*STRATEGIC REPORT
FM14-21*

Lithuania

Reporting period:

19 March 2020 - 19 March 2021

# 1. EXECUTIVE SUMMARY

The strategic report reflects the implementation of the European Economic Area (hereinafter – EEA) and Norwegian Financial Mechanisms 2014–2021 in Lithuania (hereinafter – Grants) during the period from 19 March 2020 to 19 March 2021 and contains the information on progress in developing the programme level Management and Control System (hereinafter – MCS) (since developing of the National level MCS was completed before the reporting period), implementing the programmes, as well as the status of the Funds for Bilateral Relations (hereinafter – FBR), performed audits, key communication activities and other important issues.

All the agreements of the Programmes (i.e. “Business Development, Innovation and SMEs”, “Culture”, “Health”, “Research”, “Environment, Energy, Climate Change”, “Justice and Home Affairs”) were already signed during the previous reporting period and their implementation during the reporting period has accelerated significantly.

Key risks for the reporting period were largely associated with the global Covid-19 pandemic (hereinafter – pandemic). The structure of the Lithuanian economy and mitigation measures implemented by national authorities led to comparatively milder effects on the Lithuanian economy. However, the pandemic did increase risks related to the absorption of the Grants, which led to postponement of some programmes and bilateral activities. However to date, no significant impact on the project implementation deadlines has been observed, but unpredictability of the situation with the pandemic requires maintaining a high degree of alert on the status of the implementation of the programmes and prudent risk mitigation measures.

Despite delays related to legal aspects and effects of the pandemic, several programmes such as “Research”, “Business Development, Innovation and SMEs”, “Environment, Energy, Climate Change” (the implementation agreement expected to be signed in IQ of 2021) shifted from the preparation to the implementation stage.

To this day, in total five bilateral relation (hereinafter – BR) initiatives outside the programme and approved by the Joint Committee for the Bilateral Funds (hereinafter – JCBF) for 2019-2021 were completed. Despite the aggravating circumstances due to the pandemic, three of the BR initiatives were completed over the course of the reporting period.

JCBF meeting organized in 2020 addressed pandemic effects on the implementation of BR initiatives, also overviewed strategic BR themes and included research and innovation as new strategic themes. Moreover, no need to secure FBR for additional funding to programmes was identified.

During the reporting period the Audit Authority (hereinafter – AA) performed three compliance audits of the MCS of the programmes of the Grants. No irregularities were found during the audits of the Programmes “Research”, “Justice and Home Affairs” and “Environment, Energy, Climate Change”, where the qualified opinion was issued for the first one and unqualified opinions for the last two programmes. After the conducted follow-up of the recommendations presented during the audit, the unqualified opinion for the Programme “Research” was also issued.

# 2. Political, economic and social context

In the context of the pandemic that had arisen early in 2020, the **Lithuanian economy shrank 0.9% for the year 2020**, marking the first contraction since the 2009 global financial crisis when output collapsed at a staggering pace, and contrasting the 4.3% expansion recorded in 2019. As compared with forecasts of -7.6% for the euro area: Lithuania's milder recession reflects a relatively well-controlled pandemic, and a low direct exposure to tourism (less than 2.0% of GDP, World Trade Tourism). Resilience of the export sector, in particular of the demand for low-valued goods and transportation services, also helped cushion the economic fallout. Front-loaded Government support for short-time work schemes helped limit the increase in unemployment.

Slump in domestic demand was partially offset by a positive contribution to growth from net exports. The Lithuanian exports remained relatively resilient as manufacturing output was only slightly affected by restrictive measures imposed to control the pandemic, while external demand remained strong. Output in agriculture also supported economic results. Still, the economic recovery in the last quarter of the year was affected by a surge in infection rates and a subsequent reintroduction of strict lockdown measures. Consumer, retail and service sector sentiment indicators have worsened as a result.

The pandemic affected all demographic characteristics of Lithuania. As of January 2021, the resident population of Lithuania totalled 2 million 795 thousand. The change in the resident population in 2020 was influenced by a positive net international migration: the total number of immigrants last year exceeded that of emigrants by 20 thousand and a negative natural population change – the number of deaths exceeded that of live births by 18.9 thousand.

Significant **social and economic disparities** across the regions still remain in Lithuania: disparities in income are driven mainly by labour productivity differences between Vilnius capital region and western-central Lithuania. Ageing and social exclusion predominantly affects the territories outside the major cities. The new Government has pledged to prepare the National Regional Development Programme aimed at establishing specialized and effective economic growth plans for each of the country’s regions as a priority.

To **reduce poverty, social exclusion and income inequality** further highlighted by the pandemic, where relative poverty is high among the unemployed, less educated, single parents and elderly people, spending on social benefits and wages has been increased in 2020: the minimum monthly wage, pensions and universal child benefit have risen. A temporary support was also provided to people and businesses affected by the pandemic, as well as the increased regular social support while retaining incentives to work.

Lithuania's previous Government has already adopted a range of **reforms in fields of education, innovation, health and taxation** in 2016-2020. The new Government has also set out the measures to achieve its goals in these areas: iThe new government has also put in place measures to achieve its goals in these areas

Naujoji vyriausybė taip pat įdiegė priemones savo tikslams pasiekti šiose srityse

The new government also envisages measures to achieve its objectives in these areas

Naujoji vyriausybė taip pat numato priemones minėtiems tikslams pasiekti

Nepavyksta įkelti išsamių rezultatų

Bandyti dar kartą

Bandoma iš naujo...

Bandoma iš naujo...

t is expected that funding of Lithuania's Recovery and Resilience Plan will also contribute to the achievement of the structural reform objectives.

The pandemic also increased the risks related to the absorption of the Grants: some programme launch and matchmaking events, bilateral activities, launches of calls have been postponed. To date, no significant impact on the project implementation deadlines has been observed: a negative impact on the absorption of the Grants was mitigated by relevant risk management measures implemented by responsible authorities.

# 3. Effects of the Grants

During the reporting period 3 bilateral relation (hereinafter – BR) initiatives outside the programmes meeting strategic BR domains (best practices between institutions and/or relevant organizations in the sphere of innovation, child rights and culture) were successfully implemented.

Recognizing the increasing need for welfare technologies in solving pressing social problems, the Agency for Science, Innovation and Technology (MITA) and Norwegian partner – Innovation Norway launched an initiative on development of an innovative welfare technology eco-system in Lithuania. Over the course of one year, drawing from the world class practices of Norway, bilateral partnership resulted in a [Feasibility Pre-Study](https://mita.lrv.lt/uploads/mita/documents/files/programos-priemones/Norway%20Grants/FEASIBILITY%20PRE-STUDY%20ON%20DEVELOPMENT%20OF%20THE%20INNOVATIVE%20WELFARE%20TECHNOLOGY%20ECO-SYSTEM%20AND%20BILATERAL%20OPPORTUNITIES.pdf) and [Paper on Proposals for the Action Plan on the Development of Welfare Technology Eco-System](https://mita.lrv.lt/uploads/mita/documents/files/programos-priemones/Norway%20Grants/Paper%20on%20proposals.pdf) in Lithuania. The initiative not only paved the way for the development of welfare technology eco-system in Lithuania, but also set a strong networking basis for possible future collaboration between bilateral partners.

