

EUROPEAN ECONOMIC AREA  
FINANCIAL MECHANISM COMMITTEE

22 January 2008

Conclusions  
Financial Mechanism Committee  
31st Meeting - 21 June 2007

**1 Meeting agenda**

The agenda was adopted with the following amendment: agenda item 6.4 Allocation for appraisal, monitoring and ex-post evaluation would be for information (and not for adoption as stated in the draft agenda).

**2 Draft Summary Records and Draft Conclusions of the previous Committee meeting**

*2.1 Draft Summary Records Committee meeting 23 May 2007*

The Draft Summary Records of the Committee meeting of 23 May 2007 were adopted with amendments to sections 4 and 7.

*2.2 Draft Conclusions Committee meeting 23 May 2007*

The Draft Conclusions were adopted with the following amendment:

7.1 Efficiency issues: Delegation of tasks related to implementation of projects

The paragraph should read:

"The Committee decided to delegate the performance of certain tasks under the Grant Agreement to the FMO. The Beneficiary States will be informed accordingly."

**3 Grant applications**

*3.1 Status of the GRD production*

As at 20 June 2007 the FMO had received 419 applications. 228 commitments had been made (EUR 307 million). 14 projects had been rejected (EUR 22 million) and 9 withdrawn (EUR 2 million). The FMO expects to receive additional 200-300 projects during the coming months.

*3.2 EE0014 - National - NGO Fund*

The project was approved in accordance with the GRD, including an amendment made to the overall objective of the fund.

*3.3 PL0084 - National - Effective methods of removing organic contaminants for water treatment*

The project was approved in accordance with the GRD.

*3.4 PT0032 - NGO Fund - citizenship and human rights*

The project was approved in accordance with the GRD.

### 3.5 *SK0030 - Tvrdošín - reduction of public lighting energy demands*

The Committee decided to request additional information on the project.

### 3.6 *SK0040 - Košická Nova Ves - family style children's refuge home*

The project was approved in accordance with the GRD.

### 3.7 *SK0046 - Lehnice - public lighting enhancement*

The Committee decided to request additional information on the project.

### 3.8 *SK0049 - Svit - public lighting enhancement*

The Committee decided to request additional information on the project.

### 3.9 *SK0050 - Poprad - Residential care home for older persons*

The project was approved in accordance with the GRD.

## **4 Status of the implementation of the EEA Financial Mechanism in the Beneficiary States**

### 4.1 *Overview of the status of implementation*

The FMO informed the Committee of the status of the implementation in the Beneficiary States.

### 4.2 *Overview of Annex C funds*

Annex C funds were discussed under agenda item 4.1.

### 4.3 *Greece*

The FMO outlined the status with Greece. The Committee continues its dialogue on the open call with Greece. The FMO is planning a meeting with the Greek Authorities for the beginning of July.

### 4.4 *Hungary: Selection of the Seed Money Operator*

The Committee selected Regionális Támogatás-közvetítő ('Regional Support Intermediary') as operator of the Seed Money Fund in Hungary.

### 4.5 *Poland : Increase of projects costs*

The Committee discussed the increase of project costs and concluded that the issue should be dealt with within the existig rules.

### 4.6 *Poland: Prolongation of the final eligibility date for STF & CEF*

The Committee will come back to the issue by written procedure.

### 4.7 *Monitoring plans*

The FMO explained that it would not be cost-effective in 2007 to carry out external monitoring based on random selection of projects as set out in the FMO External Monitoring Manual. This is due essentially to the status of implementation of projects, most of which have only recently started. The FMO recommended that for 2007 external monitoring be limited to those cases where the FMO believes there is a specific reason to monitor a project (section 3.4 of the Manual).

The Committee agreed with the FMO's proposal on the external monitoring for 2007.

## **5 Co-operation with the European Commission: Report by the National Expert**

The National Expert gave an overview of the status of the screening process.

## **6 Guidelines and policy issues**

### 6.1 *Guidelines: Annual meeting guide*

The Committee adopted the revised Annual Meeting Guide.

### 6.2 *Guidelines: Beneficiary State reporting and monitoring guideline - amendments*

The FMO briefed the Committee on the revised Beneficiary State reporting and monitoring guideline. The aim would be to adopt the guideline before the end of July.

### 6.3 *Guidelines: Disbursement guideline - amendments*

The Committee adopted the FMO's proposal for amendment on the treatment of the interest. Yearly accrued interest shall be reimbursed by the Paying Authority to the FMO within three calendar months from the end of the calendar year (gross method).

### 6.4 *Allocation for appraisal, monitoring and ex-post evaluation*

As for the allocation for appraisal, monitoring and ex-post evaluation, the FMO has suggested to divide the Beneficiary States in two groups:

1. Average project size of 1 million euro or more and appraisal costs of 0.5% or less.
2. Average project size of less than 1 million euro and appraisal costs of 0.7-1%.

For the Group 1, FMO suggest to recommend the reservation of at least 1.2% of the net amount and for group 2 at least 2%.

The Committee took note of the FMO recommendation and requested the FMO to monitor the situation and act accordingly.

### 6.5 *Efficiency issues: Internal decision making procedure for grant management*

The Committee had delegated to the FMO certain tasks relating to project implementation at its May meeting. Based on that decision the FMO has prepared internal rules on project amendments. These rules will be amended as more experience is gained. The Committee took note of the FMO's briefing.

### 6.6 *State Aid*

The FMO briefed the Committee on its work on the state aid.

## 7 **Other issues**

The FMO will send to the Committee a draft Annual Report for comments.

## 8 **Next meeting and meeting dates for autumn 2007**

The next Committee meeting will take place on 29 August 2007. The Committee will revert later to the scheduling of the remaining Committee meetings and annual meetings for the autumn 2007.

*FMO*

Ms Stine Andresen, FMO

Ms Marianne Dingstad Cambier, FMO

Ms Laura Harjapää, FMO, *Secretary*

Mr Pawel Krzeczunowicz, FMO

Ms Daniela Dimitri, FMO

*Iceland*

Mr Julius Hafstein, Icelandic Ministry for Foreign Affairs

*Liechtenstein*

Mr Pascal Schafhauser, Mission of the Principality of Liechtenstein to the European Union

*Norway*

Mr Gunnar Holm, Norwegian Ministry of Foreign Affairs

Mr Anders Erdal, Norwegian Ministry of Foreign Affairs, *Chairman*

Mr Eirik Sandsten, Norwegian Ministry of Foreign Affairs

Mr Steinar Hagen, Norwegian Ministry of Foreign Affairs

*Other*

Jan Edoey, European Commission