

# Strategic Report 2017

## EEA and Norwegian Financial Mechanisms 2014-2021

Assessment of the contribution of the EEA/Norwegian Financial Mechanisms toward reducing economic and social disparities and strengthening bilateral relations in the Slovak Republic

Version 1.0



GOVERNMENT OFFICE  
OF THE SLOVAK REPUBLIC

# Table of Contents

- 1 STATUS OF PROGRAMMES ..... 3
- 2 PROGRESS BY THE JOINT COMMITTEE ON BILATERAL FUNDS ..... 3
- 3 MANAGEMENT AND CONTROL SYSTEM..... 4
- 4 COMMUNICATION ..... 5
- 5 RISK ASSESSMENT ..... 5
- 6 EVALUATION ..... 5
- 7 WORK PLAN ..... 5
- 7.1 The National Focal Point plan of activities for 2018..... 5
- 7.2 The Certifying Authority (CA) plan of activities for 2018..... 6
- 7.3 The Audit Authority (AA) plan of activities for 2018 ..... 6
- 7.4 The Programme Operators plan of activities for 2018 ..... 6
- 7.4.1 Business Development, Innovation and SMEs ..... 6
- 7.4.2 Climate Change Mitigation and Adaptation..... 6
- 7.4.3 Cultural Entrepreneurship, Cultural Heritage and Cultural Cooperation ..... 7
- 7.4.4 Good Governance, Accountable Institutions, Transparency / Cross-border Cooperation ..... 7
- 7.4.5 Local Development, Poverty Reduction and Roma Inclusion ..... 7
- 7.4.6 Domestic and Gender-based Violence..... 7
- 8 ANNEXES TO THE STRATEGIC REPORT ..... 7

## 1 STATUS OF PROGRAMMES

The year 2017 was a year of preparation of the programmes agreed in the implementation framework in the Memoranda of Understanding. The Programme Operators in cooperation with the Financial Mechanism Office (FMO) and relevant stakeholders, in particular Donor Programme Partners and International Partner Organisations, were preparing Concept Notes defining the scope and planned results for each programme.

The EEA Financial Mechanism supports 5 programmes. The Programme Operator for Innovation programme is Research Agency, for Climate programme the Ministry of Environment of Slovak Republic, for Culture and Good Governance programmes the Government Office of the Slovak Republic (NFP) and the Fund for Active citizenship is being operated by Consortium of three foundations - Ekopolis Foundation, Open Society Foundation and Carpathian Foundation. This Strategic Report does not focus on the last mentioned programme.

The Norwegian Financial Mechanism supports also 5 programmes. Innovation and Climate programmes are operated by abovementioned organisations, Local Development and Domestic operated by the Government Office of the Slovak Republic (NFP) and Social Dialogue – Decent Work is administered by the company Innovation Norway (appointed by the FMO). This Strategic Report does not focus on the last mentioned programme.

On 31<sup>st</sup> August 2017, the first Concept Note for the programme “Good governance, Accountable Institutions, Transparency/Cross-border Cooperation” was officially submitted to the Financial Mechanism Committee (FMC) for further consideration. The Donors had any specific comments to the Concept Note and the process of drafting of the Programme Agreement started in November 2017.

The Concept Note for the programme “Local Development, Poverty Reduction and Roma Inclusion” was submitted to the Norwegian Ministry of Foreign Affairs (NMFA) for further consideration on 20<sup>th</sup> September 2017, the decision of Donors was not presented by the end of the 2017.

The Concept Note for the programme “Domestic and Gender-based Violence” officially submitted to the NMFA for further consideration on 11<sup>th</sup> October 2017 was also successfully assessed by the Donors and the process of drafting of the Programme Agreement started in late November 2017.

By the end of 2017, the Concept Notes for the programmes “Cultural Entrepreneurship, Cultural Heritage and Cultural Cooperation”, “Business Development, Innovation and SMEs” and “Climate Change Mitigation and Adaptation”, have still been discussed and developed by the Programme Operators.