Another BR initiative was implemented as a result of a new partnership established between public entities responsible for the protection of children’s rights in Lithuania and Iceland. Considering that since 1 July 2018 the system for the protection of children’s rights in Lithuania became centralized, and considering the fact that there is a lack of united practice related to the response to violations of children's rights, the bilateral initiative aimed at improving the capacity of the Lithuanian specialists in addressing specific issues in a targeted and coordinated manner inspired by the experience and knowledge of the partners from Iceland. Although initially projected plans for the implementation of the initiative were curbed by the Covid-19 pandemic, it did not prevent the initiative to achieve its main goal, and succeeded to train 148 children’s rights specialists in Lithuania from the training material conducted throughout the study visit in Iceland.

Finally, acknowledging that cultural routes in Lithuania lack systematic, coordinated approach, and the attempts to set cultural routes lack sustainability and vitality, the Lithuanian and Norwegian municipalities and other relevant stakeholders launched BR initiative aiming to address the persistent shortcomings. The cycle of bilateral events that involved workshops, seminars and a conference not only encouraged the Lithuanian municipalities to establish partnerships with Donor States’ municipalities, but also to clarify the problems encountered in Lithuania and to learn about the experience of Donors within the field. To ensure the widest possible reach and added value for future cultural routes development, the material collected during the events was laid down in the digital [guidelines](https://lrkm.lrv.lt/uploads/lrkm/documents/files/Cultural_routes.pdf).

# 4. Status of THE programmes

## LT-JUSTICE Justice and Home Affairs

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| **COMMON INFORMATION:** |
| **Responsible institutions:** | **PO:** CPMA.**DPP(s):** The Norwegian Ministry of Justice; The Directorate of Norwegian Correctional Service;The Norwegian Courts Administration;The National Police Directorate.**Other Programme Partner(s):** The Ministry of Justice of the Republic of Lithuania;The Ministry of the Interior of the Republic of Lithuania;The National Courts Administration of Lithuania;The Prosecutor’s General Office of the Republic of Lithuania;The Council of Europe. |
| **Programme Grant:** | Total: EUR 33,000,000 |
| EEA Grants: EUR 8,000,000Norway Grants: EUR 25,000,000 |
| **STATUS OF THE PROGRAMME:** |
| **Overall progress – Programme development and implementation**  | **Signature of the programme agreement:** 11 February 2020**Signature of the Programme Implementation Agreement:** 4 March 2020**Opening event**: 30 November 2020.**PDP contracts**: all signed by September 2020 |
| **How specific concerns in the MoU have been addressed:** | **Use of alternative sanctions to imprisonment**PDP 3 “Development of Quality Based Lithuanian Correctional Service System” foresees renting 300 electronic monitoring devices, developing strategy on increasing the capacities and methods of use of this equipment and also promoting the benefits of using electronic monitoring devices among judges, prosecutors and inmates.Public procurement launched in February 2021.**Synergies between the programme areas**This is a horizontal principle that cuts through all the PDPs. As a general principle, all training is not limited to a segment of a justice chain represented by the project promoter, but uses the holistic approach. This is especially true in case of PDP 4 “Improving Work Quality and Enhancing Competences of the Justice Chain to Protect Victims of Domestic and Gender-Based Violence”, which, inter alia, is going to train 1800 representatives from the whole justice chain and NGOs. **Establishment of a training centre and renovation of up to two pilot correctional centres** This will be carried out by PDP 3 “Development of Quality Based Lithuanian Correctional Service System”. Inter alia, this project includes:* Building and equipping of the Training Centre, and also the development of the training standard, design of 7 new curricula, creation of e-learning platform, etc;
* Construction of cell type living facilities and employment centre at Vilnius Correction House;
* Reconstruction of cell type living facilities with learning classes and occupancy rooms at Pravieniškės Correction House-Open Prison Colony.

**Focusing on the concept of the European judicial culture and the European Convention on Human Rights in the programme area “Effectiveness and Efficiency of the Judicial System, Strengthening the Rule of Law”**In order to address this special concern, PDP 1 “Increasing the Quality, Services and Infrastructure in Lithuanian Courts” and PDP 2 “Building up Modern and Open Prosecution Service in the Republic of Lithuania” include such activities as studies in conducting of court and criminal proceedings, study visits to Norway and other countries, internship in Norway, development of methodology for judges, prosecutors and lawyers. Public procurement of the preparation of the study of possible improvement measures launched in February 2021.**Focusing on bilateral cooperation with the Norwegian Police Service to combat cross-border and organised crime**One of activities of PDP 5 “Strengthening of Inter-agency Cooperation and Increasing of Crime Investigation Quality in the Lithuanian Police” is organizing operational meetings of the Lithuanian and Norwegian police as well as other law enforcement agencies focusing on the tactics of specific investigations, inter-agency cooperation and strategic trends and methods in addressing the organized crime. Several public procurement processes launched in early 2021.**Focusing on the objectives and values behind the Istanbul Convention, policy improvements, police investigations, court proceedings and best practice developments.**PDP 4 “Improving Work Quality and Enhancing Competences of the Justice Chain to Protect Victims of Domestic and Gender-Based Violence” is going to address this special concern by implementing a risk management information system, and making vast series of training and round table discussions with the aim to promote a zero-tolerance approach to gender-based violence.  |
| **Problems related to programme development and implementation, with suggested solutions**  | Although this is the most complex of all the Lithuanian programmes of the Grants, it is implemented along with the schedule, with an exception of the launch event which was postponed till 30 November 2020 due to the pandemic. The public procurement process is going to be the source of the main risk, and NFP will keep a close watch on this. |
| **Progress in strengthening BR with Donor State entities, including the use of bilateral funds allocated to the programme**  | Representatives of several PDP promoters took part in the activities of the SYNERGY network created by the Ministry of Justice and Public Security of Norway. In this network event in March 2021 a lector from the Lithuanian Police Department made a presentation.By the initiative of the Directorate of Norwegian Correctional Service, three international working groups were established and the Lithuanian Prison Department is an active participant of these working groups. |
| **Work plan outlining the milestones for the implementation of the programme over the next year (according to the supplementary information) – including, as relevant, expected calls, meetings of the CC(s), and information and communication activities**  |

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| **Timing** | **Activity/ Milestone** |
| May 2021 | CC Meeting |
| September 2021 | The last of numerous equipment purchase procurement launched in PDP5 (Police cooperation) |
| November 2021 | Procurement for the evaluation of the criminal prosecution system launched in PDP 2 (Prosecution) |
| November 2021 | CC Meeting |
| January 2022 | Construction procurement launched in PDP1 (Courts) |
| 1 Q of 2022 | Construction procurement launched in PDP3 (Correctional Service) |
| March 2022 | Procurement for organizing the training for the justice chain employees and NGOs in PDP 4(Domestic Violence) |

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| **First expenditure:** | 2 Q of 2020.  |

