



# **Strategic Report 2013**

## **on the Norwegian Financial Mechanism**

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The Office of the Government of the Slovak republic- National Focal Point

**Slovak Republic**

Version 1.0

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## 1 SUMMARY

The present report covers the period from 1 January 2013 to 31 December 2013 and, following its approval by the Monitoring Committee, will be submitted to donor states. The report does not cover the programme operated by Innovation Norway (Global fund for Decent Work and Tripartite Dialogue).

The Norwegian Financial Mechanism supports four programmes implemented in Slovakia. Three programmes are operated by the Government Office of the Slovak Republic – SK07 *Green Industry Innovation*; SK08 *Cross-border Cooperation*; and SK 09 *Domestic and Gender-based Violence*.

A real progress in the implementation of programmes operated by the Government Office of the Slovak Republic as the Programme Operator has been made in 2013. Under programme SK 08, the programme agreement was signed in August 2013 and under all three programmes, the planned calls for proposals were published and launching conferences, information days or seminars were held. At the end of the reporting period, the selected projects were subjected to a detailed appraisal procedure and the preparations of the Grant Offer Letter were in progress.

The NFP expects the appraisal process to be completed in the first half of 2014 for the programmes and, in the second half of 2014, the selected projects will enter the phase of their actual implementation, which will have a positive impact on the figures concerning the drawing of allocated funds. As at 31 December 2013, the drawing of funds represented 1.39 %. The NFP considers the drawing of funds to be unsatisfactory and reflecting a significant lag in the implementation which occurred at the beginning of the eligibility period due to lengthy negotiation procedure between the Member States.

In 2013, the NFP reinforced its administrative capacities by establishing a strategic operations unit as part of its organisational structure. The new unit will contribute to smooth monitoring, evaluation and assessment of individual programmes.

In 2013, Slovakia did not manage to cover the allocation within Call DGBV01, published under programme SK09, with projects. Almost 50% of the allocation for the call remains available and these funds will be offered under the second call republished with adjusted criteria, in particular those which, according to a survey carried out by the Programme Operator, were the reason for lower attractiveness of this call for potential applicants.

This was not the case with programme SK 07 where the required funds have by far surpassed the allocation for the call. In this programme, however, the circumstances for the outcomes of projects have changed following the entry into force of an amendment to Act No. 309/2009 on the promotion of renewable energy sources and high-efficiency cogeneration, which may result in the possible withdrawal of several applicants from their projects. In this case, however, the Programme Operator will approach the applicants from the “pool” of projects. The NFP does not expect non-achievement of the envisaged outcomes under this programme. The last call that has been published under the above programmes was the one under programme SK08. The call was closed on 31 January 2014 and – at the time of preparation of this report – the administrative evaluation of the received applications was being carried out.

Based on the number of applications received (83), the NFP notes sufficient interest in this call on the part of applicants. However, the current situation in Ukraine may result in problems in the implementation of this programme, because its objective is to support cooperation between the Slovak Republic and Ukraine. Since the beginning of the conflict in Ukraine, the Programme Operator has noticed that Ukrainian organisations became less interested in participating in the implementation of projects. The NFP will continue to monitor the events and, if necessary, will propose changes in the programme to ensure that the funds are spent efficiently and that the planned project outcomes are feasible.

The NFP considers the year 2013 to be a milestone. During the reporting period, the calls were published under all programmes, which is a necessary precondition for starting the implementation of objectives under the individual programmes. The NFP expects that, after the projects are contracted, the year 2014 will see a more significant drawing of funds.

## 2 IMPACT ASSESSMENT AT NATIONAL LEVEL

Impacts at national level cannot be currently assessed, because the actual implementation has not commenced yet. This report will therefore focus on expected impacts and the assessment of potential risks. The National Focal Point invited independent experts, provided them with the wording of the programmes and asked them to draw up recommendations to identify the potential risks and assess how the conditions have changed one year after the submission of the draft programmes, hand in hand with suggesting possible improvements. In majority of programmes, their opinions were positive for the most part.

