

MINUTES
4th ANNUAL MEETING
EEA and Norway Grants 2009 – 2014

Prague, October 15, 2015

Ministry of Finance

LIST OF PARTICIPANTS

Institution	Name
Ministry of Foreign Affairs, Norway	ERDAL Anders
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Embassy of the Principality of Liechtenstein in Vienna	H.S.H. KOTHBAUER Maria-Pia
Mission of Liechtenstein to the EU	MARXER Dominik
Embassy of Iceland in Brussels	JÚLÍUSSON Andri
Financial Mechanism Office	ANDRESEN Stine
Financial Mechanism Office	TROST Jana
Royal Norwegian Embassy in Prague	H.E. SLETNER Siri Ellen
Royal Norwegian Embassy in Prague	STENSLAND Monica
Royal Norwegian Embassy in Prague	GANICKÁ Helena
Ministry of Foreign Affairs, CR	MAZZA Eva
Ministry of Finance - NFP	JUROŠKOVÁ Lenka
Ministry of Finance - NFP	KUDELOVÁ Zuzana
Ministry of Finance - NFP	SOVOVÁ Šárka
Ministry of Finance - NFP	TESAŘ Tomáš
Ministry of Finance - NFP	TOUŠOVÁ Monika
Ministry of Finance - NFP	INDRA Vratislav
Ministry of Finance - NFP	BEČVÁŘOVÁ Martina
Ministry of Finance - NFP	IMRICH DUDKOVÁ Veronika
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Ministry of Finance - CA	LAJNEROVÁ Kristýna
Ministry of Finance - AA	PAVLÍK Jaroslav
Ministry of Finance - AA	SEIDENGLANZOVÁ Marika
Ministry of Finance - PO	VAVREČKOVÁ Tereza
Ministry of Finance - PO	KARASOVÁ Apolena
Ministry of Finance	CVENGROŠ František
Ministry of Finance	BASOVNÍKOVÁ Iva

1. FORMAL OPENING

The Annual meeting was opened by the Director of International Relations Department – Head of the National Focal Point, **Ms Zuzana Kudelová**, who chaired the meeting. She introduced the Deputy Minister of Finance, Ms Lenka Jurošková.

Ms Jurošková welcomed all participants of the Annual meeting and introduced the representatives of the donors as well as of the Czech side. She apologized that she could not stay for the whole meeting due to her other duties.

From the donors' side the Annual meeting was started with an opening speech by the FMC Chairman, **Mr Anders Erdal**, who appreciated that the implementation of the EEA and Norway Grants 2009-2014 is getting up to speed. He thanked for organization of the on-site-visits held on the day before and summed up the main points of the Annual meeting agenda.

Short opening words were also presented by the Ambassador of Norway in Prague, **H.E. Ms Siri Ellen Sletner**, followed by introductory remarks of the Ambassador of Liechtenstein, **H.S.H. Ms Maria-Pia Kothbauer** and the representative of Iceland **Mr Andri Júlíusson**.

2. BRIEF ECONOMIC OVERVIEW OF THE COUNTRY

Ms Kudelová introduced the next points of the agenda – two special presentations that were prepared on the donors' request: A brief economic overview of the country and Introduction in the Czech Republic's institutional set-up and priorities within the European Structural and Investment Funds 2014-2020.

The first presentation was given by **Mr František Cvengroš** from the Department of Macroeconomic Predictions of the Ministry of Finance, who summed up that the current development in the Czech Republic is favourable.

Based on the question of Mr Erdal related to measures that caused quite low level of unemployment, Mr Cvengroš explained that there were significant changes in the Labour Code in order to improve flexibility in the market that have led to less increase in unemployment in second recession in 2013.

3. INTRODUCTION IN THE CR'S INSTITUTIONAL SET-UP AND PRIORITIES WITHIN THE EUROPEAN STRUCTURAL AND INVESTMENT FUNDS 2014 - 2020

The second presentation was made by **Ms Iva Basovníková** from the National Fund Department of the Ministry of Finance, who described the priorities of the Czech Republic, institutional structure, operational programmes and the current status within European Structural and Investment Funds – all operational programmes are approved and the first open calls are launched / will be launched during Autumn.

Based on the question of Ms Trost, Ms Basovníková added that the financial allocation for all operational programmes within 2014-2020 is about 24 bill. EUR (less than in previous period). Based on the request of Mr Erdal, Ms Basovníková also explained that the absorption capacity of previous period was finally improved, but the final figures will be known only in 2017.

4. STATUS / PRESENTATION OF THE STRATEGIC REPORT AND ITS UPDATE

Ms Kudelová briefly introduced that the Strategic Reports (EEA and Norway) were submitted to the FMO on 1st April 2015. The NFP received several comments and recommendations from the donors' side on 1st June 2015 and based on these comments and recommendations and in line with the standardised template the Update to the Strategic Report was worked out by the NFP and sent to the FMO on 21st September 2015.