## LT-INNOVATION Business Development, Innovation and SMEs

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| **COMMON INFORMATION:** |
| **Responsible institutions:** | **PO:**  Agency for Science, Innovation and Technology (MITA)**DPP(-s)**):Innovation Norway.**Other Programme Partner:** the Ministry of the Economy and Innovation of the Republic of Lithuania. |
| **Programme Grant:** | Total: EUR 14,000,000 |
| EEA Grants: EUR 0Norway Grants: EUR 14,000,000 |
| **STATUS OF THE PROGRAMME:** |
| **Overall progress – Programme development and implementatio**n | **Programme agreement signed**: 17 September  2019**Programme launch event**: 12 November  2019 **Programme MCS approved by NFC:** 20 April 2020. |
| **How specific concerns in the MoU have been addressed:** | **Increasing competitiveness of the Lithuanian private enterprises by innovation in two focus areas: green industry innovation (hereinafter – GII), including bio economy, (60%) and information and communication technologies (hereinafter – ICT) (40 %).** The latter focus area was added to the Concept Note.The two focus areas are directly transferred to the call texts. Investments in projects are expected to ensure a long-term tangible impact measured by developed, commercialised and applied products or technologies, growth in net operational profit and turnover, new jobs created and decrease of CO2 emissions as well as the energy consumption. Additionally, the programme will be designed to stimulate BR and new collaborative activities between the Lithuanian and Norwegian industry.   |
| **Problems related to programme development and implementation, with suggested solutions**  | Due to incompatibility between call text recommendations and the State aid principles, as it was found out by the Competition Council of the Republic of Lithuania, FMO was addressed for a clarification. This caused a delay in the implementation of the programme. The GII call was planned to be launched at the end of 2019 (it was launched on 28 July.2020) and the ICT call - in the first quarter of 2020 (it was launched on 11 November.2020). Due to the pandemic, a number of the EU structural support measures to help companies to boost their innovation potential and sustain competitiveness in the times of pandemic were launched. The deadline for submission of applications under these measures coincided with the deadline for submission of applications under the GII Call. And as for all projects assessment of independent experts was foreseen (due to the Lithuanian market size, the number of relevant experts is rather limited), unforeseen delay in expert assessment occurred, which had a direct result on overall duration of assessment. The assesment was prolonged for one month. |
| **Progress in strengthening BR with Donor State entities, including the use of bilateral funds allocated to the programme**  | Bilateral Outcome: Enhanced collaboration between beneficiary and Donor State entities involved in the programme:To increase a number of bilateral projects financed under the Programme a specific selection criterion was introduced in the calls that the highest points are given to projects which envisage a long- term partnership.From the beginning of 2020, a publicity campaign for visibility of the Programme and highlighting the added value of bilateral projects has been implemented.A specialized sub-page on PO webpage has been created, where a list of the Norwegian companies which have expressed interest in bilateral projects with the Lithuanian companies is presented. Moreover, PO provided assistance to the Lithuanian entities looking for the Norwegian partners by acting as a contact point. |
| **Work plan outlining the milestones for the implementation of the programme over the next year (according to the supplementary information) – including, as relevant, expected calls, meetings of the CC(s), and information and communication activities**  | Due to the pandemic, the initial programme implementation plan was changed as follows:

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| Timing  |  Activity / Milestone  |   |
| 10/03/2021 | Selection Committee for the green industry call |   |
| 18/03/2021 | CC meeting |   |
| 10/06/2021 | Selection Committee for ICT call |   |
| 09/2021 | CC meeting |   |
| 09/2021 | Launch of the call for business development skills |   |

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| **Planned first expenditure:** | 2 Q of 2021. |

## LT-ENVIRONMENT Environment, Energy, Climate Change

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| **COMMON INFORMATION:** |
| **Responsible institutions:** | **PO:** CPMA.**DPP(s):** N/A.**Other Programme Partner(s):** The Ministry of Environment of the Republic of Lithuania The Ministry of Energy of the Republic of Lithuania The Ministry of the Interior of the Republic of Lithuania  |
| **Programme Grant:** | Total: EUR 12,000,000 |
| EEA Grant: EUR 0Norway Grant: EUR 12,000,000 |
| **STATUS OF THE PROGRAMME:** |
| **Overall progress – Programme development and implementation:** | **Approval of the Concept Note by Donors:** 5 July  2019**Signature of the programme agreement:** 11February  2020**Signature of the Programme Implementation Agreement**:  4 March 2020**Programme MCS:** July 2020. |
| **How specific concerns in the MoU have been addressed:** | All the specific concerns stated in the MoU are relevant and now are at the implementation stage.Decommissioning of the Ignalina Nuclear Power Plant and secure waste management will be addressed by PDP 4 “Safety of Ignalina NPP Radioactive Waste Management” with Ignalina Nuclear Power Plant acting as the Project Promoter and the Norwegian Radiation and Nuclear Safety Authority acting as DPP. Establishment of an early warning system on nuclear safety of Lithuania will be addressed by PDP 7 “Development of An Early Warning System on Nuclear Emergency of Lithuania“ with the State Fire and Rescue Service acting as the Project Promoter and the Norwegian Radiation and Nuclear Safety Authority acting as DPP. |
| **Problems related to programme development and implementation, with suggested solutions**  | 1. There are some delays in some projects due to prolonged preparation of procurement documents, also most of soft activities are postponed due to the pandemic, but at the moment there is no risk that the results of the Programme will not be achieved.2. Project LT-ENVIRONMENT-0007 “Development of an Early Warning System on Nuclear Emergency of Lithuania”:The implementation of the entire project is delayed. The evaluation of the project application was completed in October 2020. According to the Lithuanian legal acts, PO may sign the project implementation agreement only after the project promoter will provide to PO signed partnership agreement. PO is waiting for the signed partnership agreement from the project promoter. When PO receives the signed partnership agreement, the project implementation agreement will be signed.It is planned to sign the project implementation agreement in I quarter of 2021. |
| **Progress in strengthening BR with Donor State entities, including the use of bilateral funds allocated to the programme:**  | Project promoters and partners from Donor States are cooperating and communicating by e-mail and online meetings. There are no specific issues in that aspect. |
| **Work plan outlining the milestones for the implementation of the programme over the next year (according to the supplementary information) – including, as relevant, expected calls, meetings of the CC(s), and information and communication activities:** |  Due to the pandemic, the initial programme implementation plan was changed as follows:

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| **Timing** | **Activity/Milestone** |
| March 2020 | Project LT-ENVIRONMENT-0007 “Development of an early warning system on nuclear emergency of Lithuania” contract |
| 1 – 4 Q of 2021 | Methodical support to project promoters |
| 3 Q of 2021 | Programme launch event |
| 3 Q of 2021 | Programme Committee meeting |
| 2 Q of 2022 | Small grant scheme call “Local Authorities” |

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| **First expenditure:** | In 4 Q of 2020 advance payments in 6 PDPs:“Monitoring of Marine Litter”;“Improving Mapping and Monitoring of the Ecological Status of Marine and Inland Water”;“HAZ-IDENT”;“Safety Enhancement of Ignalina Nuclear Power Plant Radioactive Waste Management”;“Creation of an Interactive Platform for Efficient and Balanced Energy Generation Planning”;“ClimAdapt-LT”.In 2 Q of 2021 the advance payment in 1 PDP:“Development of an Early Warning System on Nuclear Emergency of Lithuania”. |

## LT-RESEARCH Research

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| **COMMON INFORMATION:** |
| **Responsible institutions:** | **PO:**  The Research Council of Lithuania (hereinafter – RCL)**DPP(s):*** The Norwegian Agency for International Cooperation and Quality Enhancement in Higher Education (DIKU)
* The National Agency for International Education Affairs (AIBA)
* The Research Council of Norway (RCN).

