MINUTES

ANNUAL MEETING

EEA AND NORWAY FINANCIAL MECHANISM 2009-2014, HUNGARY 24 November 2015

Financial Mechanism Office Boulevard du Régent 47-48, Brussels

Participants:

Beneficiary State:	Mr Zsigmond Perényi, Deputy State Secretary, Prime Minister's Office
	Mr Adrián Savanyú, Head of Department, Prime Minister's Office
	Ms Kinga Bödő-Baksa, Head of Unit, Prime Minister's Office
	Ms Katalin Csiréné Szabó, Programme Manager, Prime Minister's Office
	Mr Imre Váradi, Chairman of Management Board, Implementing Agency
Donor States:	Mr Anders Erdal, Chairman of the Financial Mechanism Committee
	Ms Tove Skarstein, Norwegian Ambassador to Hungary
	Mr Tom Tjomsland, Senior Adviser, Norwegian Ministry of Foreign Affairs
	Mr Dominik Marxer, Counsellor, Liechtenstein Embassy and Mission to the EU in Brussels
	Mr Angantýr Einarsson, Counsellor for Finance and Economic Affairs at the Icelandic Embassy in Brussels
	Ms Stine Andresen, Director, FMO
	Mr Ståle Risa, Head of Legal Department, FMO
	Mr Rune Vistad, Head of Sector Department, FMO
	Ms Ragna Fidjestøl, Head of Country Department and MoU Coordinator, FMO
	Mr Stein Mona, Senior Country Officer, FMO

1. Opening remarks

FMC Chairman welcomed the Deputy State Secretary Mr Perényi and Hungarian delegation. He thanked the work that had been performed since last time he met with Mr Perényi in June this year. It was especially pointed out that the Donors appreciate the common understanding established by the parties regarding roles and responsibilities for the implementation of the NGO Programme in Hungary.

Mr Perényi thanked all who has been involved in the work since the summer in establishing a new starting point for the cooperation. He also thanked the Norwegian Ambassador to Hungary, Ms Tove Skarstein, for the Embassy's work on the matter.

FMC Chairman pointed out the importance of continuing the joint process that has been established to comply with the procedures foreseen for the implementation.

2. Revision of the Memoranda of Understanding, Annex A and Annex B

FMO presented the changes that has been introduced in the Annex A, hereunder explicitly the National Focal Point (NFP) and the Certifying Authority. The rest of the national management and control structures remain unchanged, including the Implementing Agency. The FMO have found the changes to comply with the requirements set out in the Regulation for the national management and control structures.

FMO also presented changes introduced in Annex B. As a result of changes in the implementation system for internationally co-financed public development programmes in Hungary, several Programme Operators (PO) for programmes under the EEA and Norway Financial Mechanisms have been transferred to their respective line ministries. A small change in the name of the Programme Operator for HU 10 – Bilateral Research has also been introduced. In addition, the reallocation of the Reserve for unforeseen developments, agreed with the former NFP in the summer of 2013, has also been introduced in the revised Annex B. No other changes have been introduced. In case it is necessary, modification of outcomes in Annex B can proceed via an exchange of letters following Programme Agreement revisions.

Based on the above, the FMO proposed the parties to approve the revised Annex A and Annex B of the Memoranda of Understanding.

The parties approved the revised annexes.

Following a discussion on the internal procedures needed for a governmental decree to be issued in Hungary, the parties agreed that they could proceed with an exchange of letters after the annual meeting.

The FMO informed the NFP that trainings will be offered to the Hungarian institutions involved in the implementation of the EEA and Norway Financial Mechanisms to enable the institutions to fully comply with the requirements foreseen by the Regulation and requested the NFP's cooperation in this matter.

3. Resumption of the implementation of programmes under the EEA and Norway Financial Mechanism 2009-2014

The Donors repeated the general principles for implementation, the programmes must be implemented in a transparent way in line with the provisions set in the legal frameworks where the principles of good governance and a high degree of cost efficiency will be ensured.

The Donors acknowledged the work that the NFP and the POs have performed regarding an assessment of possibilities for resumption of implementation of the programmes in Hungary. The Donors generally agree to the assessment and the NFP's classification of the programme status in three groups:

Implementation can be resumed rather easily without substantial changes of the Programme Agreements:

- HU08 Scholarships (€ 3.0 M)
- HU09 Green Industry Innovation (€ 22.9 M)
- HU11 Capacity Building (€ 10.8 M)

Implementation could be resumed, but several changes in the Programme Agreements are needed:

- HU02 Energy Efficiency (€ 8.4 M)
- HU03 Renewable Energy (€ 7.7 M)
- HU07 Cultural Heritage (€ 12.6 M)

Implementation could only be resumed with major changes of the Programme Agreements:

- HU06 Children and Youth at Risk (€ 11.7 M)
- HU10 Bilateral Research (€ 24.1 M)
- HU12 Public Health (€ 16.6 M)

Following a short discussion on each programme, it was confirmed by the NFP that the Programme Operator of HU07 – Cultural Heritage is committed to implement the programme as foreseen in the Programme Agreement, thus this programme may also be regarded as belonging to the first group. The programmes HU02 and HU03 will be further discussed in technical meetings, once the FMO receives more/revised information from the PO via the NFP. Further, the FMO has very recently been presented a possible resumption scenario for HU12 – Public Health. The FMO will examine the suggested scenario and discuss it further with the NFP and PO in technical meetings. The parties agreed to discontinue the implementation of HU06 – Children and Youth at Risk. The Donors suggested to also discontinue HU10 – Bilateral Research, whereupon the NFP requested the FMO to examine the recently submitted scenario and discuss possibilities in technical meetings.

FMC Chairman pointed out that focus and priority in the planned technical meetings must be put on the programmes where agreed objectives can be achieved in a realistic way.

The FMO confirmed that the suspension of payments does not affect the eligibility of costs in the Hungarian programmes.

The possibility of exceptional project extension was presented by the FMO with reference to the deadlines for project eligibility in the Regulation. A similar facility will be offered to projects under programmes in Hungary. A possible timeline/roadmap will be submitted to the NFP from the FMO in the near future.

Regarding a request from the NFP on whether project grant decision date could be sufficient as opposed to the date of concluding the project contract in relation to extension requests, the FMO will look into if this could be a feasible procedure.

Further discussions on resumption of programme implementation and possible exceptional project extension will be held in technical meetings between the NFP, POs and FMO.

4. The way forward

FMC Chairman repeated the positive development regarding the common understanding of the implementation of the NGO Programme in Hungary.

The parties agree to respect the agreed legal framework for the implementation of the NGO Programme in Hungary, as stated in the Memorandum of Understanding and described in the Regulation on the implementation of the EEA Grants 2009-2014, and in particular Article 5.13 thereof. The parties agree that the FMO as Programme Operator and its Fund Operator shall continue and complete all tasks related to the implementation of the NGO Programme.

A technical follow-up meeting regarding programme implementation will follow right after the annual meeting. Further technical meetings have been scheduled for 30 November and 1 December.

The parties agreed to maintain a close contact regarding requests from the press in order to avoid any misunderstandings.

FMC Chairman and Mr Perényi expressed satisfaction about the positive developments and the agreements reached on several aspects of the implementation of the EEA and Norway Financial Mechanisms 2009-2014 in Hungary.