Neither the Technical Assistance Agreement nor the Bilateral Fund Agreement has been signed in 2017.

## 2 PROGRESS BY THE JOINT COMMITTEE ON BILATERAL FUNDS

The first meeting of the Joint Committee for Bilateral Funds (JCBF) took place on 27 October 2017 in Bratislava, Slovakia. The JCBF is chaired by the National Focal Point and composed of five members, including NFP, Ministry of Foreign Affairs of the Slovak Republic, Norwegian Ministry of Foreign Affairs, represented by the Royal Norwegian Embassy in Bratislava, Icelandic Ministry of Foreign Affairs and Ministry of Foreign Affairs of the Principality of Liechtenstein. Representatives of Iceland and Liechtenstein could not attend the meeting in person, but had provided their input in writing, which was discussed.

On the first meeting, the JCBF adopted Statutes and Rules of Procedures and gathered inputs to the Work Plan for the bilateral funds, including written inputs from absent members. It was agreed that

cultural and political cooperation will be prioritized within the Work Plan in the two coming years. Special attention should be paid to the Official State Visit of the President of the Slovak Republic to the Kingdom of Norway in June 2018 and planned Official State Visit of the President of Iceland to the Slovak Republic in 2018/2019.

The Work Plan is being developed by the NFP and the first draft shall be shared with the members of the JCBF in due course, before the next meeting of the Committee is convened.

### **3 MANAGEMENT AND CONTROL SYSTEM<sup>1</sup>**

The management and control system in the Slovak Republic is centralised and unified for all programmes operated by Programme Operators designated by the National Focal Point. The purpose of centralisation and unification is to eliminate the imminent risk of a failure to draw the funds allocated for the Slovak Republic.

The NFP elaborated the Detailed Description of Management and Control System (DDMACS) at national level in August 2017, updated in October 2017. In the period lasting from April to October 2017 the audit of designation No. A854 was performed by the Audit Authority, in cooperation with the Government Audit Office. The audit of designation No. A854 was focused on the verification of the compliance of the setting-up of management and control system at the level of the NFP. The audit of designation No. A854 identified one systemic deficiency – a failure to submit the DDMACS at the national level to the FMO by the deadline set in the Regulations on the implementation of the EEA FM and NFM 2014 - 2021.

Based on the results of the audit of designation No. A854, the AA issued an unqualified opinion. However, the FMO issued comments to the DDMACS at the national level and based on the comments of the FMO, DDMACS will have to be revised. The AA will perform the verification of the finalised version of the DDMACS in the year 2018.

Following methodological document was issued by the Certifying Authority (CA) in the period from 1st January 2017 till 31st December 2017:

- Funding and Financial Management System of the Financial Mechanism of the European Economic Area and the Norwegian Financial Mechanism for the 2014 – 2021 programming period, version 1.0, effective as of 29th March 2017.

Taking into account that any of the Programme Agreement, Technical Assistance Agreement nor Bilateral Fund Agreement has been signed in 2017, no Forecast of likely payment applications were submitted by the CA to the FMO, no disbursements were made to programmes, Technical Assistance or the Fund for Bilateral Relations.

In line with the Article 5.4 of Regulations the CA established 2 separate interest-bearing accounts dedicated to the EEA and Norwegian Financial Mechanisms 2014 – 2021. The CA also established bank account dedicated to national co-financing and account dedicated to irregularities. For the purposes of bank charges the CA will use the offset account established for 2009-2014 programming period. As a part of annual state budget drafting procedure the CA ensured the availability of co-financing from the state budget in General Treasury Administration for 2017 based on the provisional data provided by National Focal Point. In 2017 the co-financing from the state budget in the amount of 1 158 824 EUR estimated for both 2016 and 2017 was transferred from General Treasury Administration to the Certifying Authority's account dedicated to co-financing.