**Other Programme Partner:** The Ministry of Education, Science and Sport of the Republic of Lithuania  |
| **Programme Grant:** | Total: EUR 10,000,000 |
| EEA Grants: EUR 10,000,000Norway Grants: EUR 0 |
| **STATUS OF THE PROGRAMME:** |
| **Overall progress – Programme development and implementation**  | The call for proposals took place from February to April in 2020.By the deadline of 3 April 2020, 19 Lithuanian research institutions as Project Promoters had submitted 79 proposals.Total amount of funding applied was EUR 74,872,943. The partners to carry out research projects led by the Lithuanian researchers were 24 institutions from Latvia, 14 - from Estonia, 34 – from Norway, 6 - from Iceland, and 1 - from Liechtenstein. In total, 91 partner institutions were involved.The number of proposals addressing the respective challenge of the call: Technologies and innovation development − 33 proposals; Cyber security − 5 proposals; Preventive and personalized medicine − 14 proposals; Culture, migration and inclusive society − 20 proposals; Economic, social challenges and innovative society − 16 proposals.76 applications were submitted for peer review. Each application was evaluated by three independent international experts (June-September 2020) and the evaluation was concluded in 5 scientific panels.On 6 October 2020 the Programme Committee proposed a final list of 11 projects to be funded. On 13 October 2020 the Chairman of the RCL, considering the proposal of the Programme Committee, approved the list of 11 projects for funding.The total amount of funded projects is EUR 10,359,277.00. 11 project contracts were signed with project promoters and these projects received an advance payment of 40 per cent of the project budget, in total EUR 4,143,710.93.All information about the Programme is published on the EEA Grants LT webpage (www.eaagrants.lt) and on the website of the Research Council of Lithuania (www.lmt.lt ) in the English and Lithuanian language. Press releases contained acknowledgement of the support and the combined EEA and Norway Grants logo.  The press releases were published on the main online news portals (15 min.lt, delfi.lt, lrytas.lt).   |
| **How specific concerns in the MoU have been addressed:** | Activities of the projects approved for funding contain researchers’ mobility, also researchers mobility is funded from bilateral funds (see section below).  |
| **Problems related to programme development and implementation, with suggested solutions**  | Due to the pandemic situation, the Programme Committee meeting which was planned on 6 October 2020, was held online. Appropriate changes were proposed in the Rules of Procedure of the Programme Committee enabling to organise its work in a remote mode and make a final decision on recommendation to RCL on the list of the projects for funding. During the implementation of the Baltic Research Programme in Lithuania, it was planned that all project contracts would be signed by 31 December 2020, and an advance payment would be paid for all projects. However, only 8 contracts had been signed by that deadline. The reason for the delay was that some of the Project Promoters could not receive the documents signed in time by project partners. The remaining 3 contracts were signed in January 2021. The start date of the implementation of projects is 1 January 2021. The pandemic has not significantly affected the implementation of the Programme. No specific measures are needed or foreseen at this stage. |
| **Progress in strengthening BR with Donor State entities, including the use of bilateral funds allocated to the programme**  | At the Programme development stage, RCL organized a stakeholder consultation on 2 October 2018. The main idea of this meeting was to identify joint Baltic-Nordic societal challenges that the Programme should address. The stakeholder consultation was attended by the Donor Programme Partners, representatives from the Financial Mechanism Office and delegates from higher education institutions and research organisations in Lithuania. During the discussion the participants have discussed the following issues: common societal challenges and strategic interests; challenges to be considered when developing the joint Baltic Research Programme; measures to ensure sustainability of developed research partnerships.RCL supported 38 travel grants applications from various research institutions in Lithuania. RCL organized the Lithuanian launching and matchmaking event of the Programme in Vilnius on 5 February 2020. More than 200 researchers participated in this event, 87 researchers were from foreign countries: 56 from Latvia, 24 from Estonia, 5 from Norway, 1 from Liechtenstein and 1 from Iceland. Participants had a possibility of joining in a matchmaking event in order to identify possible collaborators with potential partners in the Baltic states and Norway, Iceland and Liechtenstein and to facilitate the setup of project consortia.  |
| **Work plan outlining the milestones for the implementation of the programme over the next year (according to the supplementary information) – including, as relevant, expected calls, meetings of the CC(s), and information and communication activities** |

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| **Timing** | **Activity/Milestone** |
| 2021 I Q | Webinar for the Lithuanian Project Promoters and their teams on the project implementation modalities |
| 2021 IV Q | Information seminar on project implementation aspects related to the preparation of the first annual project reports |
| 2021 I-IV Q | Individual consultations responding to the inquiries of Project Promoters related to their project implementation issues |
| 2021 I-IV Q | Programme Committee meeting or on-line consultations with the Programme Committee, if needed. |
| 2021 I Q | Website information on 11 projects implemented under the Lithuanian call (eeagrants.lt; lmt.lt).  |
| 2021 I Q | Announcement of the results of the BRP call in Latvia. Website information. |
| 2021 I-IV Q | Regular check of payment requests |

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| **First expenditure:** | 2021 I Q |

## LT-HEALTH Health

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| **COMMON INFORMATION:** |
| **Responsible institutions:** | **PO:** CPMA.**DDP(s):** The Norwegian Institute of Public Health**Other Programme Partners:** The Ministry of Health of the Republic of Lithuania; The Ministry of Social Security and Labour of the Republic of Lithuania |
| **Programme Grant:** | Total: EUR 15,000,000 |
| EEA Grants: EUR 15,000,000  Norway Grants: EUR 0 |
| **STATUS OF THE PROGRAMME:** |
| **Overall progress – Programme development and implementation**  | **Signature of the programme agreement:** 3September  2019**Signature of the Programme Implementation Agreement**: 4 September  2019**Opening event:** 8 November  2019**PDP assessment:** all five contracts of PDPs were signed in early 2020;**Calls for proposals:** 3 out of 6 calls for proposals have been carried out during 2020, the evaluation of the proposals is ongoing as of 31 March 2021. |
| **How specific concerns in the MoU have been addressed:** | All specific concerns in the MoU were addressed in the programme agreement. All 5 PDPs with activities focused on children and youth mental health are already under implementation.The programme will provide support for mental health promotion and prevention measures with particular emphasis on the well-being of children and youth as well as their families by promoting:* evidence-based activities by targeting and correcting children and youth behaviour problems;
* consulting services for people experiencing emotional difficulties;
* home visitation early intervention model;
* youth-friendly health care services;
* multi-dimensional family therapy;
* other
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| **Problems related to programme development and implementation, with suggested solutions**  | Since there are a lot of activities involving direct contact, the pandemic had a significant impact on the implementation of projects, but no critical risks are identified. The calls for proposals are being carried out as planned. |
| **Progress in strengthening BR with donor state entities, including the use of bilateral funds allocated to the programme**  | Project promoters, programme partners and partners from Donor States are cooperating and communicating by e-mail and online meetings. There are no specific issues in that aspect. |
| **Work plan outlining the milestones for the implementation of the programme over the next year (according to the supplementary information) – including, as relevant, expected calls, meetings of the CCs), and information and communication activities**  |

