

**MINUTES OF THE 2<sup>nd</sup> ANNUAL MEETING:  
EEA/NORWAYGRANTS 2009-2014**

**LATVIA  
RIGA, 29 MAY 2013  
Ministry of Finance, Room 202**

**Adoption of the Agenda**

Participants of the Annual Meeting agreed on the proposed agenda. The list of participants and the agenda are attached to the minutes as Annex 1 and Annex 2.

The meeting was chaired by the Head of the Focal Point (hereinafter – the FP) - Mr. A.Eberhards together with the representative from the Donor side - Mr. Steinar Egil Hagen, Deputy Director General of Foreign Affairs Section for Central Europe and the EEA Financial Mechanisms of the Norwegian Ministry of Foreign Affairs (hereinafter – the NMFA).

During the meeting implementation status of the EEA/Norwegian Financial Mechanisms (hereinafter – the FMs) and activities to be carried out within the Bilateral fund (hereinafter – the BF) at programme and national level were discussed.

**I part - Implementation status of the FMs**

***Introduction***

The FP opened the meeting by welcoming the participants of the annual meeting and by outlining progress achieved and main steps to be taken in the FMs 2009-2014.

The Donor side agreed on the proposed agenda and outlined that the Annual Meeting is a good opportunity to meet and to discuss current and outstanding issues. Talking about the next Strategic Report they suggested to include analysis on the planned and actually achieved results in it and stressed importance of discussions on risk assessment and the BF activities.

The FP explained that the current Strategic Report didn't focus on analysis of results due to the lack of projects' implementation activities in the reporting period.

The FP presented implementation status of the FMs, including bilateral relations, risk assessment and mitigation measures, legislative framework, horizontal concerns and financial progress. The presentation is attached to the minutes as the Annex 3.

***Bilateral relations***

The Donor side outlined that economic cooperation between Latvia and Norway has significantly increased since 2004 and Latvia serves as a good example of establishment and maintaining of bilateral cooperation. They encouraged the Latvian side to involve and to cooperate with the Norwegian Embassy in planning and implementation of Bilateral Fund activities, especially regarding activities in the framework of "Riga – the European Capital of Culture 2014" and „Latvian Presidency of the Council of the EU 2015”.

The Donor side expressed their appreciation for the extensive amount of bilateral activities carried out and/or planned at programme level, as well as for the list of planned activities within the BF at national level. They marked the scope of bilateral activities taking place including several successful partnership events already organized and still planned, that makes the upcoming years look promising for further development of partnerships.

The FP thanked for the encouraging comments.

***Risk assessment/Risk mitigation***

The Donor side reminded that the Donors have approved the Risk Management Strategy, which states that risk assessment shall be carried out starting from the FP's level down to the project level. As risks always exist, the aim of the risk management is not to avoid risks, but rather to manage them more effectively. The FMO will organize a workshop for the FPs on 24 September 2013 in Oslo, where issues related to implementation of the Risk Management Strategy will be discussed. The Donor side encouraged the FP to provide further guidance to the POs on risk assessment and mitigation.

It was noted that establishment of the Risk Management Working Group is the first step, because the main focus should be on risk mitigation measures and asked for more details on operation of this working group and its participants.

The FP explained that the EU Funds' approach was used in the FMs' risk management and the experience gained in the EU Funds was transferred to the FMs - the ex-ante evaluation of procurement documentation was mentioned as an example. . The Risk Management Working Group consists of representatives of the Audit Authority, the Procurement Monitoring Bureau, the State Treasury and the Ministry of Finance. In case if any specific risk is observed the FP invites experts to participate in the Working Group.

The floor was given to a representative of the Audit Authority (hereinafter – the AA).

#### ***Introduction of the Audit Authority/ Management and control system (hereinafter - MCS)***

The AA gave a presentation on the achieved results and timetable of compliance assessments of the POs' MCSs in 2013. The AA's presentation is attached to the minutes as Annex 4.

The FP underlined that in assessment of the MCS of FMs the same approach as in EU funds is used and positively estimated the AA's role as an institution providing independent evaluation for the descriptions of the POs' MCSs.

The AA added that the POs' MCSs compliance assessment in line with the legal framework of FMs and generally accepted accounting principles is carried out in accordance with the internationally accepted Audit Standards.

The Donor side appreciated the work done by the FP and noted that the last two recommendations would be implemented by the end of June 2013.

#### ***Legislative framework of the FMs' implementation***

The FP proceeded with its presentation.

The Donor side shared their concerns about the complicated and inflexible Latvian legislative system for the FMs management that could cause the risk of not taking into account the Donors' requests for modification of texts (if any) of open call (hereinafter – the OC) guidelines as they will be issued as Regulations of Cabinet of Ministers (hereinafter – the CoM). The OC can only be announced when the Donors have confirmed that the OC text complies with the legal framework of FMs. Should the Donors find it necessary to modify the proposed OC guidelines, the Latvian side would have to be able to do so.

