments Division, Senior Expert	Management and monitoring of FMs' programmes: Business Development, Correctional Services, International Police Cooperation and Combating Crime (including establishment of irregularity register and function of reporting on irregularities).	70% <i>from January till May 2018</i>	Y
Signe Gulbe <i>from May till August 2018</i>			70% <i>from June till August 2018</i>	Y
Lauma Lazdina <i>from September 2018 till now</i>			100% (10%**)	Y
Artūrs Pētersons <i>from December 2018 till July 2019</i>	EU Funds Investments Management Department, EEA, Norway and Swiss Investments Division, Senior Expert	Development and maintenance of MCS, development of guidelines and internal procedures. Management of BF.	50%	Y
Agnese Andžāne <i>from August 2019 till now</i>			50%	Y

Solveiga Ozola	Director of EU Funds Management System Department	Supervises Department activities.	5%	N
Linda Barbara <i>from January till May 2018</i>	EU Funds Management System Department EU Funds Legal Unit, Head of Unit	Supervises Unit activities regarding FMs.	10%	N
Zane Logina <i>from May 2018 till now</i>			10%	N
Jekaterina Kapilova <i>from January 2018 till now</i>	EU Funds Management System Department EU Funds Legal Unit, Legal Advisor	Preparation of law and rules on the implementation of the FMs, preparation of necessary amendments in national regulations regarding FMs. Provision of legal opinion on implementation and application of law and rules mentioned; on procedures and rules for implementation of FMs programmes and projects.	50% <i>from January till August 2018</i> 25% <i>from September 2018 till now</i>	Y Y
Gita Tenisone <i>from January till October 2018</i>	EU Funds Management System Department, Senior Expert	Development, coordination and amendment of national MCS; Monitoring of implementation of Programme MCS and submission to FMO; Coordination of risk management process; Analysis of MCS and system audit results and monitoring implementation of recommendations; other tasks related to MCS issues.	50%	Y
Viktorija Grīnfelde	Head of FMD	Supervision of department activities	10%	N
Sigita Pauliņa <i>from January till November 2018</i>	Head of Unit of FMD	Supervision of Unit activities	5%	N
Māra Gūtmane-Reinolde <i>from June 2019 till now</i>				

Sintija Bērziņa <i>from January 2018 till now</i>	Senior Expert of FMD	Carry out planning TAF budget, financing plans, estimates, procurements. Prepare IFR and forecasts. Implementation of the BF.	50% <i>from January till December 2018</i> 50% <i>from January 2019 till now</i>	N Y (20%)
Ludmila Severova <i>from January 2018 till now</i>	Senior officer of FMD	Carry out accounting (reports). Participation in elaboration of regulatory documents.	20% <i>from January till December 2018</i> 20% <i>from January 2019 till now</i>	N Y
Antra Bolgzde <i>from January 2018 till now</i>	Head of Unit of FMD	Supervision of Unit activities	3%	N
Tatjana Mironova <i>from January till December 2018</i>	Senior officer of FMD	Carry out accounting (reward)	3%	N
Ieva Raboviča <i>from January 2018 till now</i>	Senior Expert of Communication Department	To develop and coordinate EEA/Norway grants communication strategy; to organise Communication Management group meetings, common activities and informative events for popularization of Grants; to cooperate with media, ensuring information (press releases, news) and organising media events, develop and maintain EEA/Norway grants web page/portal, maintain EEA/Norway grants social media platforms.	30%	Y

Liene Vinogradova <i>from March 2019 till now</i>	Leading IT administrator of Finance and Maintenance Department	Carry out maintaining web pages www.eeagrants.lv and www.norwaygrants.lv	10%	Y
** The FP ensures reporting on irregularities function (please see above in the table information on FP's level of effort)				
CA – The State Treasure				
Name of staff	Official position	Main tasks	Level of effort (% of working time)	Funded through the Grants (Y/N)
Karīna Zencova <i>from January 2018 till now</i>	European Affairs Department, Director	Participation in updating of system description, verification and certification of the projects' final financial reports, auditors' and irregularities' reports analysis	25% <i>from January till August 2018</i>	N
			30% <i>from September 2018 till now</i>	N
Anda Pudāne <i>from January 2018 till now</i>	European Affairs Department, Deputy director	Participation in updating of system description, verification of the projects' final financial reports, analysis of the auditors' and irregularities' reports.	25% <i>from January till August 2018</i>	N
			30% <i>from September 2018 till now</i>	N
Santa Lakševica <i>from January 2018 till now</i>	European Affairs Department, Deputy director		25% <i>from January till February 2018</i>	N
			30% <i>from March till August 2018</i>	Y