---

<sup>1</sup> Source: NFP and Ministry of Finance of the Slovak Republic (MF SR) acting as AA and CA.

## 4 COMMUNICATION

The Communication Strategy for the EEA and Norway Grants 2014 – 2021 in the Slovak Republic was elaborated in May 2017, at the time when the respective Programme Operators were preparing the Concept Notes. The FMC approved the Communication Strategy in August 2017.

Due to the stage of development of the programmes, the launching conference of the EEA and Norwegian Financial Mechanisms 2014 – 2021 was postponed for second half of 2018. The Communication Strategy will be updated after approving all Concept Notes, in 2018.

The NFP is the administrator of the [www.eeagrants.sk](http://www.eeagrants.sk) and [www.norwaygrants.sk](http://www.norwaygrants.sk) websites, where general information of the EEA and Norwegian Financial Mechanisms 2014-2021 is published.

## 5 RISK ASSESSMENT

The Slovak Republic was second of all Beneficiary States to conclude the Memoranda of Understanding on implementation of the EEA Financial Mechanism and Norwegian Financial Mechanism 2014-2021 with the Donor States, on 28<sup>th</sup> November 2016. Yet, as already mentioned, development of the Concept Notes took longer time as anticipated in the Regulations on implementation of the EEA FM and NFM 2014 – 2021. The delay in the grants implementation is obvious and represents a potential risk of the failure to achieve the set objectives. The NFP closely cooperates with Programme Operators in order to fasten the process of preparation of Concept Notes/Programme Agreements.

At the Programme level, the major risks identified by the Programme Operators in the Concept Notes have not arisen so far.

## 6 EVALUATION

The first plan of evaluation was elaborated and is included in the Annex 1 to this Strategic Report. The plan is only indicative, as no programme agreements have been signed in 2017 and will be updated in the next Strategic Report.

## 7 WORK PLAN

### 7.1 The National Focal Point plan of activities for 2018

In 2018 the NFP plans to conclude all Programme Agreements for implementation of agreed programmes and subsequently conclude the Programme Implementation Agreements for programmes operated by other organisations than NFP. For programmes operated by the NFP, an act of similar affect and content will be elaborated.

The Detailed Description of Management and Control System at national will be updated according to the comments of the FMO. For Programmes that has been approved by the FMC, the NFP will review and approve the Detailed Description of Management and Control System of the Programme Operator.

The first Annual Meeting is convened on 13<sup>th</sup> March 2018. At least one meeting of the JCBF will be held in 2018. The launching conference of the EEA and Norwegian Financial Mechanisms 2014-2021 is planned for second half of 2018.

## 7.2 The Certifying Authority (CA) plan of activities for 2018<sup>2</sup>

In the first quarter of 2018 the CA plans to update the Funding and Financial Management System of the Financial Mechanism of the European Economic Area and the Norwegian Financial Mechanism for the 2014 – 2021 programming period, version 1.1. The update clarifies certain provisions following the adoption of the Financial Guidance document, as well as some provisions following implementation practice.

In case the FMO approves the Detailed Description of Management and Control System and the first Programme Agreements, Technical Assistance Agreement or Bilateral Fund Agreement will be signed, the CA will submit first Forecasts of likely payment applications to the FMO and will start with the financial implementation of the individual programmes and transfer of first advance payments.

If first IFRs are submitted to the CA in 2018, the CA will verify compliance with certification conditions of submitted IFRs and perform a certifying verification on a selected sample of expenditures claimed within the IFRs.

## 7.3 The Audit Authority (AA) plan of activities for 2018<sup>3</sup>

In the first half of the year 2018, the AA plans to carry out the performance of the audit of designation for the EEA FM and NFM 2014 – 2021. In the second half of the year 2018, the AA plans to carry out the performance of the audit of designation for the EEA FM and NFM 2014 – 2021, at the level of Programme Operators. The AA will carry out the fulfilment of the plan of activities in cooperation with the cooperating body – the Government Audit Office.