### 2.1 Cohesion

Cohesion is one of the two main objectives of Norway Grants in removing economic and social disparities across the European Economic Area. Output-driven management requires measurements based on objectively verifiable indicators. Assessing these indicators will enable to track, throughout the programming period, Slovakia's convergence (or non-convergence) towards average values across the EEA. Even though a number of the indicators are not assessed at an international level, an analysis of the data from national sources makes it possible to assess whether Slovakia makes any improvements in this respect or not. Cross-sectoral criteria are a special category because, apart from a few exceptions, it is rather complicated to quantify the benefits of these grants. This and the following chapters will, therefore, describe at least qualitative changes in some of the parameters.

The report defines indicators which were identified in the Strategic Report for 2012 and which will be monitored throughout the entire programming period. They are indicators relevant for individual programmes, i.e., the report does not cover indicators that have no impact on the programmes implemented in the Slovak Republic. Indicators that cannot be verified against statistical data are not be monitored either. The objective of this part of the Strategic Report is not to measure how a programme contributes to meeting these indicators. This contribution cannot be quantified in terms of allocation and impacts of Norway Grants. The Report aims at analysing society-wide changes and trends in the programme areas. At the same time, it can reasonably be assumed that Norway Grants have contributed to bringing about positive changes.

Throughout the implementation period, indicators for the following areas will be monitored:

| Priority sector              | Relevant programmes                | Indicators  |
|------------------------------|------------------------------------|---|
| Green Industry Innovation    | Green Industry Innovation          | The share of RES in final energy consumption in the EEA<br>Unemployment rate in the EEA                               |
| Human and social development | Domestic and Gender-based Violence | Number of women who were victims of the crime of mistreatment of a close person or a person entrusted into one's care |

|  |                                       |  |
|--|---------------------------------------|--|
|  | Cross-border Cooperation with Ukraine | Visas granted at the Representative Offices of the Slovak Republic in Ukraine <sup>1</sup> |
|--|---------------------------------------|--|

### 2.1.1 Green Industry Innovation

#### **Use of renewable energy sources (RES) in energy generation**

In the production of electricity from RES, large hydroelectric power plants had a dominant share accounting for more than 90% of all renewable energy sources. For this reason, the production of electricity from RES was to a large extent dependent on hydroelectric power plants. The growing prices of fossil non-renewable fuels, with crude prices peaking in the middle of 2008, brought biomass into the focus of economic and political attention as an alternative source of energy. The heat sector saw a considerable increase in the use of biomass which indicates that biomass will be the most used renewable energy source in the years ahead.

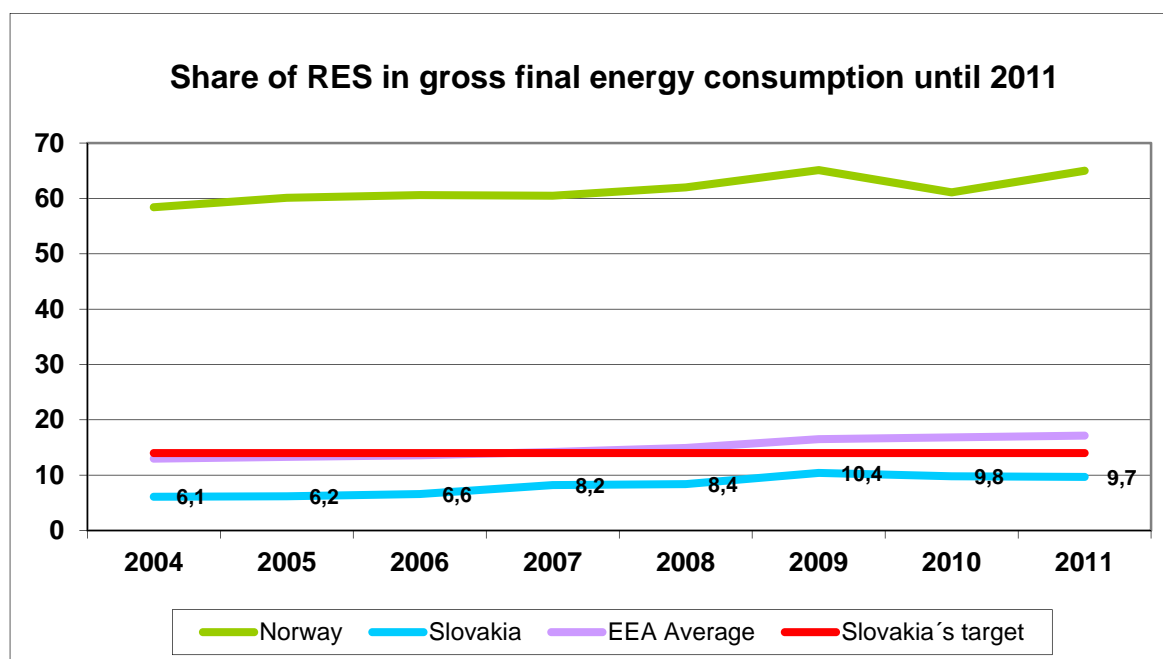
The principal topic of the Green Industry Innovation is the environmental use of organic waste and the production of biomass from areas not used by agriculture in green energy generation. The use of innovative green technology for building an environmentally friendly energy resource of a regional character together with the synergic effect of using waste from agricultural production, producing biomass from areas not used by agriculture and biodegradable components of communal and industrial waste alleviates the negative impact of the energy sector on the environment, improves the competitiveness of green entrepreneurship and contributes to the creation of green jobs.

