

Minutes of the 6th Annual Meeting of the EEA and Norway Grants 2014-2021

Date:

20th June 2023

Venue:

Košice, Double Tree by Hilton in Košice

Agenda

09.00 – 09.05	Opening remarks (NFP, Donors)
09.05 – 09.15	Draft strategic report for 2022 (NFP, Donors)
09.15 – 10.45	Progress of programmes and risk assessment (POs, NFP and Donors)
10.55 – 11.15	Bilateral cooperation at programmes and at national level (NFP and Donors)
11.15 – 11.30	Status of the Management and Control Systems, including irregularities and complaints (NFP, AA, CA, IA)
11.30 – 11.45	Communication (NFP)
11.45 – 12.00	Conclusions and closing remarks

Opening Remarks

The National Focal Point (NFP) made a short opening speech and welcomed all participants of the meeting, attending in person and also those joining online.

Draft Strategic Report for 2022

The Donors consider the Strategic Report 2022 well written and of good quality, representing well the status of programmes' and bilateral cooperation. It was noted that the achievements are increasing under all programmes, sometimes even significantly. The Donors appreciated that their last year's recommendations on how to improve the Strategic Report have been taken into the account. In the next Strategic Report, the Donors encouraged continue providing relevant assessment of the social, economic, and political developments in Slovakia highlighting the effects in each programme but recommended doing it in a more concise and focused manner. As the programmes and projects further advance, and considering the end of the implementation period, the Donors also recommended to continue focusing on the results achieved and providing active reference to the result framework. Additionally, the Donors recommended to emphasise the results of bilateral initiatives and to highlight the added value of the bilateral element in those. No questions or comments were raised regarding the Strategic Report for 2022, so the report was approved by the Donors.

Progress of programmes and risk assessment

The NFP and the Programme Operators (POs) presented the status of programmes and highlighted the key challenges and risks. The NFP thanked the Donors and the FMO for their decision in the case of "Umelka - 'Modern Center of Art and Community'" as it was very important decision for the implementation and the NFP really appreciates the understanding, cooperation and the decision that was taken.

The NFP provided information about the Amendment to both Memoranda of Understanding (MoUs) on the implementation of the EEA FM 14-21 and the Amendment to the MoU on the implementation of the NFM 14-21, effective as of 17 February 2023. The modification concerned reallocation of uncommitted funds between the programmes and technical assistance. The additional funding will cover price increases for construction works, commodities, and additional activities for already approved projects. Calls for the award of additional funds for the implementation of existing projects were launched in the following programmes: 'Culture', 'Local Development', 'Climate', and 'Domestic and Gender-based Violence'. Due to the strong justification of the

proposed modifications, the NFP did not experience major problems in communicating and obtaining approval for programme reallocations from the relevant POs.

The NFP provided an overview of the overall financial status and spending in the programmes up to June 2023. Additionally, information was provided about the status of monitoring and evaluation for all programmes, along with a brief overview of the overall assessment. Programmes with the highest risk ('Local Development', 'Business and Innovation', 'Climate') are monitored on a monthly basis, while the rest of the programmes are monitored quarterly ('Culture', 'Good Governance', 'Domestic and Gender-based Violence'). The terms of reference for the programmes' external evaluation were prepared in autumn 2022 and NFP intends to procure all evaluations as a single order through a public procurement process. It is expected that the evaluation of all programmes will be completed by 2024.

The Ministry of Environment of the SR as the PO for the 'Climate' informed that a predefined project 'Dropie' implemented by the Slovak Environment Agency is progressing slowly but has been modified to ensure faster progress. The PO highlighted the excellent bilateral cooperation at both the programme, and the project levels. The PO informed about the main activities in 2022 and the first half of 2023, which include providing assistance to project promoters in implementing projects in accordance with public procurement legislation, project monitoring, and conducting on-site visits. The main challenge for the 'Climate' programme in 2023 is the need to allocate additional funds to cover the price increase of infrastructure components following the launch of the call in January 2023. The Donors inquired about the biggest challenges reported by the project partners in implementation of the projects. The PO responded that the major challenges reported are the administrative burdens and the need to simplify implementation processes. Following the NFP question regarding potential risks that may arise in the coming months of implementation, the PO identified the risk in the ability to fully utilise the programme allocation, mainly due to the increase in programme allocation.

The PO for the 'Business and Innovation' programme, the Research Agency, focused on an overview of modifications of the programme and call allocations, specifically Modification No. 3 after reallocation among calls and focus areas within the programme, as well as Modification No. 4 after reallocation of the funds to other programmes. Additionally, the PO emphasised that a high number of projects are being implemented in collaboration with the donor project partners. The PO underlined the administrative burdens associated with the implementation process, particularly the need for many different controlling tasks instead of observing the project results. The PO also noted the programme is being monitored by NFP.

