

MINUTES

3rd ANNUAL MEETING ON IMPLEMENTATION OF EEA and Norway Grants 2009 – 2014
IN THE CZECH REPUBLIC

15 October 2014, Prague, Ministry of Finance

LIST OF REPRESENTATIVES		
	Institution	Name
1.	Ministry of Foreign Affairs, Norway	ERDAL Anders
2.	Ministry of Foreign Affairs, Norway	JOHANSEN Torill
3.	Ministry of Foreign Affairs, Norway	GROTNES HALVORSEN Christian
4.	Financial Mechanism Office	FJELDAVLI Frode Dal
5.	Financial Mechanism Office	FIDJESTØL Ragna
6.	Embassy of the Principality of Liechtenstein in Vienna	SPARBER Georg
7.	Icelandic Ministry of Foreign Affairs	ORRADÓTTIR RAMETTE Unnur
8.	Royal Norwegian Embassy in Prague	SLETNER ELLEN Siri
9.	Royal Norwegian Embassy in Prague	BENÝŠKOVÁ Helena
10.	Ministry of Foreign Affairs	SKLÁDAL Martin
11.	Ministry of Finance	PROS Martin
12.	Ministry of Finance	KUDELOVÁ Zuzana
13.	Ministry of Finance	SOVOVÁ Šárka
14.	Ministry of Finance	TESAŘ Tomáš
15.	Ministry of Finance	VANĚK Vlastimil
16.	Ministry of Finance	BEČVÁŘOVÁ Martina
17.	Ministry of Finance	IMRICH DUDKOVÁ Veronika
18.	Ministry of Finance	VRÁNEK Petr
19.	Ministry of Finance	LAJNEROVÁ Kristýna
20.	Ministry of Finance	MÁČALOVÁ Světlana
21.	Ministry of Finance	LAŠTOVIČKOVÁ Hana
22.	Ministry of Finance	VAVREČKOVÁ Tereza
23.	Ministry of Finance	KARASOVÁ Apolena
24.	Ministry of Finance	MLÁDKOVÁ Petra

AGENDA

<p>1. 15:00 – 15:15</p>	<p>Formal Opening by the Czech side: Deputy Minister (<i>Mr Martin Pros</i>)</p> <p>Opening words by the Donor side:</p> <ul style="list-style-type: none"> - FMC Chairman and Director General (<i>Mr Anders Erdal</i>) - Ministry of Foreign Affairs, Norway - Representative from Liechtenstein - Representative from Iceland
<p>2. 15:15 – 15:45</p>	<p>Status / Presentation of the Strategic Report and its Update</p> <p>Feedback of the donors and the FMO to the Strategic Report</p>
<p>3. 15:45 – 16:15</p>	<p>Management and Implementation</p> <ul style="list-style-type: none"> - Status of programme preparation and implementation - Measures to reduce delays - Progress with project implementation
<p>4. 16:15 – 16:40</p>	<p>Risk Assessment and Mitigating Measures</p> <ul style="list-style-type: none"> - Updated Risk Analysis and proposed Mitigation Measures
<p>5. 16:40 – 17:00</p>	<p>Coffee break</p>
<p>6. 17:00 – 17:05</p>	<p>Information and Communication</p>
<p>7. 17:05 – 17:15</p>	<p>Programme Modifications</p> <ul style="list-style-type: none"> - Reallocations between Programmes - Programme Modifications affecting MoU

<p>8. 17:15 – 17:40</p>	<p>Bilateral Relations and Issues</p> <ul style="list-style-type: none">- Results and lessons learned- Anti-corruption conference- New open call- Priority areas 2015
<p>9. 17:40 – 17:50</p>	<p>Horizontal concerns</p>
<p>10. 17:50 – 18:00</p>	<p>Miscellaneous</p> <p>Closing Remarks</p>

1. Formal Opening

The annual meeting was opened by the Deputy Minister of Finance, **Mr Martin Pros** who welcomed all participants of the meeting and introduced the representatives of the donors as well as of the Czech side. Within the opening speech the Deputy Minister also introduced the agenda of the meeting.