			30% from April 2019 till now	Y
Inga Cīrule from January 2018 till April 2019	European Affairs Department, Senior officer		25% from January till February 2018	Y
			30% from March 2018 till April 2019	Y
Regīna Uljanova from January 2018 till now	European Affairs Department, Senior officer		50% from January till August 2018	Y
			30% from September 2018 till now	Y
Ingmārs Kālis from January 2018 till now	European Affairs Department, Senior officer		25% from January till February 2018	N
			30% from March till August 2018	Y
			40% from September 2018 till now	Y

Audit Authority				
Name of staff	Official position	Main tasks	Level of effort (% of working time)	Funded through the Grants (Y/N)
Nata Lasmane <i>from January 2018 till now</i>	Director of the EU Funds Audit Department – Head of the Audit Department	To ensure overall management of the AA. To supervise audits, including approval of the Overall audit strategy for every audit, approval of all audit reports, issuing opinions. To approve Single Audit Strategy for the whole programming period for both financial mechanisms. To approve AAR annually on effectiveness of MCS. Issue Opinions annually on the basis of the controls and audits that have been carried out, as to whether the MCS functions effectively.	3%	N
Olga Guza <i>from May till August 2018</i>	Deputy Director of the EU Funds Audit Department	To plan necessary human resources for fulfilment of functions of the AA. To supervise all functions performed by the AA within the frame of EEA FM/NFM: Supervise elaboration of methodology of the AA for carrying out audits. supervise audits on effective functioning of MCS at the level of the BS and of programmes. supervise audits on compliance assessment of the MCS. Supervise audits of the projects. Establish sample for auditing. Supervise preparation and submission to FMO AAR on effectiveness of the MCS. Supervise preparation of annual audit plans and their updates. Supervision of all audit reports.	5%	N
Anda Štegmāne <i>from June 2018 and from October 2018 till now</i>			23%	N
Jeļena Keirāne <i>from September 2018 till now</i>	Chief Expert of the EU Funds Audit Department	Elaborate methodology of the AA for carrying out audits. Manage audits on effective functioning of MCS at the level of the BS and of programmes. Manage audits on compliance assessment of the MCS. Manage audits of the projects.	85%	Y (50%)

		Establish sample for auditing. Prepare and submit to FMO AAR on effectiveness of MCS. Prepare annual audit plans. Approval of all audit reports		
Arta Graudiņa <i>from May 2019 till September 2019</i>	Chief Expert of the EU Funds Audit Department	Carry out compliance assessment audits (Art. 5.7.3.) on the level of Programmes.	50%	Y
Zane Grundmane-Stesele <i>from January 2018 till June 2018)</i> <i>from December 2018 till March 2019</i>	Senior auditor of the EU Funds Audit Department	Carry out compliance assessment audit (Art. 5.7.3.) on the level of the BS. Carry out a follow-up audit.	85%	Y (50%)
Una Priede <i>from September 2018 till December 2018</i>	Senior Auditor of the EU Funds Audit Department	Carry out audits of the projects. Carry out audits on effective functioning of MCS.	100%	Y (50%)
Mikus Freibergs <i>in June 2019</i>	Junior Expert of the EU Funds Audit Department	Carry out audits of the projects.	95%	Y (50%)
Ilona Šteinberga <i>in July 2019</i>	Senior Auditor of the EU Funds Audit Department	Carry out audits of the projects.	100%	Y (50%)