#### **Statistics**

Slovakia's commitment to increasing the share of renewable energy sources in gross final energy consumption to 14% by 2020 remains unchanged. The objective was set in accordance with Directive No. 2009/28/EC on the promotion of the use of energy from renewable sources. In accordance with this Directive, the Slovak Government approved the National Renewable Energy Action Plan in October 2010. The Action Plan identified the reserves in using biomass as a valuable alternative to fossil fuels and called for a wider use of biomass not only for generating heat, where its share has increased considerably for the past few years, but also as a suitable source for electricity generation. This implies that the programme could also contribute towards meeting the targets under Directive No. 2004/8/EC on the promotion of cogeneration based on a useful heat demand in the internal energy market and amending Directive 92/62/EEC (the so-called Combined Heat and Power (CHP) Directive).

Slovakia is making great strides towards the 2020 target and experts agree that it should definitely meet the 14% target in 2020.

<sup>1</sup> [http://www.minv.sk/swift\\_data/source/policia/hranicna\\_a\\_cudzinecka\\_policia/rocenky/rok\\_2012/2012-rocenka-UHCP-SK.pdf](http://www.minv.sk/swift_data/source/policia/hranicna_a_cudzinecka_policia/rocenky/rok_2012/2012-rocenka-UHCP-SK.pdf)

Chart 1: The share of renewable energy sources in gross final energy consumption in the EEA.<sup>2</sup>

As shown in the chart, the share of RES slightly dropped in 2011 (more recent data were not available at the time of preparation of this report) against 2010. Compared to Norway, however, the RES share is infinitely lower. As implied above, experts share the view that Slovakia will reach the 14% target in the share of RES by 2020.

At present, the NFP is unable to say if and how the selected projects would contribute to meeting this target through programme SK 07. If applicable, the impact of the SK 07 programme on meeting the 14% target can be analysed only after the implementation of the programme will have commenced, or after the objectives under the individual projects will have been achieved.

## **Unemployment**

The Slovak Republic is a country with one of the highest unemployment rates among the EU countries. The Green Industry Innovation Programme will definitely not resolve Slovakia's problems with unemployment. On the other hand, it creates jobs in the most affected industries. The proposed programme will include investment in industry focusing on the production of energy commodities, investments in logistics centres for the transport and storage of biomass and investments in agriculture with a focus on biomass production.