## 7.4 The Programme Operators plan of activities for 2018

### 7.4.1 Business Development, Innovation and SMEs<sup>4</sup>

Work plan for year 2018 strongly depends on the continuation of the preparation process related to the Business Development, Innovation and SME's programme Concept Note. Detailed schedule can be prepared based on the continuation of approval process which has recently started. Following the preparation of Programme Agreement, the audit procedure will need to be started, as well as public procurement for the educational part of the Programme is going to be prepared. Within the other milestones the important are preparation and approval of State Aid schemes, finalising of Programme management and related documentation, consideration of audit results, approval of Programme Implementation Agreement and preparation of Calls for proposals.

### 7.4.2 Climate Change Mitigation and Adaptation<sup>5</sup>

The activities of the Programme Operator will be in 2018 focused on drafting and finalising the legal basis documents for the SK-Climate Programme (the Programme Agreement – cooperation provided to the National Focal Point, the Programme Implementation Agreement between National Focal Point and Program Operator); drafting the implementation documents on the programme level (the management and control systems); drafting the implementation documents on project level (first calls) in close co-operation with the Donor Programme Partners and another relevant stakeholders on the national level; organising the Cooperation Committee meetings; starting the information activities for the SK-Climate

---

<sup>2</sup> Source: MF SR - CA

<sup>3</sup> Source: MF SR - AA

<sup>4</sup> Source: Research Agency

<sup>5</sup> Source: Ministry of Environment of the Slovak Republic

Programme towards general public and perspective project promoters, in close co-operation with the Donor Programme Partners and the National Focal Point; possible involvement into the bilateral activities; ensuring the operative fulfilment of ad hoc tasks regarding EEA and Norwegian Financial Mechanisms (in close co-operation with relevant stakeholders).

### **7.4.3 Cultural Entrepreneurship, Cultural Heritage and Cultural Cooperation**

The Cooperation Committee meeting is planned on 15 – 16 February 2018; second meeting shall take place in October 2018 in Oslo, or per rollam. The Programme Operator will focus on finalisation of the Concept Note and its submission to the NFP, subsequently providing additional information to the Concept Note in order to conclude the Programme Agreement. The first Call for proposals is foreseen for 4Q, joint with the launching conference of the programme and matchmaking seminar. InfoDays for applicants will be organised and depending on the length of the Call, the selection process may start in 2018.

### **7.4.4 Good Governance, Accountable Institutions, Transparency / Cross-border Cooperation**

As the Concept Note was approved by the Donor States at the end of 2017, works on draft of the Programme Agreement have consequently started. The Additional information shall be sent to the FMO on 14<sup>th</sup> February 2018 and the information on all the four Pre-defined projects shall follow by the end of February. It is expected that finalized draft of the Programme Agreement shall be submitted to the Donor States by March 2018 and its approval and signature is supposed to take place in May 2018. Afterwards the Pre-defined project's evaluation shall be carried out during summer and the implementation is expected to start in October / November 2018. The Open Call and Call for Small Grant Scheme is scheduled for the beginning of 2019.

### **7.4.5 Local Development, Poverty Reduction and Roma Inclusion**

On the 9<sup>th</sup> of January 2018, the National Focal Point received the rejection letter sent by FMO informing about the decision of the Donors. Personal meetings between Programme Operator and FMO and Donors are going on during February 2018, stakeholders meeting is planned for March 2018. The revised version of the Concept Note is planned to be submitted by the end of March 2018. The preparation of Programme Agreement is roughly planned for May/June 2018.

