

MINUTES

6th ANNUAL MEETING

EEA and Norway Grants 2009 – 2014

Brussels, 30 November 2017

Financial Mechanism Office

LIST OF PARTICIPANTS

Institution	Name
Ministry of Foreign Affairs, Norway	LARSEN Sjur
Ministry of Foreign Affairs, Norway	JOHANSEN Torill
Ministry of Foreign Affairs, Norway	KLEVEN Birgit
Ministry of Foreign Affairs, Norway	LARSEN Espen
Royal Norwegian Embassy in Prague	H.E. SLETNER Siri Ellen
Mission of Liechtenstein to the EU	LOREZ Helen
Mission of Iceland to the EU	VALSSON Oddur
Financial Mechanism Office	TROST Jana
Financial Mechanism Office	LANGE Falk
Financial Mechanism Office	VISTAD Rune
Financial Mechanism Office	TOSBOTN Roger
Ministry of Foreign Affairs, CR	KOPECKÝ Robert
Ministry of Finance - NFP	VAVREČKOVÁ Tereza
Ministry of Finance - NFP	SOVOVÁ Šárka
Ministry of Finance - NFP	IMRICH DUDKOVÁ Veronika
Ministry of Finance - NFP	TOUŠOVÁ Monika
Ministry of Finance - CA	VRÁNEK Petr
Ministry of Finance - AA	PAVLÍK Jaroslav

1. OPENING / ADOPTION OF THE AGENDA

The 6th Annual meeting was opened by the Director of Section for Central Europe of the Norwegian Ministry of Foreign Affairs, **Mr Sjur Larsen**, who chaired the meeting. He welcomed all the participants and thanked the FMO for hosting the meeting that is usually held in the Czech Republic.

He summed up the main points of the Annual meeting agenda and expressed the overall satisfaction with the progress in the Czech Republic.

After that all the participants briefly introduced themselves.

Short opening words were also presented by the representative of Liechtenstein **Ms Helen Lorez**, followed by introductory remarks of the Ambassador of Norway in Prague, **H.E. Ms Siri Ellen Sletner**.

The opening continued with a speech of Acting Director of the National Focal Point of the Czech Republic, **Ms Tereza Vavrečková**. She noted that all the programmes were successfully implemented and that the NFP is now focusing mainly on the closure of the programmes and publicity of achieved results together with the intensive programme preparations within the new period of Financial Mechanisms. She also thanked to the donors for a long term support and cooperation.

Finally, the Agenda of the 6th Annual meeting was agreed by all the participants, with the point related to the Strategic Reports to be discussed before the topic related to the bilateral relations.

2. STRATEGIC REPORTS 2016 AND THEIR UPDATE

Ms Veronika Imrich Dudková, Deputy Head of the Centre for Foreign Assistance – Implementation, Monitoring and Evaluation Unit, had a presentation about the status of programme implementation and their achievements (attachment No. 1). She summed up the main issues and challenges, including disbursements, outcomes and outputs and results from external evaluations. She also presented a table showing all the related figures for every programme (attachment No. 2) and showed a short film from CZ02 pre-defined project.

Mr Larsen appreciated recommendations included in the presentation, especially those stemming from evaluation reports. He noted that more than half of these recommendations are related to the indicators and informed that a day before the list of indicators for new period of Financial Mechanisms was approved. He also pointed out that for the new FM the implementation period was already prolonged so that there is enough time for project and programme implementation and no other extension will be allowed.

He also appreciated the recommendation related to the sustainability of projects, but concluded that it is very difficult to have “general” guideline for sustainability. Mr Rune Vistad from the FMO added that sustainability must be well considered already during the preparation of concept note and during the appraisal of the applications and it must be kept in mind during the whole implementation period.

Mr Larsen also appreciated an idea of comprehensive summary of evaluations to be included in the next year strategic report, which is expected to mostly focus on the impact of the grants. He concluded that the NFP should have higher ambitions when all indicators were surpassed.

When comes to the Strategic Reports **Ms Vavrečková** briefly introduced that the Strategic Reports (both EEA Grants and Norway Grants) prepared by the NFP in cooperation with Certifying and Audit Authorities were submitted to the FMO on 27 March 2017. The Update to the Strategic Reports covering 2017 (up to 30 September 2017) was submitted to the FMO on 25 October 2017. She noted that printed versions of both Strategic Reports and their Update were distributed at the Annual meeting.