The FP explained that June/July and August 2013 would be the busiest period for approval of CoM Regulations on OCs and that all POs had been asked to submit the texts of OCs to the FMO as soon as the drafts of the CoM Regulations are ready in order to receive the Donors' opinion before submitting the OCs' Regulations to the CoM for approval. This would allow appropriate incorporation of the Donors' requests for modifications (if any), before actual approval of the OC Regulations by the CoM.

#### ***Reporting on horizontal concerns***

The Donor side emphasized the established cooperation with the Council of Europe in promoting democratic values. -The promotion of democratic values is one of horizontal issues on which the Donors will also focus in future. It was also outlined that the horizontal

concerns should be an integral part of the programmes. The FP will continue to report on implementation of horizontal issues and describe synergies between programmes in the next Strategic Reports.

The Donor side was pleased with discussion held during their visit to the Society Integration Foundation, where horizontal issues were also one of the main topics.

The FP thanked for the comments and added that the NGO Fund is one of the programmes having special emphasis on horizontal issues.

### ***Financial progress***

There was no particular discussion on the presented financial progress, nevertheless the Donors appreciated the presented comparison of the forecasted financial flow between the first and the second Strategic Report.

### ***Status of programmes***

The Donor side pointed out the fact that Latvia was among the first Beneficiary States, which had signed all programme agreements and stressed the importance of continued cooperation at all levels - from the FP to project's level - also after signing the programme agreement.

The Donor side outlined that partnerships in projects should have positive impact and work smoothly, avoiding situations when formally there is a partner in a project, but there isn't any actual cooperation or the cooperation is not successful. They informed that the necessary modifications in Annex B of the Memorandum of Understanding will be made through exchange of letters asap making reference to the limited capacity of FMO's legal staff due to intense work on conclusion of programme agreements with other Beneficiary States.

The FP took a note on the Donor side's comments and underlined the importance of good communication, discussing any emerging issues before they become a problem.

## **II part – Bilateral Fund at Programme level and at National level**

The FP presented the main activities already implemented and those planned for 2014 in the BF at programme level. Afterwards, presentations of the institutions implementing the activities within the BF at national level were delivered.

### ***Riga - European Capital of Culture 2014***

Foundation "Riga 2014" (hereinafter – Riga 2014) presented each activity proposed for support of the BF in 2014 when Riga will be the European Capital of Culture. The presentation of Riga 2014 is attached to the minutes as Annex 5.

The programme will be opened on 18 January 2013 by creating a human chain transferring books from hand to hand - from the old building of the National Library of Latvia located on one side of the Daugava River to the newly built, modern building located on the other river bank.

In order to spread information on contribution and involvement of the FMs in the European Capital of Culture Project to a larger public, Riga 2014 proposed to hold a press conference or another event to mark the day in the Esplanade Park, on 17 May when Norway celebrates its Constitution Day. In the Esplanade Park the opening of the project "Riga – the European Capital of Culture 2014" will be announced and informative space for public will be established. This publicity event would be provided in addition to the presented activities.

The Donor side asked how the nine presented activities had been selected, including selection of artists from Donor states.

The project promoter of Riga 2014 explained that all activities to be carried out in the framework of the project "Riga – the European Capital of Culture 2014" and artists had been selected by a board of independent artists through an open call and added that the concept of

the project “Riga – the European Capital of Culture 2014” had been submitted to and approved by the European Commission in early 2009. The Donors asked the PP/NFP to submit an updated list of activities to the Embassy/the FMO.

### ***Latvian Presidency of the Council of the European Union***

The Secretariat of the Latvian Presidency of the Council of the European Union presented three activities proposed for financing of the BF at national level, planned for the first half of 2015. The presentation is attached to the minutes as Annex 6.

The Donor side appreciated the proposed activities and asked to work closely with the Royal Norwegian Embassy in planning of the BF activities. When communicating to the Embassy the FMO shall be added to the correspondence for information.

### ***Seminar on abolishing of administrative arrests***

The Ministry of Justice presented key information on seminar “Abolition of administrative arrest in Latvia: challenges and benefits” planned to take place on 30 September 2013. The presentation is attached to the minutes as Annex 7.

There was no particular discussion on this presentation as the activity had been included in the Work Plan for BF at national level and already approved by the donors (FMO letter of 23 April 2013).

### ***Closing remarks***

The Donor side thanked for the presentations and once again mentioned that the next Strategic Report should have a more strategic approach and contain analyses on what has been done regarding the risk assessment, bilateral relations and horizontal concerns and encouraged to involve the Royal Norwegian Embassy in the planning of BF activities.

The FP thanked for the constructive comments and expressed hope for continued fruitful and efficient cooperation with the FMO and the Donor side.

### ***Annexes:***

1. List of participants on 1 page;
2. Agenda of the annual meeting on 1 page;
3. Presentation of the FP on 7 pages;
4. Presentation of the AA on 1 page;
5. Presentation of foundation “RIGA 2014” on 3 pages;
6. Presentation of Secretariat of the Latvian EU Presidency on 2 pages;
7. Presentation of The Ministry of Justice on 1 page.