Ms Martina Bečvářová, Head of the Centre for Foreign Assistance – Implementation, Monitoring and Evaluation Unit, presented the main points of the Strategic Reports and their Update. She summed up the current status in programmes, including financial data, trends in the sectors, horizontal concerns related to Roma issue as well as the lessons learned and recommendations already included in Strategic Reports.

Ms Kudelová asked the donors for their feedback and comments.

Mr Erdal thanked for compiling a comprehensive Strategic Report. He noted that although it was too early to report about results for most of the programmes, the donors have noted progress within several programmes and also under bilateral cooperation. He also appreciated the risk assessment done, and the measures that are put in place in order to address them (in particular risks related to the time remaining and delays).

Mr Erdal also presented the donors' comments that shall be incorporated into the next Strategic Report as this report will be very important for reflecting results and their achievements in each programme:

- the executive summary should be more informative and more detailed, pointing to main achievements as well as main challenges encountered
- on bilateral cooperation, more information about the wider effects, challenges and opportunities shall be stated
- for each programme: the achievements compared to their indicators, progress in relation to the bilateral areas and summary of the main risks shall be included

Mr Erdal concluded that with these comments for the next Strategic Report, the Strategic Reports for 2014 and their Update are approved.

5. BILATERAL RELATIONS AND BILATERAL FUND AT NATIONAL AND PROGRAMME LEVEL

Mr Tomáš Tesař, Centre for Foreign Assistance – Preparation and Coordination Unit, presented an overview of the Open calls within the Fund for bilateral relations at national level. He also informed about the issues implemented in order to increase the interest for submission of initiatives. Ms Kudelová summed up that the main problem remains is non-completion of formal requirements of applications.

Ms Martina Bečvářová presented an overview of the Funds for bilateral relations at programme level where the main challenges relate to a capacity of the Promoters and a delay in the implementation of “main” projects / programme.

Mr Erdal appreciated the growing number of partnerships, however, he was concerned by relatively limited number of activities and low absorption of funds spent under both the Bilateral fund at national and programme levels. He stressed a positive working relationship between DPPs and Programme Operators and encouraged to develop these relationships further. He added that he is concerned that the Programme Operators have not yet decided to extend the scope of bilateral funds at programme level following the recent change of the Regulation. Mr Erdal also repeated that it is necessary for the NFP to simplify procedural aspects of the Open calls in order to lower the administrative burden of the applicants from the Czech Republic and donor states. Finally, he noted that reallocation from the funds for bilateral relations is not an option, the funds must be used to support bilateral activities.

The following discussion raised some issues to consider, e.g. the proposal offered by Ms Johansen and supported by H.E. Ms Sletner to increase the maximum grant amount available for initiatives. Ms Sovová replied that the NFP will consider this proposal as a part of the evaluation of the Open call at the end of the year. On the other hand, Ms Bečvářová pointed that taking into account the present financial flows system (with no advance payments) the bigger amounts are problematic for Czech applicants. Ms Kudelová admitted that the NFP is considering all the possibilities to promote the Funds but it is hard to force partners to submit applications.

In the second part **Mr Tesař** informed about the activities from the Bilateral Fund at national level in 2015, especially about Conference on Ecosystem Services held in May 2015 in Norway and Anti-corruption Conference prepared in cooperation with the Council of Europe that will be held in Prague on 20th and 21st October 2015. He also informed that the conference “We accept inclusion” (financed from the Fund for bilateral relations at national level and Fund for bilateral relations at programme level within programme CZ05) was shifted to the first quarter of 2016. Mr Tesař also informed that the Working Group within the Fund for bilateral relations at national level that took place in September 2015 recommended as the priority area for 2016 Public Health Initiatives.

As the final point **Ms Bečvářová** informed that the NFP is – in cooperation with external company – preparing an analysis of bilateral relations at all levels (programmes, projects, initiatives). The analysis will be based on on-line questionnaires and interviews with main stakeholders, and shall be prepared in March 2016 and in May 2016 the results will be presented to public. She concluded that the information about the analysis was also presented at the Working Group meeting.

Mr Erdal was pleased to hear that the NFP has launched such an analysis of bilateral relations, especially when there are some challenges in bilateral cooperation, and added that donors look forward to the results of the analysis.

Concerning the Anti-corruption conference, Mr Erdal appreciated the efforts by the Czech Authorities, the NFP, the Royal Norwegian Embassy in Prague and the Council of Europe to organise this event.

Finally, the proposal for the priority area for 2016 under the Fund for bilateral relations at national level – Public Health Initiatives was approved by the donors.

7. STATUS OF PROGRAMME IMPLEMENTATION AND RISK MANAGEMENT

After the break, **Ms Bečvářová** had a presentation about the status of programme implementation. She summed up the main issues, including the number of projects, running open calls, commitments and disbursements, she pointed out programmes with specific issues and also described the current situation with the extension of projects.

Mr Erdal commented that the NFP had actively utilized the exceptional project extension opportunity, and that the number of projects extension requests is very high. He added that the donors appreciated the cooperation of the NFP with FMO regarding the reduction of the initially requested extensions. He stressed that there are elements in the management and control system that should be reviewed for the next mechanism to make the system more efficient and to prevent delays in the future. He also pointed out to the continuation of the risks for non-completion of some projects.