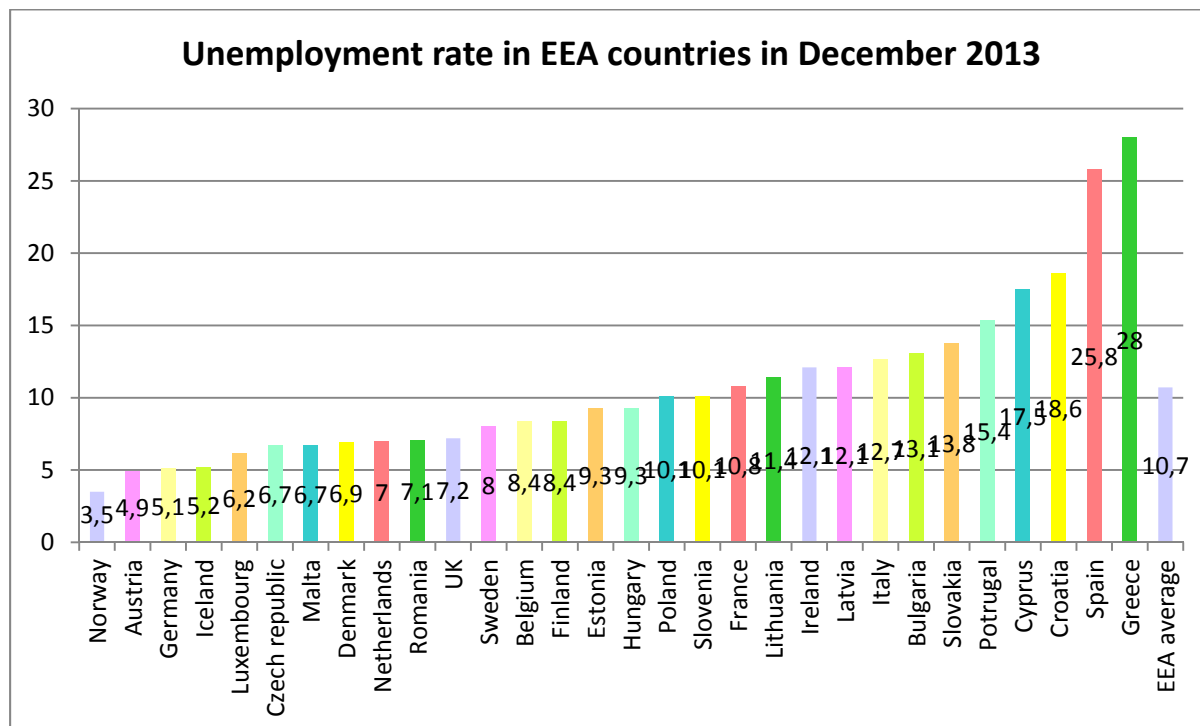
## **Statistics**

The above chart implies that unemployment is a phenomenon not only faced by Slovakia, but also by the entire EEA. The average unemployment rate in the European Economic Area, i.e.,

<sup>2</sup> Based on EUROSTAT data

the unemployment rate calculated as the arithmetic mean of unemployment rates in the individual EEA countries, stood at 10.7%<sup>3</sup> at the end of 2013.

Chart No. 2: Unemployment rate in EEA countries in December 2013<sup>4</sup>



The impact of programme SK07 on unemployment cannot be quantified so far even at the lower-regional level. Considering the objectives of the programme, the NFP expects that it would at least partially contribute to addressing the issue of unemployment by creating jobs. Considering the progress in the implementation of the Programme, the NFP is unable to predict how many jobs will be created through the implementation of the individual projects. The NFP will be able to provide information on this figure only at the time of the preparation of the Strategic report for 2014.

### 2.1.2 Cross-border Cooperation with Ukraine

The objective of the Cross-border Cooperation Programme is based on the need to address problems related to economic marginalisation of regions that are located far from economic and political centres of the national territories, as well as on the need for mutual cooperation within cross-border activities. In the recent years, the EU has been intensively focusing its attention on cross-border cooperation due to the need to address internal and external imbalances resulting from EU's enlargement in 2004. Stable and prosperous neighbourly relations represent the key interest of the EU.

<sup>3</sup> With the exception of Switzerland and Liechtenstein which were not included in the calculation.

<sup>4</sup> Based on EUROSTAT data



The programme of Cross-border Cooperation with Ukraine focuses on the Prešov Self-governing Region and the Košice Self-governing Region in Slovakia and Transcarpathia in Ukraine in particular in areas along the common border. Cross-border cooperation should be used as an instrument for reducing disparities between the EU and target regions that are lagging behind other regions in the country and the EU. The situation is similar on the Ukrainian side of the border.