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| **Timing** | **Activity/Milestone** |
| April 2021 | Signature of contracts in the Calls “**Introduction of the Adapted and Extended Model of the Provision of Youth-friendly Healthcare Services”** and “**Provision of Health Offices in Pre-schools and Schools with Methodological Tools”.** |
| April 2021 | Launch of the Calls “**One Stop Centres”, “Implementation of the Model of Well-being Advisors”** and **“Implementation of a Family Visit Model for Early Intervention Services”.** |
| May 2021 | CC Meeting |
| June 2021 | Signature of contracts in the Call “**Mechanisms of Social Inclusion Strengthening for Children and Young People with High-risk Behaviours and / or from Disadvantaged Backgrounds”** |
| October 2021 |  CC Meeting |
| Q4 2021 | Signature of contracts in the calls launched in April. |

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| **First expenditure:** | 4 Q of 2019. |

## LT-CULTURE Culture

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| **COMMON INFORMATION:** |
| **Responsible institutions:** | **PO:** CPMA.**DPP(s):** The Norwegian Directorate for Cultural Heritage, The Arts Council Norway**Other Programme Partner(s):** The Ministry of Culture of the Republic of Lithuania |
| **Programme Grant:** | Total: EUR 7,000,000 |
| EEA Grants: EUR 7,000,000 Norway Grants: EUR 0 |
| **STATUS OF THE PROGRAMME:** |
| **Overall progress – Programme development and implementation**  | **The programme agreement signed**: 19 June  2019**Programme opening event:** 20June  2019**The Programme Implementation Agreement signed:** 1 July  2019**Project agreement for PDP “FIXUS” signed:** 12 December  2019**Open Call 1  “Supporting Access to Culture and Strengthening Cultural Education” launched:** 26 February  2020**Open Call 2 “Supporting Local Cultural Entrepreneurship” was planned to be launched**:  30 April  2020  |
| **How specific concerns in the MoU have been addressed:** | Specific concerns (to stimulate local development and regeneration through support for cultural, creative and cultural heritage revitalization activities that involve and empower local communities, to ensure social inclusion and anti-discrimination and cross-sector partnerships) were incorporated in the Concept Note and transposed in the open calls and PDP.Regarding Open Call 1 with the primary goal to improve the access to culture and enhance cultural education, the importance of partnership between international, national, regional and local organizations putting emphasis on multi-level cooperation, including local stakeholders, and addressing their specific needs, is attached and will be available in the Guidelines for applicants.Within Open Call 2, which aims at supporting local cultural entrepreneurship, the importance of local context of specific communities is also communicated in the Guidelines, which will be available for potential applicants after the launch of the call. The PDP of the programme aims at stimulating the revitalization of local-level cultural heritage via consultations to heritage owners on the subject of maintenance of those objects. |
| **Problems related to programme development and implementation, with suggested solutions**  | Since there are a lot of activities involving direct contact, the pandemic had a significant impact on implementation of projects, but no critical risks are identified. Evaluation of the applications for calls for proposals took more time than planned: in the case of the Call “Supporting Access to Culture and Strengthening Cultural Education”, this was due to a relatively large number (49) and low quality of applications – thr evaluation is still ongoing; in the case of the two-staged Call “Supporting Local Cultural Entrepreneurship“, more time was given to 10 applicants who proceeded to the second stage to prepare the second application (in response to the COVID-19 situation); the deadline for submitting the second stage applications was 26 February 2021, while 9 applicants submitted the second applications. |
| **Progress in strengthening BR with donor state entities, including the use of bilateral funds allocated to the programme**  | Project promoters, programme partners and partners from Donor States are cooperating and communicating by e-mail and online meetings. There are no specific issues in that aspect. |
| **Work plan outlining the milestones for the implementation of the programme over the next year (according to the supplementary information) – including, as relevant, expected calls, meetings of the CC(s), and information and communication activities**   |

|  |  |
| --- | --- |
| **Timing** | **Activity/ Milestone** |
| April 2021 | CC Meeting |
| May 2021 | Signature of contracts for the Call “Supporting Access to Culture and Strengthening Cultural Education“ |
| July 2021 | Signature of contracts for the Call “Supporting Local Cultural Entrepreneurship” |
| October 2021 | CC Meeting |

 |
| **First expenditure:** | 4 Q of 2019. |

# 5. Status of bilateral funds

**The status of FBR in the programmes.** The allocations from FBR in the programmes are made by organizing open calls and based on pre-defined activities. The allocations set in the MoU are distributed by POs in cooperation with the CC (where applicable). FBR spending in 2020 is presented in the last column of Table 1 below.

*Table 1. Funds for Bilateral Relations Set in the Programmes, EUR:*

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Programme** | **EEA** | **NOR** | **2014–2021** **EEA & NOR, Total** | **Spending by 01/03/2020** | **Spending by 01/03/2021** (not accumulated with previous years) |
| Research | 100,000 |  | 100,000 | 24,977 | -0.34 |
| Business development, Innovation and SMEs |   | 125,000 | 125,000 | 44,583 | 7,321  |
| Environment, Energy, Climate Change |   | 75,000 | 75,000 | 4,719 | - |
| Culture  | 100,000 |   | 100,000 | 48,016 | 4,172 |
| Health | 100,000 |   | 100,000 | 27,723 | - |
| Justice and Home Affairs | 75,000 | 125,000 | 200,000 | 77,288 | 2,911 |
| **Total:** | **375,000** | **325,000** | **700,000** | **225,293** | **16,956** |

As seen in Table 1, FBR spending in 2020, largely due to Covid-19 pandemic, was about 6 times lower as compared to the previous two years combined. In total, 35 % of FBR was disbursed until March 2020.

**Specific activities carried out under individual programmes:**

*Table 2. Summary of the Development / Implementation of Bilateral Activities within the Programmes*