E. Objectives and expected outcomes and outputs in bilateral initiatives approved by JCBF/MoU

No	Outcome/Output	Indicator	Target
Common outcome	Enhanced collaboration between Beneficiary state and Donor states entities involved in the programme	N/A	N/A
1. Strategic initiative "Building Resilient Media and Inquisitive Audiences in the Baltic States"			
Objective - the project envisages expansion of interactive resources and mentoring modules aimed at fostering resilience of independent media in Latvia and the Baltic states and improving coordination of donor governments.			
Outcome No.1	Media independence enhanced	Number of people who self-declare increased competence in use of media tools (disaggregated by countries): Latvia/Norway/Total	40/0/40
		Number of people from the donor governments (Including Norway) who self-declare increased knowledge related to independence of the media in the Baltic region: Norway/Other/Total	3/22/25
Outcome No.2	Enhanced collaboration between donor states and beneficiary state entities involved in the initiative	Level of satisfaction with the partnership (on a scale 1-7)	5
		Number of established network and long-term cooperation with partners and key stakeholders in Donor states	2
Output No.1.1	New digital newsletters developed	Number of new digital newsletters developed	36
Output No.1.2	Professional staff trained	Number of media professionals trained in cooperation with beneficiary state entities	75
Output No.1.3	Multimedia content created for the BCME website	Number of multimedia content created for the BCME website	10
Output No.1.4	Coordination meetings for the donor governments	Number of coordination meetings for the donor governments held	7
Output No.1.5	Applications for further funding for media support submitted	Number of applications for further funding submitted to grant application calls for media support in the Baltic region	2
Output No.1.6	Awareness of project activities among media and donor governments	Level of awareness about the initiatives activities and outcomes among media and donor (on a scale 1-7)	7

No	Outcome/Output	Indicator	Target
Output No.2.1.	Training and mentoring courses co-organized by donor state (Norway) and beneficiary state entities	Number of training courses co-organised by donor state (Norway) and beneficiary state entities	10
2. Strategic initiative "3D scanning and new technologies in cultural heritage management"			
Objective - the capacity building of experts of the national heritage authorities in Latvia and Norway in using innovations and contemporary technology in heritage conservation.			
Output No.1	Workshops co-organized by donor and beneficiary state entities	Number of workshops co-organized by donor and beneficiary state entities. Number of experts	2 workshops, 10 experts from each country in each workshop
Output No.2	Objects scanned with 3D method	Number of objects scanned with 3D method	4
Output No.3	Seminars for direct users of the research/scanning method (owners, architects, building engineers)	Number of seminars for direct users (owners, architects, building engineers). Number of participants	2 seminars, 50 experts from each country in the seminars in respective countries
Output No.4	Handbook on using 3D scanning in heritage research	Number of handbooks on using 3D scanning in heritage research	1
Output No.5	Knowledge and better understanding of innovations and contemporary technology use in heritage conservation	Increased level of understanding and trained heritage professionals of the benefits and use of innovations and contemporary technology in heritage conservation	N/A
3. Strategic initiative "Participation in the Conversation Festival LAMPA"			
Objective – to continue, in collaboration with the Norwegian Embassy in Riga, to provide information, explain and involve the public in Latvia in the support of the FMs and achieved results in Latvia.			
Output No.1	Participation in the Conversation Festivals ensured	Number of events organised in cooperation with the Norwegian Embassy in Riga	4 events (expected audience reached within the scope of one event - 15 000)
Output No.2	Two-day discussions were organised in the conversation festivals, the concept whereof has been developed in cooperation with the Norwegian Embassy in Riga, regarding the contribution of the EEA and Norwegian	Number of two full days' discussions, the concept whereof has been developed in cooperation with the Norwegian Embassy in Riga	48 discussions

No	Outcome/Output	Indicator	Target
	Financial mechanisms, its importance and planned results		
Output No.3	Informative materials were developed about the programmes supported by and the projects implemented through the FM	Number of informative materials developed in cooperation with the Norwegian Embassy in Riga and the FM programme operators	20 infographics and other informative materials, up to 50 recorded videos of discussions from the events
Output No.4	Information and knowledge about the fields supported by the EEA and Norwegian Financial mechanisms. Transformed way of thinking	Increased level of understanding regarding the fields supported by the EEA and Norwegian Financial mechanisms and public benefits provided	More informed decisions and choices made by people in everyday life
Output No.5	Information about the ongoing project selections and options for applying for the support of the EEA and Norwegian Financial mechanisms	Increased level of awareness of the opened and planned project selections of the EEA and Norwegian Financial mechanisms	Increased number of submitted project proposals
4. Strategic initiative "Norway-Baltic Research Network. Critical Infrastructure: Institutional Coordination and Policy Preferences"			
Objective - to compare the critical infrastructure protection policies and national communication on critical infrastructure used by public authorities in three Baltic States (Estonia, Latvia, Lithuania) and Norway.			
Output No.1	Research consortium of scientists	A consortium for both this initiative and future initiatives and applications created	1
Output No.2	Workshops co-organized by consortium partners	Number of workshops co-organized by consortium partners	5
Output No.3	Final book with research results (audience)	Number of readers	10 000
Output No.4	Appearances in mass media	Number of interviews	20
Output No.5	Audience reached via mass media during initiative's duration by communicating on research results and initiative itself	Number of persons	300 000
Output No.6	Exchange of research findings, methodology and key data	Higher levels of expertise and quality of research	N/A