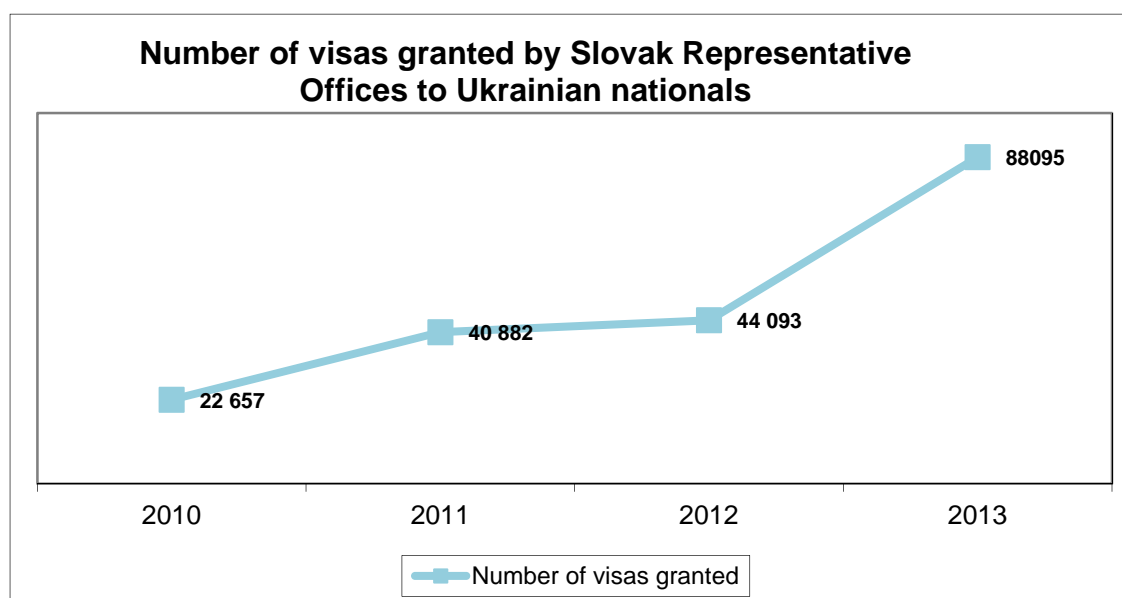
The programme will be successful only if two conditions are met – removing a portion of the administrative burden associated with the visa requirement and reducing the waiting time at the border crossings between Slovakia and Ukraine.

The current situation in Ukraine can have a very negative impact on the basic principles of this programme, because the involvement of Ukrainian institutions is crucial for meeting the objectives of the programme. At the time of preparation of this report, it is not possible to predict whether the situation in Ukraine will be stabilised in the near future. The NFP will wait for the evaluation of projects submitted under the call and assess the need for modifications to the programme based on the situation in Ukraine and the objectives, activities or involvement of Ukrainian institution in the respective projects.

### **Statistics**

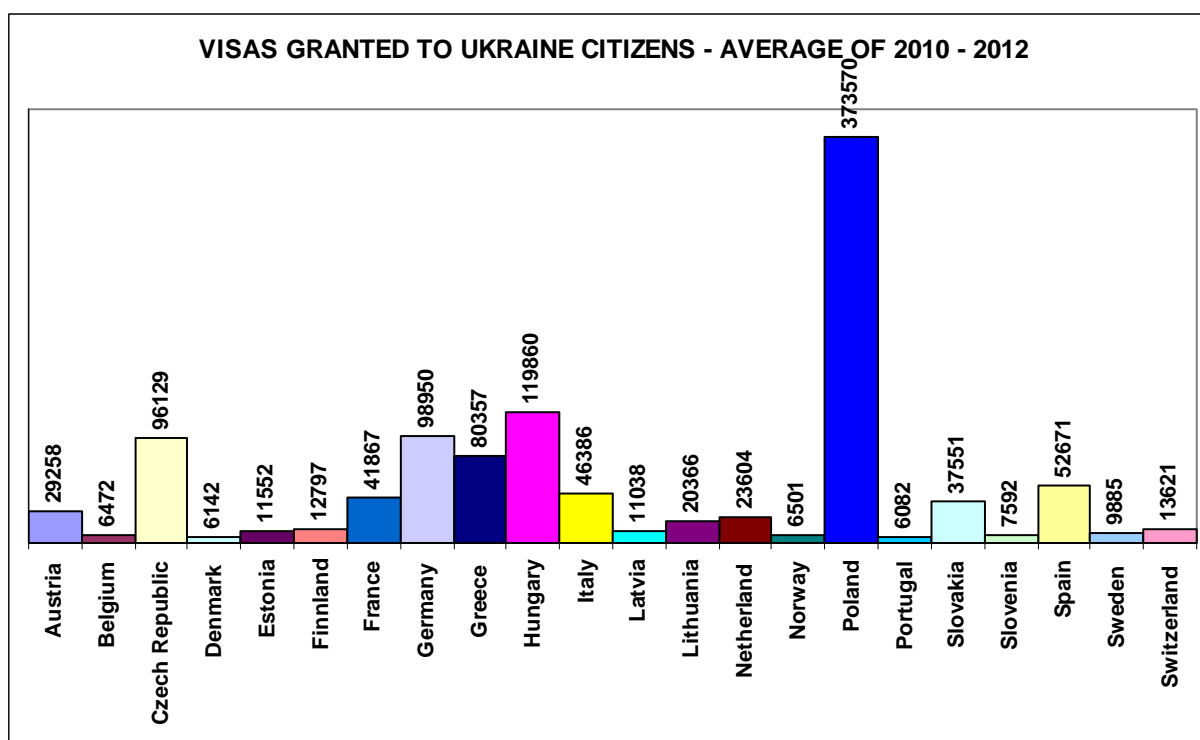
In 2013, the Representative Offices of the Slovak Republic granted a total of 88 096 visas to Ukrainian nationals, which is two times more than in 2012.