|  |  |  |
| --- | --- | --- |
| **Programme** | **Main activities implemented in the past 12 months (March 2020 – March 2021)** | **Main activities planned in the coming 12 months (March 2021 – March 2022)**  |
| **Research** | Due to the Covid-19 pandemic, no activities were implemented. | Due to the Covid-19 pandemic, no activities are planned for the coming 12 months.  |
| **Business development, Innovation and SMEs** | PO has scheduled 1 bilateral initiative – “Partnership Event on Green Industry and Information and Communication Technologies”. The main goal of the initiative was to get the Lithuanian entities acquainted with the B2B partnership opportunities between Norway and Lithuania.However, as the previously projected plans to travel to Norway in 4 Q of 2020 were cancelled due to deteriorating Covid-19 situation, to ensure the continuity of bilateral initiatives an online webinar-matchmaking event was held instead.In addition, following the advice of the CC, due its rather modest contribution in establishing the bilateral partnership and projects, the initiative “Norwegian and Lithuanian Business Forum” was opted out. Other planned BR initiatives for 2020 were postponed or cancelled.  | Due to the Covid-19 pandemic, no activities are planned for the coming 12 months. |
| **Environment, Energy, Climate Change** | Due to the Covid-19 pandemic, no activities were implemented, nor new initiatives were approved by the CC.  | New bilateral initiatives to be approved by CC.  |
| **Culture**  | Open call for travel support was launched with a EUR 50,000 budget foreseen for the BR initiatives. The initial deadline for the call for travel support was extended till 9 October 2020 due to the Covid-19 situation. As a result, 15 applications for travel support were received in total. 13 applications were approved and 2 rejected. However, only 3 of the approved BR initiatives managed to implement their envisaged activities. The rest of the applications were terminated due to Covid-19.  | The CC meeting in Oslo in 3 or 4 Q of 2021.  |
| **Health** | 2 planned BR initiatives "Incredible Years European Network Meeting - Experience Sharing of Incredible Years Implementation from All Over the Europe" and "Lithuanian - Norwegian Meeting on Implementation of the Youth-friendly Health Services Model at Municipal Level" were implemented by organizing online meetings and discussions. Other BR initiatives due to Covid-19 were not cancelled or postponed, and no new bilateral initiatives or calls were approved by the Cooperation Committee. | It is planned to organize an online Lithuanian - Norwegian experience sharing meeting on implementation of the youth-friendly health care services model at the municipal level in 3 or 4 Q of 2021. |
| **Justice and Home Affairs** | The Lithuanian National Courts Administration together with the Prosecutor General’s Office of the Republic of Lithuania as PPs instead of two previously planned initiatives, implemented 1 joint bilateral initiative - webinar "Simplified Criminal Procedures” for exchange of a good practice in the areas of criminal simplified procedures from judges and prosecutor’s perspective in Norway, Lithuania and Croatia (79 participants), which took place on 9 December 2020. Meanwhile, another webinar “Best Practice Exchange of on Psychological Support Provision for Abused Children” that was planned for 2020 has been postponed. Other BR initiatives were not organized due to the COVID-19 situation and movement restrictions . | New bilateral initiatives to be approved by the CC. |

As seen from Table 2, a unifying feature across all the programmes regarding the development of BR is an uncertainty due to the Covid-19 pandemic. The pandemic has substantially curbed the feasibility of previously planned initiatives and unsettled the plausibility of the new ones. Although some of the initiatives managed to adapt and implement activities within the virtual environment, the risk of low disbursement of the FBR remains relevant as other initiatives have been terminated and POs refrain from organizing new open calls.

**The status of the FBR outside the programmes**. The NFPs’ FBR activities outside the programmes are provided in Table 3.

*Table 3. Activities of NFP in 2020 (until 1 March 2021):*

|  |  |  |
| --- | --- | --- |
| **Type of Activity** | **Date** | **Result** |
| Preparation of the Annual Strategic Report 2019 and harmonization of its content with the JCBF members and FMO | March – April 2020 | Approval of the Annual Strategic Report 2019  |
| Pre-evaluation of the BR initiative proposed by the Ministry of Justice of Lithuania  | May – June 2020 | Approval of the pre-evaluated initiative by the JCBF (18 June 2020) |
| Consideration of the amendment to the FBR administration rules  | June, 2020 | Approval of the amendment to the FBR administration rules (29 June 2020) |
| Preparation of the presentation on the status of the FBR activities for the annual meeting | June 2020 | Participation and presentation of the status of the FBR activities in the annual meeting (9 June 2020) |
| Pre-evaluation of the BR initiative – “#HATEFREE: Strengthening Bilateral Cooperation Between Norway and Lithuania in Tackling Hate Speech and Promoting Equal Opportunities” proposed by the Office of the Equal Opportunities Ombudsperson of the Republic of Lithuania | June – July 2020 |  Approval of the pre-evaluated initiative by the JCBF (30 June 2020) |
| Preparations for the upcoming JCBF meeting   | August – September 2020 | Organization of the 4th JCBF (e)meeting with a focus on revision of strategic BR themes, revision of selection principles of BR activities, progress review of approved BR initiatives, implementation and distribution of remaining FBR funds, consideration of the inclusion of new partners (10 September 2020).The JCBF e-meeting was organized on 10 September 2020. |
| Pre-evaluation of the BR initiative – “Leadership Conference “Refocus” for Business Executives and Decision Makers” proposed by the ISM University of Management and Economics  | August – September 2020 |  Approval of the pre-evaluated initiative by the JCBF (9 September 2020) |
| Organization of the JCBF written procedure for the request of the Ministry of Justice of Republic of Lithuania to include a new partner to the bilateral relations initiative “The Creation of International Synergies in Correctional Service Area” as a project partner | October, 2020 | Approval of a new partner inclusion by the JCBF (20 October 2020) |
| Coordination of eligibility of a new partner inclusion to the initiative of the Office of the Equal Opportunities Ombudsperson of the Republic of Lithuania  | October – November 2020 | Approval of a new partner inclusion by the JCBF (27 November 2020) |
| Updating the Work Plan  | December 2020 | Approval of the Work Plan amendment by the JCBF (23 December 2020) |
| Participation in the NFP workshops organized by FMO | January 2021 | Improved competences of the NFP staff administering FBR |
| Pre-evaluation of the BR initiative proposed by the National LGBT Rights Organization | February – March 2021 | The first round of the pre-evaluation has been completed |

As seen in the table above, there was one JCBF meeting organized in 2020. The JCBF meeting overviewed strategic BR themes and included research and innovation as a new strategic theme. In addition, selection and evaluation criteria of the BR initiatives were discussed which resulted in a unanimous vote in favour of continuing the existing selection and evaluation process that involves retention from open calls and selection of the BR initiatives upon the need and maturity of proposals. Regarding the distribution of FBR, no need for securing FBR for additional funding to programmes was identified. Moreover, the JCBF meeting included an overview of Covid-19 effects on the implementation of the BR initiatives. In general, the implementation form of some activities was changed to e-trainings, web meetings, etc.; the implementation period was prolonged (with a hope to have the same type of activities at a later stage; due to delays in providing the documents under the BR initiatives) and some savings were made (with regard to refusal of study visits, physical meetings, etc.).

The BR areas agreed by the JCBF and covered by the Work Plan are as follows: cooperation between municipalities in the field of cultural heritage; sharing best practices between institutions and/or relevant organizations in the sphere of innovation (investment approach in social investment area, social innovations in business, services delivery sector, health technology assessment), children’s rights and human rights, equal opportunities, cooperation between the Lithuanian and Norwegian municipalities in the field of entrepreneurship. Strategic BR themes that are not implemented yet are such as climate change, cyber security; energy and environment; civil society; emigrants; research and innovation; structural reforms and crosscutting issues.