Mr Larsen summed up that the Strategic Reports for the Czech Republic were submitted on time, were comprehensive and showed smooth implementation and donors are satisfied with the reports

and progress achieved. However, he pointed out that there are still some issues to be considered during the new period of Financial Mechanisms:

- The implementation of the grants is overburdened with the legal requirements that slow the implementation – he stressed that although the national legislation shall be followed any other rules must be kept to the minimum;
- More flexibility and quicker implementation of the changes is needed especially when it comes to any changes of Regulations during the implementation period and their timely adoption into the national rules;
- The NFP must ensure a close monitoring of all programmes, those programmes for which the Ministry of Finance acts as a Programme Operator and also those where the PO role is within other institutions;
- He also stressed that there must be clear separation of functions between the NFP and the PO within the Ministry of Finance.

Taking into account these points, Mr Larsen asked the NFP to include a special part in the next Strategic Reports where the information on how the administrative requirements were tackled and simplified shall be provided. He asked for the next Strategic Reports that, the executive summary should include further information on bilateral cooperation, with more examples related to bilateral aspects of the Financial Mechanisms.

He also encouraged during the next year not to focus only on the preparation of new programmes but also on the reporting of achievements in the closed programmes and publicity of related results, stories and examples as this type of publicity and promotion is very important.

Finally, Strategic Reports for 2016 and their updates were adopted and approved by the donors.

3. BILATERAL RELATIONS

Ms Šárka Sovová, Head of the Centre for Foreign Assistance – Preparation and Coordination Unit, presented an overview of the Fund for bilateral relations at national level (attachment No. 3). Mainly she focused on implementation of initiative for Czech-Liechtenstein Historian Commission and disbursement figures – overall disbursement of the Bilateral Fund at national level is expected above 85 %. Finally, she appreciated a new approach to the Bilateral Funds where more cooperation with donors is expected.

Mr Larsen appreciated good level of achievement and good progress within bilateral funds (as an example within CZ04 programme in comparison to the last Annual meeting), however, on the other hand, he commented on strict deadlines and strict approach, especially on bilateral fund at programme level. He reminded of the conclusions of the monitoring report of the bilateral fund conducted in September 2016 mentioning big administrative burden of the implementing rules and insufficient publicity of the bilateral funds at national level, as two key conclusions of that report. He stressed that these recommendations should be taken into account when establishing procedures for new Bilateral Fund.

H.E. Ms Sletner added that when implementing Bilateral Funds we should never forget the overall objective of building and strengthening of bilateral relations while stressing publicity and visibility of both partners, and not to set in place overly bureaucratic rules that hamper bilateral cooperation.

Ms Imrich Dudková presented an overview of the funds for bilateral relations at programme level (attachment No. 4). She stressed that amount of funds has significantly increased and is almost spent, although final figures for disbursement are not available yet.

Mr Larsen stressed – based on the example of conference (PRIDE) presented by Ms Imrich Dudková within the CZ04 – when assessing the initiatives more focus must be on considering what exactly can strengthen bilateral cooperation between Czech Republic and the donors. He noted that a possible problem could be related to the fact that the Ministry of Finance is PO for 10 programmes and it is not firmly connected with the content/substance of programmes / projects / initiatives. Ms Jana Trošt, the Country Officer of the FMO, added that based on the status table of the programmes, the programmes where the PO is outside the Ministry of Finance the commitment / disbursement figures are higher.

Ms Vavrečková opposed the statement saying that the Ministry of Finance has long term experience with management of grants and has close relationship with programme partners to properly assess the content of projects / initiatives. Ms Sovová added that the difference can be also because of the content of “external” programmes where two of them are strictly bilateral (CZ07, CZ09) and other two are managed by NGOs (CZ03, CZ12) where not such strict rules are applicable. Furthermore, 3 programmes managed by the Ministry of Finance include only one PDP, so their absorption capacity for bilateral funds was lower.