Chart 3: The number of visas granted by Slovak Representative Offices to Ukrainian nationals<sup>5</sup>



<sup>5</sup> Based on data provided in the Statistical Yearbooks of the Office of Border and Foreign Police of the Presidium of the Police Force [http://www.minv.sk/?rok\\_2013](http://www.minv.sk/?rok_2013)

Chart 4: The number of visas granted to Ukrainian nationals by the Schengen Area countries – an average for 2010 – 2012<sup>6</sup>



Out of 23 Schengen Area countries, Slovakia ranked 9<sup>th</sup> in the average number of visas granted to Ukrainians between 2010 and 2012. The statistical figure for 2013 was not available at the time of preparation of the report. It is good news that the number of visas granted has doubled in 2012 against 2010.

### 2.1.3 Domestic and Gender-based Violence

The developments in 2013 were positive in that several strategic documents have been adopted in the area of domestic and gender-based violence. These included the Report on the implementation of the National Action Plan for the prevention and elimination of violence against women for the years 2009-2012 and its updates, the National Action Plan on combating and eliminating violence against women 2014-2019, and the Monitoring of social services for women experiencing violence and for their children from the perspective of European standards.

The key findings of the Report on the implementation of the National Action Plan for the prevention and elimination of violence against women for the years 2009-2012 were that, even though the tasks under the previous action plans were being continuously fulfilled and a clear progress has been made in combating violence against women, a systemic approach and

<sup>6</sup> Based on DG Home Affairs data, [http://ec.europa.eu/dgs/home-affairs/what-we-do/policies/borders-and-visas/visa-policy/index\\_en.htm](http://ec.europa.eu/dgs/home-affairs/what-we-do/policies/borders-and-visas/visa-policy/index_en.htm), for A-type and C-type visas and limited territorial validity visas

coordinated provision of assistance of women experiencing violence, as well as systematic primary prevention, were still missing.

Therefore, the goal of the National Action Plan for the prevention and elimination of violence against women for the years 2009-2012 is to create, implement and coordinate nation-wide policy for the prevention and elimination of violence against women. The fulfilment of this goal may also be facilitated by the establishment of the Coordinating Methodological Centre for combating violence against women and domestic violence which should be established at the beginning of 2014 and is being implemented as a predefined project under programme SK09 *Domestic and Gender-based Violence*.

The Monitoring of social services for women experiencing violence and for their children involves a comparison of the provided social services in terms of gender-based violence with the minimum Council of Europe standards for support services for women experiencing violence as the basic document for setting the parameters of this monitoring. Based on the methodology prepared by Open Society Foundation, field collection of data and information has been carried out in all regions of Slovakia. The analysis of the data provides an arbitrary assessment of the quality and quantity of specialised social services for women experiencing violence and their children, while proposing their improvement or extension based on the minimum standards of the Council of Europe.

### **Statistics**

“In 2012, 207 women in Slovakia were registered as victims of the crime of mistreatment of a close person or a person entrusted into one’s care.