Ms Bečvářová also presented the Risk analysis of the EEA ad Norway Grants 2009-2014, both at the programme level and at the national level. There is especially high level of risk related to specific programme conditions within CZ04, CZ07, CZ09, CZ12, CZ13 and risk of absorption capacity in CZ07. Ms Bečvářová also described the mitigation measures at both national and programme level in order to lower risks and ensure successful implementation.

She described that especially in CZ04 there is a high threat of cancellation of PDP due to legislation preparation lack of political will, but assured that the programme partner, Ministry of Labour and Social Affairs is prepared to bear all the costs already disbursed for the project.

Ms Kudelová assured the donors that the NFP is doing their best to monitor all possibly risky projects and that the Monitoring Unit has been supported by one additional staff member to ensure proper monitoring. But she also pointed out that there are still some issues (e.g. political) that are completely out of the NFP control.

Mr Erdal added that the donors wish to underline the importance of the horizontal concerns of the EEA and Norway Grants, especially the Roma inclusion has been an important priority to the donors. He admitted that in the donors' point of view this issue has not been entirely addressed in implementation of all programmes so far – thus he encouraged the NFP and Programme Operators to give more emphasis on this issue within the programmes where this is still possible and also consider using of bilateral funds for this purpose. Mr Erdal proposed that as a follow up to the roundtable discussion held in Prague in March 2014, a consultation with all relevant stakeholders is held in the near future, with the view to take stock of what has been achieved regarding ROMA inclusion with the grants.

Mr Erdal concluded that generally the EEA and Norway Grants 2009-2014 in the Czech Republic are managed well with a good chance to fulfil the absorption of funds. He stressed that in this phase of implementation the focus should be on results, programme outputs and outcomes – they should be thoroughly monitored, reported and publicised. Finally, he encouraged the NFP to continue speeding up the implementation of the programmes despite exceptionally extended project deadlines.

8. PUBLICITY AND COMMUNICATION

Ms Šárka Sovová, Head of the Centre for Foreign Assistance – Preparation and Coordination Unit, described the NFP activities in the field of publicity and communication. She showed some good examples of publicity tools (posters, leaflets, desks, pens, notebooks and bags with EEA and Norway Grants logos) as well as a brief statistical brochure (in Czech and English) prepared recently. She added that more detailed materials for every programme will be produced in future. Ms Sovová also emphasised the web pages that are up-dated very often and that include statistical data about every project and information about all project conferences and other events. She added that there is also a general e-mail box, where mostly questions about bilateral funds and preparation of the new programming period are being sent.

Ms Sovová stressed a very good and fruitful cooperation with the Royal Norwegian Embassy in Prague in the area of publicity and communication. She showed the recent publicity activity, the 4-pages special annex to the nationwide newspaper prepared by the Royal Norwegian Embassy in cooperation with the NFP (published in 600.000 copies). She also showed some other examples of publicity materials. Finally, Ms Sovová added that the NFP plans to organize the interim conference of the EEA and Norway Grants 2009-2014 in the second half of 2016.

Ms Bečvářová added that also the project promoters are obliged to have publicity activities within the implementation of the project and presented some of good examples of their activities, incl. two video shows.

Mr Erdal appreciated the communication efforts of the National Focal Point in promoting the Grants and stressed that now the Promoters and NFP shall start focusing more on communicating results and project stories. Ms Andresen asked the NFP to share all good stories and publicity information with the FMO to facilitate aggregation of communication efforts.

9. LESSONS LEARNED ON EEA AND NORWAY GRANTS 2009 – 2014 PERIOD

Ms Sovová and **Ms Bečvářová** presented the lessons learned on the current programming period 2009-2014 and gave their suggestions for the next programming period. Especially they appealed for less programmes with more responsibilities of the Beneficiary States, having just one general bilateral fund, keeping current set up for the Czech Republic and other more technical points.

Mr Erdal thanked for sharing openly the NFP experience, views and opinions on lessons learned and promised that the suggestions will be discussed thoroughly during further negotiations. He stated that a limited number of more focused programmes is also the donors' priority and as regards the implementation system, a thorough review of the system would be beneficial to have an efficient management and control system with sufficient capacity not to be overwhelmed by PO responsibilities and to avoid bottlenecks in the implementation of programmes.

10. CLOSING REMARKS

As there were no other points raised under “Miscellaneous”, **Mr Erdal** thanked for a productive meeting. He concluded that the donors see a good progress achieved in the implementation and he also appreciated a very good cooperation between the NFP and the Royal Norwegian Embassy. Mr Erdal stressed again the need of timely implementation and the achievement of outputs and the outcomes with efficient monitoring and reporting. As for the bilateral relations, he urged to increase focus on bilateral cooperation and preparation of more flexible guidelines to encourage bilateral activities.

Ms Kudelová closed the meeting summarizing that the Strategic Reports and the Strategic Report Update were approved as well as the Focus Area of the Fund for bilateral relations at national level for 2016 – Public Health Initiatives.