*Table 4. The List of Bilateral Initiatives Approved by the JCBF for 2019–2021 (N.B. marked in green are already implemented):*

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **No** | **Title** | **Implementing entity** | **Partner(s)** | **Allocation, EUR** | **Implementation period** |
| 1 | Exchange of Experience in Investment Approach in the Social Investment Area | CPMA | Norwegian Ministry of Justice and Public Security, MoF of the Republic of Lithuania? | 40,000 | 3-4 Q of 2019 |
| 2 | Promotion of Social Innovations Related to Welfare Technologies: Pre-Study on Bilateral Opportunities in the Welfare Sector | Agency for Science, Innovation and Technology (ASIT) | Innovation Norway | 16,000 | 1 Q of 2019 – 3 Q of 2020(was prolonged by the request of the initiative promoter) |
| 3 | Improvement of the Lithuanian Innovation System | ASIT | Innovation Norway | 39,000 | 3 Q of 2019 – 3 Q of 2021(prolonged by the request of the initiative promoter) |
| 4 | Protection of the Rights of the Child | Ministry of Social Security and Labour of the Republic of Lithuania | The Icelandic Government Agency for Child Protection;State Children‘s Rights Protection and Adoption Service under the MoSSL of the Republic of Lithuania | 23,350 | 2 Q of 2019 –4 Q of 2020(was prolonged by the request of the initiative promoter) |
| 5 | Cycle of Events "Cultural Routes as a Tool for Promoting Regional Development" | Ministry of Culture of the Republic of Lithuania | Norwegian Directorate for Cultural Heritage, Norwegian Association of Municipalities, Arts Council Norway; Lithuanian Directorate for Cultural Heritage, Lithuanian Council for Culture, Association of Local Authorities in Lithuania, College of Cultural Self-Government | 50,000 | 2 Q of 2019 – 1 Q of 2020(was prolonged by the request of the initiative promoter) |
| 6 | Baltic Pride 2019: Promoting LGBT\* Human Rights through the Norwegian-Baltic Cooperation | National LGBT\* Rights Association LGL | Oslo Pride; Association of LGBT and their friends Mozaika; Estonian LGBT Association | 41,000 | 1-4 Q of 2019 |
| 7 | Strengthening the Assessment of Public Health Interventions through the Norwegian-Lithuanian Cooperation | Institute of Hygiene | The Norwegian Institute of Public Health;Lithuanian University of Health Sciences | 74,900 | 3 Q of 2019 – 4 Q of 2021(prolonged by the request of the initiative promoter) |
| 8 | The Creation of International Synergies in Correctional Service Area | Ministry of Justice of the Republic of Lithuania | Directorate of Norwegian Correctional Service;The Prison Department under the Ministry of Justice of the Republic of Lithuania;The Training Centre Under the Prison Department | 146,988 | 4 Q of 2020 – 2 Q of 2025 |
| 9 | #HATEFREE: Strengthening Bilateral Cooperation Between Norway and Lithuania in Tackling Hate Speech and Promoting Equal Opportunities | Office of the Equal Opportunities Ombudsperson of the Republic of Lithuania | Royal Norwegian Embassy in Vilnius;public institution Nomoshiti Initiativeof Lithuania | 81,432 | 4 Q of 2020 – 1 Q of 2022 |
| 10 | Leadership conference “reFOCUS” for business executives and decision makers | ISM University of Management and Economics | Royal Norwegian Embassy in Vilnius;Lithuanian-Norwegian Chamber of Commerce;Norwegian-Lithuanian Chamber of Commerce | 36,804 | 1 Q of 2021 – 2 / 4 Q of 2021 |
|  | **Total:** | **549,474.00** | - |
|  | **Funds left for 2019–2021:** | **1,859,33** | - |

The implementation of the approved FBR initiatives outside the programmes was also considerably curbed by the pandemic. Accordingly, a number of the initiative promoters have requested to prolong the implementation period of the initiatives to adapt to the changed circumstances. However, the flow of proposals for the new BR initiatives maintained its momentum. As a result, three new pre-defined BR initiatives were approved by the JCBF. In addition, one new proposal by the National LGBT Rights Organization LGL was received and at present it is under a pre-evaluation procedure by the NFP.

 The distribution of the FBR funding/ allocations outside the programme is/are indicated in Table 5 below.

*Table 5. Work Plan Allocations:*

|  |  |
| --- | --- |
| **Title** | **Budget,** **EUR** |
| Activities carried out by the NFP |   |
| Pre-defined activities *(total budget for planned pre-defined activities)* | 549,474.00 |
| Funds for programmes | 700,000.00 |
| Funds still to be allocated for the 2019–2021 period | 1,859.33 |
| Funds set aside for the 2022–2024 period: | 551,333.33 |
| Funds to be allocated to the programmes based on expressed interest | 551,333.33 |
| **TOTAL** | **2,354,000.00** |

# 6. Management and implementation

## a. Management and control systems (MCS)

In order to ensure the equal implementation of the requirements for Mechanisms and all the programmes, and considering administrative experience from the previous periods and the scope of the programmes, the National level DMSC of the EEA and Norwegian Financial Mechanisms was approved on 16 December 2019.

During the previous reporting period DMCSs of three programmes (“Culture”, “Health”, “Business Development, Innovation and SMEs”) were prepared.

During the reporting period DMCSs of three programmes (“Research”, “Environment, Energy, Climate Change”,”Justice and Home Affairs“) were prepared.

Programme level DMCSs were reviewed by the AA (the detailed information about the results and conclusions of the AA about during the reporting period prepared DMCS is presented in Chapter 6d.).

DMCSs of all programmes received an unqualified audit opinion and were confirmed by the NFP in 2020. The information on DMCS of each programme is provided in the table below:

|  |  |  |
| --- | --- | --- |
| **Programme** | **Unqualified audit opinion** | **Confirmation by the NFP** |
| Culture  | April 6  | April 24 |
| Health  | April 6  | April 24  |
| Business Development, Innovation and SMEs | April 14  | April 24  |
| Research  | October 12 | October 19 |
| Environment, Energy, Climate Change | July 15  | August 10  |
| Justice and Home Affairs | July 10  | August 10 |

## b. Complaints

There were no complaints registered during the period from 19 March 2020 to 19 March 2021.

## c. Irregularities

There were no irregularities detected during the period from 19 March 2020 to 19 March 2021.

## d. Audit

During the reporting period the AA performed **three compliance audits** of **the Management and Control Systems** (hereinafter – MCSs) **of the programmes of the 2014-2021 EEA and Norwegian Financial Mechanisms.** These audits were planned and performed in regard to the requirements of paragraphs 2-3 of Article 5.7 of the Regulations.

**1. Compliance audit of the MCS of the programme “Research”**

During the compliance audit of the MCS of the programme “Research” **the Qualified Opinion** was issued. It was concluded that compliance of the MCS of the programme “Research” with the Regulation on the implementation of the EEA Financial Mechanism 2014–2021 (hereinafter – EEA Regulation) and generally accepted accounting principles was partial and some improvements were needed.

The Qualified Conclusion was issued because:

- the process of project public procurement monitoring had not ensured the compliance with the requirements of Article 8.15 of the EEA Regulation and legal acts regulating the implementation of the programmes;

- the allocation of the PPs’ functions between divisions provided in the DMCS of the programme “Research” had not been specified and approved in the regulations of the PPs’ divisions and job descriptions of employees;

-the absence of the procedure documents (the document of the procedure for the administration of the PP management funds and etc.) and deficiencies in the DMCS of the programme “Research” detected.

**No irregularities were found during this audit**.

After the MCS compliance audit the Action Plan of Measures for the Implementation of Recommendations (hereinafter – Action Plan) has been prepared and coordinated with the AA.

Taking into consideration the fact that the Qualified Conclusion has been drawn up and many drawbacks of the programme MCS have been detected, the follow-up of recommendations presented during the compliance audit of the MCS of the programme “Research” was conducted and **most of the recommendations were recognized as implemented**.

After performance of all follow-up procedures, the final assessment of compliance of the MCS of the programme “Research” with the requirements of the EEA Regulation and generally accepted accounting principles has been made. Based on the results and conclusions of this final assessment, **the Unqualified Opinion** was issued, i. e. it was concluded that the MCS of the programme “Research” complies with the requirements of the EEA Regulation and generally accepted accounting principles, moreover the MCS of the programme “Research” requirements related to efficiency of the achievement of the programme objectives are proportionate and the content and form of MCS requirements do not go beyond what is necessary for the achievement of the objectives of the programme “Research”.