From the donors' side the annual meeting was started with an opening speech by the FMC Chairman, **Mr Anders Erdal**, who appreciated that the EEA and Norway grants 2009 – 2014 are now in the implementation phase in the Czech Republic. He expressed his hope in effective cooperation of all involved subjects to avoid any further delay in relation to the start of projects. Short opening words were also presented by the new Ambassador of Norway in Prague, Her Excellency, **Ms Siri Ellen Sletner**, followed by introductory remarks of the representative of Liechtenstein Mr Georg Sparber and the representative of Iceland Ms Unnur Orradóttir Ramette.

First part of the meeting was ended by the **signature of the Programme Agreement (PA) to Programme CZ14 - Schengen Cooperation and Combating Cross-border and Organised Crime, including Trafficking and Itinerant Criminal Groups**. PA was signed by **Mr Pros** and by **Mr Erdal**.

2. Status / Presentation of the Strategic Report and its Update (Feedback of the donors and the FMO)

Ms Zuzana Kudelová briefly introduced the Strategic Reports and their update and asked the donors for their feedback. Mr Erdal thanked for the submission of the Strategic Reports (SR) and their Update taking into account the feedback from the donors and the FMO. He particularly appreciated the well presented executive summary and the analysis of challenges and especially updated risk assessment in the SR Update. Mr Erdal asked for an assessment of the efficiency and effectiveness of the National Management and Control System which is not included in the SR Update. In this matter the representatives of the Audit Authority (AA) were addressed. **Ms Světlana Máčalová** (AA) confirmed the information that the Assessment of National Management and Control Systems will be sent to the FMO at the **end of November 2014**.

Strategic Reports and their Update were approved by donors without any other comments. It was agreed that other issues of the SR and their update will be discussed within the relevant points of the agenda.

3. Management and Implementation

Floor was given to **Ms Šárka Sovová**, Head of the Coordination and Preparation Unit (CFA1), who introduced the current status of Programmes (CZ02 – CZ15). The participants were informed about the status of the pre-defined projects, open calls in process, selection committees etc. Ms Sovová also referred to the Action Plan, that is one of the annexes of the Strategic Report Update.

Mr Erdal appreciated the major progress that has been made since the first PAs were signed at the 2nd Annual Meeting in 2013 and emphasized the importance of the close coordination between the NFP, the FMO and the Royal Norwegian Embassy. Mr Erdal mentioned again that it is crucial

to avoid any other obstacles in relation to the start up of projects. He was also interested in the particular matters: the general assessment of the capacity of the NFP in the implementation phase, updated information on the cooperation with all the stakeholders (Programme partners, other Programme operators) and explanation of low interest of applicants in some programmes – especially in the Children and Youth at Risk programme (CZ04), which is also relevant for Roma inclusion.

Ms Kudelová explained the issue related to the capacity of the NFP. Staff of two units, CFA2 and CFCU, were strengthened to fulfil all the tasks within the implementation phase properly (about 200 projects should be monitored). Ms Sovová also explained the low interest in the programme CZ04, where the Programme Partner is the Ministry of Labour and Social Affairs. This programme was intended for all of the 14 regions in the Czech Republic. The aim of the programme is too specific and is also linked to the changes in the legislation. Because there is no coherence between the policy of the Ministry of Labour and Social Affairs and the policy of the regions in this field and the focus of the programme hasn't been consulted with the regions properly, most of the regions did not apply in the Open Call (only 2 applications were submitted). Roma inclusion is in particular covered by the Small grant scheme and therefore the low interest in the Open Call will have limited impact on the issue of Roma inclusion.

Ms Kudelová also reacted to the cooperation with Programme partners. Generally, the fluctuance of staff within the Czech administration makes the communication more difficult. In any case the NFP is in intensive contact with the Programme partners and the cooperation goes on effective way. A good platform for communication is the Steering Committees, that are held twice a year, and certainly the Cooperation Committees.