### **7.4.6 Domestic and Gender-based Violence**

In 2018 the Programme Operator has started to work on the additional information to the Concept Note needed for concluding the Programme Agreement. The concluding of the Programme Agreement is expected by the end of the 1<sup>st</sup> half of 2018. Meanwhile the documents needed for the programme implementation are being developed. After Programme Agreement will be signed, the Programme Operator shall invite the predefined projects' promoters to submit the predefined projects' applications. Evaluation of three predefined projects is supposed to start at the end of 2018. At the same time development of the Calls text and selection criteria is planned, as there is intention to launch the Calls in first half of 2019. Provided that the Programme Agreement has been signed, the launching conference shall be held during the 16 days of activism against gender-based violence (25 November – 10 December). At that time the Cooperation Committee meeting can be held.

## **8 ANNEXES TO THE STRATEGIC REPORT**

**Annex 1**      Evaluation plan

Programme Information				Evaluation Information							
Programme # and title	Sector	Duration (Start/End)	Budget (EUR)	Type of Evaluation Formative/ Summative Impact/ Implementation	Evaluation Objectives Reason and learning goals	Timing Mid-term or Final Evaluation (ex post) Year	Data needs and collection methods Reports; interviews; surveys; other	Evaluation Start/End Date	Evaluation Budget (EUR)	Past Evaluations (if any): Type and Completion Date	Learning and Knowledge Sharing Who will benefit from the evaluation? How will findings be shared?
Business Development, Innovation and SMEs	Innovation, Research, Education and Competitiveness	TBD	23,529,413	Formative / Implementation	Relevance / Coherence, Efficiency	Mid-term Evaluation	Reports, interviews, analysis / surveys (TBD)	2021-2022	17,000	N/A	<p>Evaluation Report and its summary for general public will be published at the NFP webpage and distributed to all relevant stakeholders.</p> <p>Result of the evaluation will be shared across sectors and other partners from BS and DS.</p> <p>Depending on the findings, the NFP will request response from relevant subjects how will be the findings taken into account for future decision making process.</p>
Local Development, Poverty Reduction and Roma Inclusion	Social Inclusion, Youth Employment and Poverty Reduction	TBD	17,647,059	Summative / Impact	Impact / Sustainability	Final Evaluation	Reports, interviews, surveys (TBD)	TBD (2022-2024)	17,000	N/A	
Climate Change Mitigation and Adaptation	Environment, Energy, Climate Change and Low Carbon Economy	TBD	18,823,530	Summative / Impact	Impact / Sustainability	Final Evaluation	Reports, interviews, surveys (TBD)	TBD (2022-2024)	17,000	N/A	
Cultural Entrepreneurship, Cultural Heritage and Cultural Cooperation	Culture, Civil Society, Good Governance, and Fundamental Rights and Freedoms	TBD	20,588,236	Summative / Impact	Impact / Sustainability	Final Evaluation	Reports, interviews, surveys (TBD)	TBD (2022-2024)	17,000	N/A	
Good Governance, Accountable Institutions, Transparency / Cross-border Cooperation	Culture, Civil Society, Good Governance, and Fundamental Rights and Freedoms	TBD	10,000,000	Summative / Impact	Impact / Sustainability	Final Evaluation	Reports, interviews, surveys (TBD)	TBD (2022-2024)	17,000	N/A	



Programme Information				Evaluation Information							
Programme # and title	Sector	Duration (Start/End)	Budget (EUR)	Type of Evaluation Formative/ Summative Impact/ Implementation	Evaluation Objectives Reason and learning goals	Timing Mid-term or Final Evaluation (ex post) Year	Data needs and collection methods Reports; interviews; surveys; other	Evaluation Start/End Date	Evaluation Budget (EUR)	Past Evaluations (if any): Type and Completion Date	Learning and Knowledge Sharing Who will benefit from the evaluation? How will findings be shared?
Domestic and Gender-based Violence	Justice and Home Affairs	TBD	10,588,236	Formative / Implementation	Relevance / Coherence Effectiveness	Mid-term Evaluation	Reports, interviews, analysis / surveys (TBD)	2021-2022	17,000	N/A	