The Donors acknowledged the contributions from the PO and the NFP to the external monitoring of the 'Business and Innovation' programme commissioned by FMO, which was concluded by the end of 2022. The Donors also informed about the upcoming external evaluation of competitiveness in Business Innovation programmes commissioned by FMO in 2023, covering all programmes in the area of business development, innovation and SMEs. The final evaluation report is expected to be available by the end of the year.

The Donors asked for an update on the capacity situation of the PO, which was discussed in previous meetings. The PO informed that the Research Agency has adopted a stabilization plan, and the situation has been stabilised. Another question was raised regarding the projects that may be at potential risk of not being finalised. The PO explained that in such cases they act proactively by trying to identify potential risks and contacting project promoters to assist with any potential problems. The most common and significant are problems related to public procurement.

One of the biggest challenges that affected the 'Good Governance' programme and project implementation was the Russian invasion of Ukraine, particularly for projects focused on Slovak-Ukrainian institutional cooperation. The PO does not see any risks regarding project implementation and expects all projects to be successfully implemented. The Donors informed that the FMO is planning to commission an external monitoring of the programme in the second half of 2023 focussing on the cross-border cooperation of the programme.

In the 'Culture' programme the Donors asked about the plan to evaluate the programme and NFP confirmed the planned evaluation of the programme which will include the evaluation of the contribution of the programme to local development. The Donors recommended including evaluation of long-term effect of the programme in comparison with the situation before the Programme 14-21 was launched.

The 'Local Development' programme underwent a reallocation with a decrease in funds. The reason for the reallocation was insufficient time to use the remaining funds and the cancellation of two projects: LDIO1002 Municipality of Rožkovany "Being passive is not the path" and LDIO2013 Municipality of Betlanovce "Support for social inclusion and positive changes in communities with an emphasis on MRC through the development of community work in the Social services center Betlanovce in the municipality of Betlanovce". Despite the decrease in programme allocation, there are still uncommitted funds available. A call was launched to cover price increases in existing projects, and another call is set to be launched to allocate the remaining funds from the first call.

Not all the indicators will be achieved within the 'Domestic and Gender-based Violence' programme, as planned values were too ambitious to support the services in targeted values; that would mean almost all the services available in Slovakia would be supported within the programme which has proved to be unrealistic. The Donors noted that this is very important information about how to state realistic indicators in the future. It was also emphasised that the Programme provides support to all key players in the field of domestic and gender-based violence, indicating that the Norway Grants are considered a trusted and beneficial source for well-known, active organizations in this area.

FMO provided an information on the implementation of the Active Citizens Fund, Social Dialogue – Decent Work programme, Fund for Youth Employment, Fund for Regional Cooperation.

Bilateral cooperation at programmes and at national level

There is low spending under the bilateral fund. NFP informed about the offer to "umbrella" organisations that was prepared to address the low spending of the bilateral fund and used as a new way of approaching the potential project promoters. Considering the high interest of the applicants, the NFP considers addressing "umbrella" organisations to be an effective approach and for this reason is currently not considering launching an Open Call.

The Donors expressed regrets that a pre-defined initiative focusing on bilateral cooperation in the area of asylum and migration, in response to Russia's invasion of Ukraine, was cancelled. Additionally, the Donors reminded about the option of transferring funds that have not been spent by April 2024 into the Bilateral fund.

According to the NFP, the current set-up of the bilateral fund is not flexible and there shall be a more flexible set-up in the future.

Status of the Management and Control Systems, including irregularities and complaints

The Audit Authority briefly informed about the audit work carried by the Audit Authority in 2022-2023 and its findings. For the year 2022 system audits and audits of projects were carried out. System audits were carried out at the level of Ministry of Investments, Regional Development and Informatization of the Slovak Republic, both from the perspective as the NFP and the PO and a system audit at the level of Research Agency as the PO. In 2023 there is no system audit planned. Audits of projects started at the end of May 2023. Sample for project expenditures will be selected in July 2023.

The Audit Authority informed on audit work carried out in 2022. The Certifying Authority provided information on certifying verifications since the beginning of 2022. Irregularities Authority informed on the status of reported irregularities.

The Donors have reiterated the importance of accurate disbursement forecasts and a Grants zero-tolerance approach to corruption, as well as the importance to close the gap between disbursed and incurred rates substantially with the September 2023 IFR.

Communication

The NFP provided a brief update on two main communication activities. Firstly, the campaign ‘Get to know the EEA and Norway Grants’ was prepared in close cooperation with the Royal Norwegian Embassy in Bratislava, reaching a total of 100,000 people through social media. Secondly, promotional videos highlighting various projects were created and shared on social media platforms. These videos collectively garnered over 5,000 views on the YouTube channel. The NFP is planning to conduct another campaign focusing on the promotion of the Grants in the second half of 2023.

Decisions taken:

- **The Donors approved the Strategic Report 2022 for EEA FM and NFM 2014 – 2021.**