Ms Sovová presented the verification procedure with particular steps that had been done in order to speed up the verification process. The crucial measure consists of the cancelling of on-site visits, which will be provided by the Monitoring, realization and evaluation Unit (CFA2) within the beginning of project's implementation. More staff will be hired for this purpose. The whole verification process was simplified and shortened from 2 or 3 months as originally intended, to 3 or 4 weeks. Ms Sovová described two important components of verification: The NFP cooperates with an external company which ensures the **verification of the selection process**. The company controls whether all the processes are in compliance with the internal rules. They monitor for instance: formal assessment, eligibility criteria, potential conflict of interest, proper qualification of external evaluators, meetings of evaluation committee etc. Second component consists of the **communication with the applicant** in relation to the decisions and conclusions of the Selection Committee. All the conditions or potential budget cuts that were suggested by the Selection Committee are communicated with the applicant. The applicant shall accept all the conditions and when necessary (e.g. when budget cuts are proposed) the project proposal shall be adjusted and revised. After these both components are finalized the results of the verification of the selection process is agreed by the Deputy Minister and official letters informing on approval or disapproval of the applications are sent.

Ms Martina Bečvářová, Head of the Implementation, Monitoring and Evaluation Unit (CFA2), introduced a brief statistical data providing information about the number of selected projects, number of project contract signed, start of their implementation etc. In summary, there are 23 pre-defined projects, 489 projects (envisaged) within the open calls and 158 small grant scheme projects. The main challenge that the Programme Operators and project promoters face is a short

period for implementation – only 16 months. This could be a problem especially in construction projects.

The representative of the FMO, **Ms Ragna Fidjestol**, expressed the FMO had the same assessment of risks and challenges. The risk based management approach and speeding up of the processes were recommended.

4. Risk Assessment and Mitigating Measures

Ms Bečvářová had a presentation about the Risk analysis of the EEA and Norway grants 2009-2014 in the Czech Republic. She presented the risks at both national and programme levels. Time risk was marked as the main risk at national level of the whole EEA and Norway grants 2009-14 due to the delay in the preparation of the programmes. She also described different risks at programme level, trends and mitigating measures at national and programme level.

Mr Erdal mainly referred to the **Transparency International Corruption Risk Assessment Report**. He explained, that the country corruption risk assessment and the cooperation with Transparency International is a pilot project and the main purpose of this is to have some external input to help the NFP and the donors to develop effective mitigation measures to the risks identified. The corruption risk assessment pilot is now coming to an end. The cooperation with Transparency International (TI) will now focus on the development of a good set-up for complaint mechanism. The NFP was invited to cooperate with TI in a pilot project to develop a complaint mechanism.

Mr Erdal also informed that the FMO continuously updates its own risk assessment both at national level and programme levels. In the Czech Republic the FMO emphasized the extensive delays that have the impact on the outcome of the risk assessment. FMO perceives institutional risk related to national implementing entities in the Czech Republic to be high due to the delays and the concentration of roles in the Ministry of Finance. On the other hand the FMO observes the improvements in this regard.

Mr Erdal appreciated some of the mitigation measures, especially the cancelling of the on-site verifications in relation to the time risk. His question was related to speed up the start of implementation of the pre-defined projects, because not so many of them had started their activities. He stressed that the most efficient way of addressing the time risk is by prioritizing and focusing the capacity where it is most needed.

Ms Kudelová stated that the results of the evaluation of the TI Assessment were not so positive for the Czech Republic. High perception of the corruption is a general problem in the Czech Republic. The NFP has a very difficult position to influence the situation. In any case it is a high political priority for the Czech government. The NFP certainly follows the legislation and all the good recommendations of TI Assessment. The NFP is aware that it is very important to improve the complaint mechanism and the initial steps to this improvement have already been done.

The NFP is the PO for 10 out of 15 Czech PRGs. It has been decided on the basis of the experience from the first period of cooperation (FM1). The division of competences is not perceived as a possible risk. The NFP would certainly welcome to have less and more effective programmes in the new period of cooperation. Ms Kudelová also stressed the importance of risk management and mitigating measures.

6. Information and Communication

Ms Sovová reminded the participants of the Publicity overview, which is one of the annexes to the Strategic Report Update. She informed about two major publicity issues. First of them are the **Launch conferences**, that have been organized for almost all of the programmes. The last remaining Launch conference is for the CCS programme (CZ08). This conference is going to be held in November or December this year. Second issue is one of the most important publicity tools, which is the **regular update of the information on the web sites**. The NFP updates the brief information about each approved project (description, allocation, duration, project promoter and project partner). The open calls are also announced on the web sites. It is also necessary to mention the update of frequently asked questions in the beginning of implementation phase. Special email box is set for the public/potential applicants to answer their questions.