No	Outcome/Output	Indicator	Target
Output No.7	Expert and public awareness on situation with critical infrastructure in region	Increased public and decision maker knowledge about importance and state-of-play of critical infrastructure in the region	N/A
5. Programme initiative "The international cycle of conferences with participation of Norwegian and Latvian experts on issues topical for correctional services"			
Objective - to strengthen the bilateral cooperation between institutions of correctional service system in Norway and Latvia, beyond the scope of the FMs` Correctional services programme.			
Output No.1	International conferences in Latvia for correctional service specialists	Number of international conferences organized in Latvia	2
Output No.2	The audience of the international conferences in Latvia	Number of participants	140
Output No.3	Participation of the Latvian and Norwegian correctional service system specialists in the international events	Number of participants	16
Output No.4	ICPA conference on 2020	Number of participants (NOR and LV)	3
Output No.5	Established summaries with conclusions, suggestions and further action plan after each of the event	Number of summaries developed	8

F. Initiatives approved by JCBF

No	Title	Promoter/ PO	Donor Partner	Period of implementation	Stage of agreement	Amount in EUR
Total Bilateral Fund						2 442 000
Earmarked in MoU 16% of total BF funding						400 000
Pre-defined Initiative	Building Resilient Media and Inquisitive Audiences in the Baltic States	Baltic Centre for Media Excellence	Norwegian Journalism Institute, Norwegian media organization "Faktisk.no"	April 2019 – March 2022	Signed 04.04.2019. Amendments according to JCBF decision ⁴² in process	400 000
Allocations by JCBF 55% of total BF funding						1 342 000
Strategic Initiatives:						403 606
Approved after first JCBF meeting in December 2018						
1.	3D scanning and new technologies in cultural heritage management	National heritage board of Latvia	Norwegian Directorate of Cultural Heritage	May 2019 ⁴⁴ – April 2025	Signed 04.10.2019.	126 606
Approved by JCBF within written procedures in 2019						
2.	Participation in the Conversation Festival LAMPA	Communications Department of MoF	Norwegian Embassy in Riga	June 2019 – July 2024	Implementation according to internal rules ⁴³ of MoF	90 000
3.	Norway-Baltic Research Network. Critical Infrastructure: Institutional Coordination and Policy Preferences	Latvian Institute of International Affairs	- Norwegian Institute for International Affairs (Norway) - International Centre for Defence and Security (Estonia) - Institute of International Relations and Political Science at Vilnius University (Lithuania)	July 2019 ⁴⁴ – December 2020	In negotiation process	187 000

⁴² JCBF decision No.5 of 5 September 2019 regarding modifications to the planned results

⁴³ Internal rules of MoF "Arrangement on implementation of BF within FMs"

⁴⁴ Delayed due to reconciliation of the agreement and approval of MCS by the Donors

No	Title	Promoter/ PO	Donor Partner	Period of implementation	Stage of agreement	Amount in EUR
Programme Initiative	The international cycle of conferences with participation of Norwegian and Latvian experts on issues topical for correctional services ⁴⁵	MoJ	Directorate of Norwegian Correctional Services	October 2020 – March 2025	Not started	98 700
Available funding for decision of JCBF						839 694
Initiatives in preparation phase (could be submitted to NFP till the end of 2019)						
1.	Culture heritage project "Tool-box"	Kurzeme NGO centre	- Norwegian Directorate of Cultural Heritage - Museums in Akershus (Norway)	September 2020 – October 2022	N/A	approx. 150 000
2.	Reliable knowledge and its availability in the process of creating modern electronic encyclopedias	<i>The National Encyclopedia (National Library of Latvia)</i>	Store Norske Leksikon	September 2020 – October 2021	N/A	Not decided

⁴⁵ On conditional approval by the CoM.