**2. Compliance audit of the MCS of the programme “Justice and Home Affairs”**

During the compliance audit of the MCS of the programme “Justice and Home Affairs” **the Unqualified Opinion** was issued. It was defined that in all material respects, the MCS of the programme “Justice and Home Affairs” is fully compliant with the provisions of the Regulations and generally accepted accounting principles based on the main assurance compliance criteria specified during the MCS audit of the programme “Justice and Home Affairs”. It was also stated that the programme MCS requirements related to the efficiency of the achievement of goals of the programme “Justice and Home Affairs” are proportionate and the processes provided for in the DMCS of the programme “Justice and Home Affairs” are described accurately and appropriately.

In addition, it should be noted that **neither observations nor recommendations were provided** in the audit report of the programme “Justice and Home Affairs”. Also, **no irregularities were found during this audit**.

**3. Compliance audit of the MCS of the Programme “Environment, Energy, Climate Change”**

During the compliance audit of the MCS of the programme “Environment, Energy, Climate Change” also **the Unqualified Opinion** was issued. It was concluded that in all material respects, the MCS of the programme “Environment, Energy, Climate Change” is fully compliant with the provisions of the Regulation on the implementation of the Norwegian Financial Mechanism 2014–2021 and generally accepted accounting principles based on the main assurance compliance criteria specified during the MCS audit of the programme. It was also stated that the programme MCS requirements related to the efficiency of the achievement of the programme goals are proportionate and the processes specified in the DMCS of the programme “Environment, Energy, Climate Change” are described accurately and appropriately.

Only 1 observation and 1 recommendationwere provided due to the lack of procedures for the implementation of the initiatives of the Fund for Bilateral Relations during this audit. **No irregularities were found**.

After the compliance audit of the MCS of the programme “Environment, Energy, Climate Change” the Action Plan has been prepared and coordinated with the AA. After the follow-up of the recommendation presented during the audit the **recommendation was recognized as implemented**.

Moreover, taking into account that **Qualified Conclusions** were issued during the compliance audits of the MCS of the programmes “Culture”, “Health” and “Business Development, Innovation and SMEs” performed in the previous reporting period, in 2020 the follow-up of recommendations specified during the aforementioned audits (performed in 2019) and reassessment of the compliance of the MCS of the programmes “Culture”, “Health” and “Business Development, Innovation and SMEs” with the Regulations and generally accepted accounting principles was performed. After reassessment of the aforementioned programmes MCSs, the AA has issued **Unqualified Opinions** on thecompliance of the MCS of the programmes “Culture”, “Health” and “Business Development, Innovation and SMEs” with the Regulations and generally accepted accounting principles.

# 7. Communication

The informal joint communication working group, which consists of the representatives of the NFP, POs and a representative from the Royal Norwegian Embassy, continue to communicate remotely on topical communication issues. It was agreed that the following key elements of the Communication Strategy: the Grants logos, the clarification and targeting of the slogan and the general objectives must be respected. All those, who are involved in the publicity of the Grants, are guided by the Communication Strategy. All programmes should contribute to at least one of the following themes: sustainability, inclusion, competitiveness or good governance. In addition, all programmes should include a bilateral cooperation dimension.

In the middle of 2019 a new website of the 2014–2021 period was opened. As planned, the common portal www.eeagrants.lt/www.norwaygrants.lt has made a start and in 2020/2021 continues to carry out and successfully represent the main aspects of all the programmes implemented in Lithuania: disseminates news, publicises documents, contains results of publicity campaigns and etc.

During the 12- month period (1 March 2020-1 March 2021) a website received over 34,000 visitors who spent on average 2 minutes on each session. A bounce rate – 64.82 %. As compared to the previous period, the number of website users increased almost 6 times. As we see, we have almost 20 % visitors, who are returning back to use the portal more times.

  

During the Lithuanian media monitoring period (January – December 2020), the flow of positive information about the Grants has grown steadily. Growth in the amount of information compared to 2019 is 144 per cent (128 to 308 messages). During the analysis period, the Internet and RTV of 308 Lithuanian press news agencies analysed notifications referring to the Grants. The reports were analysed using quantitative and qualitative parameters.

As usual, the most active use of the Grants was via web portals and in the regional press. From the analysed programmes, the largest audience on web portals was reached by the programme **“Business Development, Innovation and SMEs”** (21 million contacts).

The Grants got the most mentions. They reached the largest audience - 29.78 million contacts. In the second place in terms of the number of mentions is the NGO programme. According to the audience reached, a very loud was the programme **“Business Development, Innovation and SMEs”** - − 21.04 million contacts. Then theprogrammes **“Health”** and **“Culture”.**

In terms of commemorations, June 2020 was the most active. This was due to the announcement of positive news about the NGO programme projects. The most active were Internet channels, social networks and regional press. Most information was recorded in one of the largest regions of Lithuania - Kaunas regional publications. Then Utena and Šiauliai follow, while the most passive region is Panevėžys.

There were half of articles based on press releases, 45 per cent of articles were initiated by the press, and only 3 per cent were marked as outsourced.

**The main communication activities in 2020 and plans for 2021**.

The NFP implemented the promotional campaign on social media, which took place between April and June 2020. A video clip (<https://www.facebook.com/watch/?v=594179777873228>) was created and advertised, as well as four success stories. The results achieved were good, so NFP just completed a purchase procedure and similar activities will be implemented also this year (start date −-April 2021). They will include 4 advertising videos, 4 advertising cycles of success stories and 12 entries of opinion makers. Production of air balloon with the logo has started and it plans to rise and fly in June. It will increase awareness of existence of the Grants, promote a positive image and promote bilateral relations between the Donor States and the Beneficiary State.

 

Public surveys (before larger communication actions) will be launched in April 2021 as a technical application for the training for participants of the communication group. The aim is to emphasise the importance of mutual cooperation and to seek joint planning of communication activities and inter-institutional cooperation.

# 8. Monitoring and evaluation

## a. Monitoring

The NFP constantly monitors the progress and quality of the implementation of the programmes by participating in the Programme Committee meetings as an observer, also analyses and checks the annual programme implementation report submitted by the PO, monitors the FBR implementation, also supervises the functions delegated to the CPMA. The NFP constantly analyses risks related to a successful implementation of all programmes, the supervision is carried out by taking into account the Risk Management Plan.

The NFP supervises and ensures the information and communication of the Grants (for more information see Chapter 7“Communication”).

## b. Evaluation

There were no programme evaluations carried out during the reporting period. Two evaluations of all programmes, except for the Programme ”,Active Citizens Fund and the Social Dialogue - Decent work”, are planned – the first one in mid-term of the year 2022 and the final evaluation (ex- post) – in 2024.

# 9. Issues for the annual meeting

Allocation of the reserve is an issue to be addressed during the annual meeting. No other issues are identified.

# ANNEXES

## A. Risk Assessment and Management Plan

## B. Cooperation with Donor Programme Partners and International Partner Organisations

## C. Evaluation Plan

## D. Technical Assistance Report