The NFP also plans to organize the Interim publicity event. Expected date for the event is September 2015. It will be focused on the current stage of implementation and on introduction of results of the implementation of projects. The preparation of this event is in the early stage and concrete information will be provided later.

Ms Bečvářová added that also the project promoters are obliged to have publicity activities within the realization of the project. Project promoters also create their own web sites and thus they distribute the information about the EEA and Norway grants. The NFP will monitor these publicity activities of projects and will inform all the partners about it.

Mr Erdal thanked for all these activities of the NFP, especially for developing a nice web site including features such as a useful calendar and an excellent clickable project map. This should be an inspiration for others. He also emphasized the importance of the complaint mechanism. Mr Erdal also urged the NFP on cooperating with the communication team at the FMO as well as with the Royal Norwegian Embassy. He informed that the FMO also developed new media library as a useful tool in this regard. Mr Erdal also asked for the highlighting of the bilateral aspect of good quality projects. Good quality projects should be very well described in DoRIS since this information is published on the website. It is a responsibility of the PO.

7. Programme Modifications

Ms Bečvářová informed about 3 reallocation requests:

- **Reallocation from CZ14 to CZ01 and CZ12** - Request was already approved in April 2014. Memoranda of Understanding were modified and were accepted by the FMO on 25 September 2014. The Programme Agreement to the programme CZ14 has been signed today, in the beginning of the meeting. The NFP is just waiting for the Technical Assistance Agreement and is also dealing with the Programme Amendment to CZ12. The FMO was asked to send all the amendments as soon as possible. Deadline for reallocation is the end of October 2014.
- **Reallocation from programme CZ08 to CZ09** - Request was submitted to donors in August 2014. The overall requested amount of funds is about 2 million EUR to support the good quality projects on reserve list of the Research programme (CZ09) (7 additional

projects). In this programme there were submitted more than 400 applications, but only 19 were awarded grants.

- **Reallocation from CZ04 to CZ06** - Request for reallocation was submitted at the end of September 2014 after the closure of the deadline for applications. In the Children and Youth at Risk programme (CZ04) only 2 applications were submitted. In the cultural heritage and contemporary arts programme (CZ06) there was a huge interest of applicants within the Open call - 209 of projects applications were submitted and only 25 of them could be supported. The NFP supports this reallocation because of the popularity of the programme and the good level of the submitted projects.

Mr Erdal informed that the two reallocation requests are currently under consideration by the donors, who will decide on the matter at its **meeting on 22 October 2014**. This issue will be discussed and the decision will be sent afterwards. Regarding the reallocation of funds from the Schengen Cooperation and Organised Crime programme (CZ14), the donors are pleased that the subsequent MoU amendments were concluded in September and the annual meeting took note of this amendment. The donors also took note of the need for clarification of some issues regarding programme modifications and a letter to all Focal Points is currently being prepared by the FMO.

Ms Sovová informed about the Programme Modifications affecting the MoU. It concerns especially the possible reallocation between the programme areas within the Environmental Programme (CZ02). In that case the MoU will have to be amended. As the official amendment of the MoU is a time consuming process that could slow down the selection of projects, the donors were asked if the NFP has to wait for the official approval and the MoU change or if the NFP can consider those projects (affected by potential reallocation between the programme areas) regular ones. The issue is then certainly related to the outcomes and fulfilment of indicators within the programmes.

The FMO informed that they are just working on a clarification of this question and the NFP will be informed how to proceed with this issue by an official letter. It was recommended to put the projects exceeding the available allocations in each Programme Area in CZ02 on the reserve list, awaiting the decision on amending the MoU.

8. Bilateral relations and issues

Mr Tomáš Tesař (CFA1) presented an overview of the 1st Open call within the Fund for bilateral relations at national level. He informed the participants about the supported and rejected projects, remaining resources and next Open calls under the Fund.

Ms Kudelová presented the information on the preparation of the Anti-corruption conference that should take place in Prague in June 2015. Allocation for this event is 150 000 EUR. It is necessary to launch a tender for external organisation of the conference. From that reason the NFP urges to organise a preparatory meeting with the Council of Europe and the FMO and with other stakeholders as soon as possible. The preparatory meeting should be held in the beginning of November 2014.