116 people, of whom 108 were men, were convicted of the crime of mistreatment of a close person or a person entrusted into one’s care (Section 208 of the Criminal Code). As regards sexually motivated crimes, a total of 350 persons were convicted, which accounts for one percent of all convicted persons. The above figures do not reflect the actual situation in the current crime rate of the population. In addition to crimes against life and health, as well as sexually motivated crimes, there has been, for many years, latent occurrence of crimes against persons dependent on the offender or in his direct care (children, wife, siblings, parents, partner, etc.) who are not able to take action themselves or because they delude themselves into thinking that their behaviour triggered or provoked the offender, or because they feel ashamed or afraid of being condemned by the people in their vicinity, or because they think that nobody could help them anyway. The victims are often intimidated by threats of battery or murder, also with respect to their nearest relatives. This is one of the reasons why it is very difficult to get a real picture of domestic violence and mistreatment of a close person or a person entrusted into one’s care.”<sup>7</sup>

At the time of preparation of this report, the statistics for 2013 was not available yet.

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<sup>7</sup> Source: <http://portal.statistics.sk/showdoc.do?docid=29766>

Chart: Number of women as victims of the crime of mistreatment of a close person or a person entrusted into one's care<sup>8</sup>



#### 2.1.4 Horizontal issues

The Norway Grants include the following horizontal priorities:

1. Human rights and minorities
2. Combating discrimination, racism, xenophobia
3. Gender equality, gender-based violence
4. Combating hate speech

In this section, the strategic report deals with combating discrimination, racism, xenophobia, gender equality and gender-based violence, and combating hate speech.

#### Human rights and minorities

Considering the implementation of a broad range of cultural and social activities to be carried out under programme SK08, the NFP expects that the programme will contribute to multicultural understanding. At the same time, the programme is open to the submission of projects dealing with human rights, the implementation of which will contribute to the strengthening of these rights. Through the implementation of programme SK09 oriented at combating violence against women and domestic violence, the respect for the human rights of women and other potential victims will be directly supported.

#### Combating discrimination, racism, xenophobia

<sup>8</sup> Source: <http://portal.statistics.sk/showdoc.do?docid=29766>

According to the NFP, combating discrimination and racism is supported through projects under programmes SK07, SK08 and SK09. Despite the technical focus of programme SK07, the NFP expects a positive impact on the employment of socially less advantaged groups, in particular Roma, who could be employed in activities associated with the cultivation and collection of biomass and its preparation for further processing, as well as in construction works. The employment of socially excluded groups will significantly support the principle of non-discrimination. Promoting tolerance is also one of the objectives of programme SK08. Creating new and supporting existing partnerships will contribute to better understanding and mutual knowledge as a prerequisite of tolerance. Another programme supporting anti-discrimination is the SK09 programme which helps promote zero tolerance towards violence against women. With the help of activities under the programme, it will be possible to build a more tolerant society, one that will not accept any forms of violence. Violence against women is also one of the reasons preventing full equality between men and women.

### **Combating extremism, gender-based violence**

Combating anti-extremism and gender-based violence will primarily be supported by programme SK09 which aims to create new services and support the existing services based on a systemic approach by creating or strengthening an integrated system of crisis intervention (Coordinating Methodological Centre, women's shelters and counselling centres) and by completing the network of social services, all of which will be complemented by the preparation of methodologies and standards, as well as training for professions relevant for these areas. Public campaigns, preventive education and other "soft" activities will represent a complementary mechanism for supporting prevention and education efforts leading towards zero tolerance to violence against women and domestic violence. The implementation of the National Action Plan for the prevention and elimination of violence against women for the years 2009-2012 advanced significantly with the implementation of the programme in 2013. The impact of several public awareness raising events on gender-based violence was visible already after the first year of the programme implementation.

### **Combating hate speech**

The Financial Mechanism Office asked the National Focal Point, as well as all focal points in recipient countries, to publish, on their websites, information about a campaign entitled "Combating hate speech online". The campaign is carried out under the auspices of the youth and community programmes department of the Ministry of Education, Science, Research and Sport of the Slovak Republic which, at the initiative of the Council of Europe, established national committee "Bez nenávisti na internete" to coordinate activities carried out as part of the CoE's No Hate Speech Movement campaign in Slovakia.

The campaign to combat hate speech online started 22 March 2013 and continues throughout 2014. The EAA and Norway Grants entered into a strategic partnership with the Council of Europe to promote tolerance and fundamental rights. Hate-combating activities are

supported from the Non-governmental Organisations Fund under the EEA Grants. The information in its original wording, along with its Slovak translation, has been published on the website since 2013.