Ineligible costs under the Czech-Norwegian Research Programme (CZ09)

Ms Vavrečková explained the situation: when assessing the final project reports, the PO (Ministry of Education, Youth and Sport) has found that some of the incurred costs paid by both the Czech as well as Norwegian partners are ineligible stemming from shifted budget lines, which were not in advance approved by the PO. The rule governing this obligation was stated in the project contracts to which the reference was made in the partnership contracts and is based on the Act No. 130/2002 Coll., on research. Ms Vavrečková pointed out that there are also other types of “ineligible” expenditures under the projects that relate to unspent funds paid in advance to the project promoters and partners. She also added that the NFP is aware of the situation since end of summer where some meetings with the PO, FMO and Norwegian Embassy were held in order to discuss and solve the issue. She added that the situation couldn't be revealed earlier due to annual reporting within CZ09 programme and its projects. Although, she acknowledged that the communication between the PO, project promoters and project partners was quite complicated during the whole implementation period, the NFP supports and agree with the PO about the findings and calculation of ineligible expenditures as all the rules (although quite strict) were known from the very beginning of project implementation, and were also explained during seminars for applicants both in the Czech Republic and Norway.

Mr Larsen summed up the donors' point of view on the issue: all the implemented projects under CZ09 were successful, they fulfilled their outcomes and fully contributed to the overall achievement of the programme objectives, but some expenditures were ineligible due to strict approach with regard to a need for prior approval of transfers (in addition relatively small amounts) between budget lines – but there was no indication of any fraud or negligence. He added that this situation causes a frustration on the side of Norwegian donor project partners that could possibly lead to their unwillingness to engage in projects from the new Financial Mechanisms. He concluded that because some Norwegian partners have already returned the unspent/ineligible money back to the PO, the donors will wait until submission of the Final Programme Report (in February 2018) and assess the situation again after that, but they consider these possible irregularities only as administrative breach without any effect on the results of the projects and they are not considered as irregularities by the donors.

He also summed up the lessons learned for the future: the NFP and PO shall reconsider the national rules that go beyond the national legislation and keep them to the minimum without applying too

strict legalistic approach, and the communication between the NFP, PO, project promoters and donor project partners shall be more efficient, allowing that all parties can in timely manner understand all the rules and procedures requested. He expressed his hope that this unfortunate situation will not hamper the successful implementation of new research programme and ask the NFP to properly communicate these problems also to the new Programme administrator – TAČR. Mr Larsen also asked the NFP to consider whether they could influence the revision of the existing rules for the research programmes to make them less bureaucratic and more operational.

Ms Vavrečková thanked for the donors' approach and stated that she fully understands it. She promised to do the best so that such situation cannot occur again and confirmed that the situation is not a systematic problem. She mentioned that for the new period it is proposed to have for every project a "project manager" dealing with all administrative, contractual and financial aspects of the projects in addition to the researchers.

4. PUBLICITY AND COMMUNICATION

Ms Sovová described the NFP activities in the field of publicity and communication – she showed brochures issued for programmes and mentioned also articles in press. She also explained that the new structure of website for the Financial Mechanisms is under preparation and it is under consideration to place it outside of the structure of the webpages of the Ministry of Finance in order to allow for more flexibility. She asked the FMO for their support as they were informed that FMO plans to develop a template web structure.

She informed that the Closing Event for the Financial Mechanisms 2009-2014 shall be held in late spring 2018 in Prague. She also mentioned that for the new period one person within the NFP is dedicated only to the publicity issues (as requested by the Regulations).

H.E. Ms Slettner reacted that an improvement in publicity during last year is visible but the NFP should increase communication activities and further efforts might be needed to enforce cooperation of the NFP with the press department of the Ministry of Finance so that the responsible people within the press department are engaged in the publicity of the Grants. She also expressed the willingness of the Norwegian Embassy in Prague to closely cooperate on the publicity and communication in order to make Financial Mechanisms more visible in the Czech Republic.

Mr Larsen recommended using more social media and still focusing on the publicity of results of projects and programmes under the current Financial Mechanisms until there are any results from the new ones. He also informed that the new Communication and design manual will be issued soon.

5. CLOSING REMARKS

As there were no other points raised under "Miscellaneous", **Ms Vavrečková** thanked for the fruitful and constructive communication with the FMO and the Norwegian Embassy in Prague.

Mr Larsen thanked all for a productive meeting. He stated that although there were some critical remarks stated during the Annual meeting, donors noted significant progress in the Czech Republic, so the Strategic Reports are approved.

He proposed that the next (last) Annual meeting will be held again in Prague in Autumn 2018 – donors will be keen to hear about the measures the NFP takes to ensure less complicated and administratively demanding implementation system.