The floor was given to Ms Sovová who informed about the new open call for the Fund for bilateral relations at national level. The call will be launched in January 2015. The focus and parameters of the call will remain the same as in the first open call. She also referred to the special

open call focused on the bilateral cooperation of municipalities and regions. This call is to be launched on 20 October 2014 and will be opened until 31. 12. 2016 or until the allocation (80 000 EUR) is used. Text of the call had been consulted with the FMO. Ms Sovová also added that the bilateral dimension is more visible within this programming period. There are much more projects to be realized in the cooperation with the project partners from the donor states.

Mr Vlastimil Vaněk (CFA1) introduced suggested Focus areas of the Fund for bilateral relations at national level for 2015. As it had been suggested at the Working group of the Fund for bilateral relations at national level, there are 2 proposed areas – **Environment** (by the Norwegian Environment Agency) and **Home Affairs and Justice** (by the Ministry of Justice in the Czech Republic). The donors were asked for approval of these Focus areas.

Mr Erdal appreciated successful Bilateral Seminar on Research and Innovation that was held in Prague and Brno on 22-23 September 2014. The representatives from donor states also participated at the seminar. Mr Erdal pointed out that the cooperation between Czech and donor partners is generally good. Despite of that fact he stressed better involvement of the DPPs into cooperation. The NFP was asked to facilitate direct cooperation and contact between the DPPs and the Programme Partners.

Mr Erdal was also pleased that the preparation of the Anti-corruption conference had started in cooperation with the Council of Europe and he marked this conference as one of the major events under the EEA and Norway Grants in 2015. He stressed it is very important that the donor states, the international partners, the FMO and the Norwegian Embassy are fully included in the preparation.

Suggested Focus Areas of the Fund for bilateral relations at national level in 2015 were approved. In this regard the NFP was invited to ensure that the donors are always well-informed and to encourage broad donor participation, including Iceland and Liechtenstein.

9. Horizontal concerns

This point was introduced by Mr Erdal. The programmes should reflect and promote human rights and good governance in its various expressions, such as combating discrimination, hate speech and hate crime, and promote inclusion of Roma and other minorities. The integration of these horizontal concerns should be reflected in all programmes. Especially **Roma inclusion** was marked as a priority. The NFP as a main coordinator was invited to have a pro-active role in this issue. The NFP should focus on monitoring of the programmes relevant to Roma inclusion and on quality reporting, combining elements of qualitative and quantitative reporting as an appropriate tool in measuring progress and evidencing results. Mr Erdal appreciated the roundtable discussion that was held in Prague in March 2014.

Ms Bečvářová informed about the plan of activities concerning the Roma issue. The NFP plans to organize international conference about Roma pro-inclusive education in cooperation with the project promoter of the Local and Regional Initiatives programme (CZ05). The aim of the conference will be to promote the sharing of good practice and experience between the Czech Republic and donor countries in the field of inclusive education and the role of school in fighting hate speech and hate violence. Conference should take place in autumn 2015.

Ms Kudelová added that all the horizontal concerns are reflected in the particular programmes. She also informed the donors that the NFP has been questioned by different Czech ministries about one of the project supported in the NGO fund (CZ03) over a project linked to the issue of the Transatlantic Trade Agreement on Investment. The project which is critical to TTIP is politically sensitive as the negotiation of this Treaty is a priority for the EU and for the Czech government. The procedures and priorities of the donors and the principles of the support to civil society were explained to the ministries by the NFP.

10. Miscellaneous/Closing Remarks

Mr Erdal welcomed the progress in the implementation of grants in the Czech Republic that was made in the last period and underlined the importance of the implementation phase.

He made a brief summary of the meeting:

- **Signature of Programme Agreement to PRG CZ14.**
- **Approval of the Strategic Reports and of the Strategic Report Update.**
- **Approval of the Focus Areas for 2015 – Environment and Home Affairs and Justice.**
- **Agreement with the new open call for bilateral cooperation of municipalities and regions.**
- **Development of the complaint mechanism in the cooperation with the FMO.**
- **Need to keep the DPPs informed and involved also during the implementation phase.**
- **Emphasis of the principles of Results-Based Management.**
- **Technical meetings between the FMO, NFP and the Norwegian Embassy to monitor progress will continue**
-