EEA/NORWEGIAN FINANCIAL MECHANISMS 2014-2021

After conclusion of the Annual meeting the donors asked for brief information about the current status of programmes preparation within the Financial Mechanisms 2014-2021.

Ms Sovová summed up the current status:

- After the signature of the Memoranda of Understanding the Kick-off meeting was held on 6 September 2017 followed by Programme Planning Meetings for all programmes (6-7 September 2017);
- Stakeholder consultations and Programme Strategy Meetings were held for all programmes during October and November 2017;
- POs are now working on results frameworks and concept notes in close cooperation with the FMO, DPPs and IPOs;
- Hopefully concept notes will be officially submitted to the FMO in the beginning of March 2018 (depending on their quality and preparedness);
- NFP is intensively working on the Management and Control Systems that shall be submitted to the FMO together with Audit opinion on it by 4 March 2018;
- NFP is also preparing the Communication Strategy, with the inputs from the external company preparing a SWOT analysis and developing options what can be done in terms of publicity and communication;
- Joint Committee for Bilateral Funds was established and its first meeting will be held on 30 November 2017.

Ms Sovová thanked the FMO for their approach during this phase and pointed out that this way of preparation of concept notes was very interesting and important experience enriching all the parties involved.

Related to the Financial Mechanism 2014-2021 Ms Sovová raised two issues for the clarification with donors and the FMO:

1) Role of the Council of Europe

Ms Sovová explained that the Council of Europe is the IPO for Human Rights part of the programme “Human Rights, Inclusion of Roma and Domestic and Gender Based Violence”, but they started to be also involved in Domestic and Gender Based Violence part.

Ms Torill Johansen, Norwegian Ministry of Foreign Affairs, explained that as the Council of Europe is very experienced in this field as well as very competent and they can be involved also in other part of the programme if they have capacity for it.

Ms Sovová also mentioned that in the programme “Good governance” and “Human Rights, Inclusion of Roma and Domestic and Gender Based Violence” where the Council of Europe is stated as IPO, the CoE also indicated they would like to be the project promoter of 1 or more PDPs. They also informed that for the new period the CoE will no more be in the role of project partner. Ms Sovová explained that there are relevant Czech project promoters to implement the programme (especially under Good Governance programme) and asked the donors / FMO for their opinion.

Ms Johansen answered that it is up to the PO to decide whether it is relevant to have the Council of Europe as the Project Promoter of a PDP.

2) Change of Annex B of the MoU as regards the PO for Research

Ms Sovová also informed the donors that the NFP would like to propose the change of the Annex B of the Memoranda of Understanding in order to change the PO for “Research” programme. She explained that originally in the MoU the Ministry of Finance is stated as the PO and TAČR shall be actively involved in the development and implementation of the programme, but in fact TAČR acts as the real PO. The original provision was stated because of the comments of the Ministry of Education, Youth and Sport (former PO of Research programme) to the Memoranda when submitted it to the Government of the Czech Republic and the NFP intends now to “correct” it.

The donors informed the NFP that if they wish to change the MoU, then they need to submit an official request for the change of Annex B of the Memoranda of Understanding to the donors (via FMO) for consideration.

Mr Larsen concluded this part with the general remarks for the implementation of the Financial Mechanisms 2014-2021:

- No extensions of the implementation period will be allowed;
- Pre-defined projects shall be considered only as second option in case there are no possibilities for open calls;
- More flexibility for Bilateral Funds and overall implementation of the grants in Czech Republic is expected;
- The bilateral aspects of the activities under bilateral cooperation is the key aspect that needs to be considered and respected when deciding on bilateral activities;
- More flexibility in operation of the JCBF is expected with only simple internal rules of the NFP;
- When planning implementation of the bilateral funds it is important to note that the implementation period will be a longer one this time, and that there should be bilateral funds available also for possible future good bilateral activities;
- Considering the conclusion of the purchase of the land by the Czech government in November 2017 (Lety, former pig farm), Mr Larsen repeated the message that has been already communicated to the CZ authorities during the MoU negotiations; the donors are willing to contribute with the grants to mark the historical venue for the Roma population under the programme on Culture (2014 -2021).

ATTACHMENTS

1. Presentation “Programme achievements and main challenges”
2. Table “Status of programmes”
3. Presentation “Fund for Bilateral Relations at national level”
4. Presentation “Bilateral Fund at programme level”