## 2.2 Bilateral relations

In order to seek and find project partners in donor states and to further develop such partnerships and prepare project applications in cooperation with a donor partner, support is provided under programmes' bilateral funds. When publishing calls for project proposals at programme websites, the Programme Operators also included information about the opening of a programme's bilateral fund.

| Area             | Relevant programmes       | Indicators   |
|------------------|---------------------------|--|
| Trade            | Green Industry Innovation | Norway's FDI in Slovakia <sup>9</sup>              |
| Student mobility | EEA Scholarship Programme | Number of Norwegian full-time students in Slovakia |

### 2.2.1 Trade

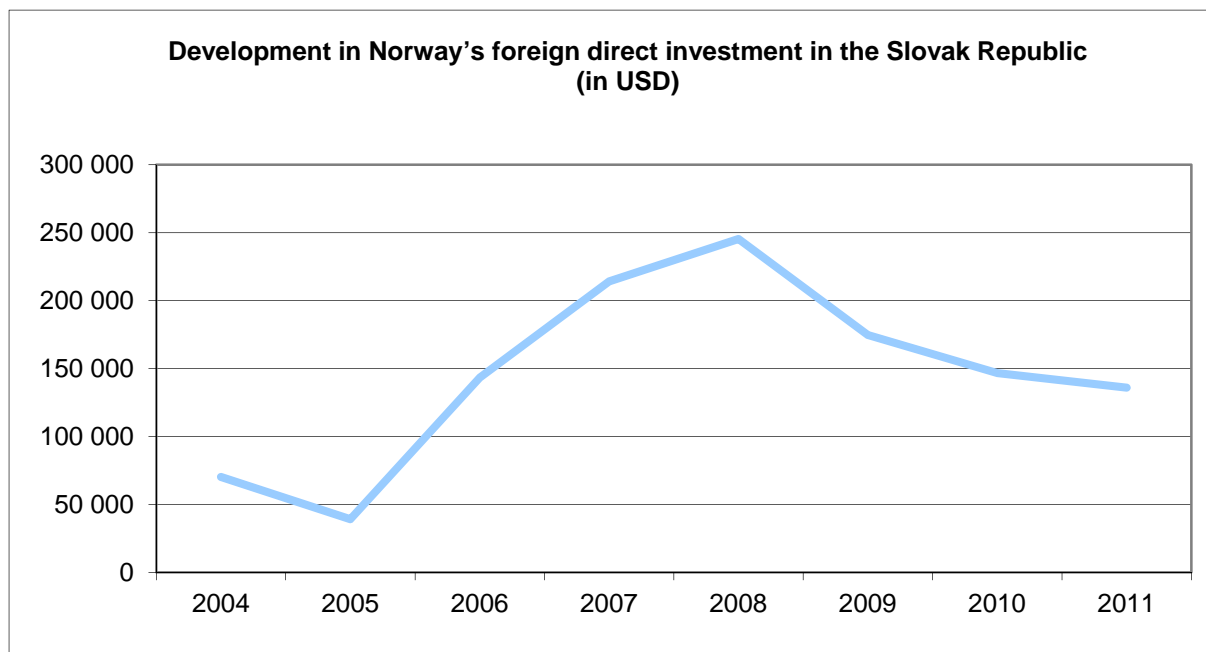
According to the National Focal Point, the relationships between Slovakia and Norway, Liechtenstein and Iceland can be measured using economic indicators, in particular. The size of Norway's foreign direct investment in Slovakia (hereinafter only as "FDI") seems to be most relevant one. According to the National Bank of Slovakia, Norway's FDI in Slovakia declined between 2008 and 2011 (more recent data were not available at the time of preparation of this report). Statistical data on Slovakia's foreign direct investment in Norway were not analysed at all. Consequently, no change could be seen in this area in 2011. Engagement of donor partners in individual programmes, and their actual implementation could help reverse this trend.

### Statistics

Chart 6: Development in Norway's foreign direct investment in the Slovak Republic<sup>10</sup>

<sup>9</sup> <http://www.nbs.sk/sk/statisticke-udaje/statistika-platobnej-bilancie/priame-zahranicne-investicie>

<sup>10</sup> Based on the National Bank of Slovakia data <http://www.nbs.sk/sk/statisticke-udaje/statistika-platobnej-bilancie/priame-zahranicne-investicie>



### 2.2.2 Student mobility

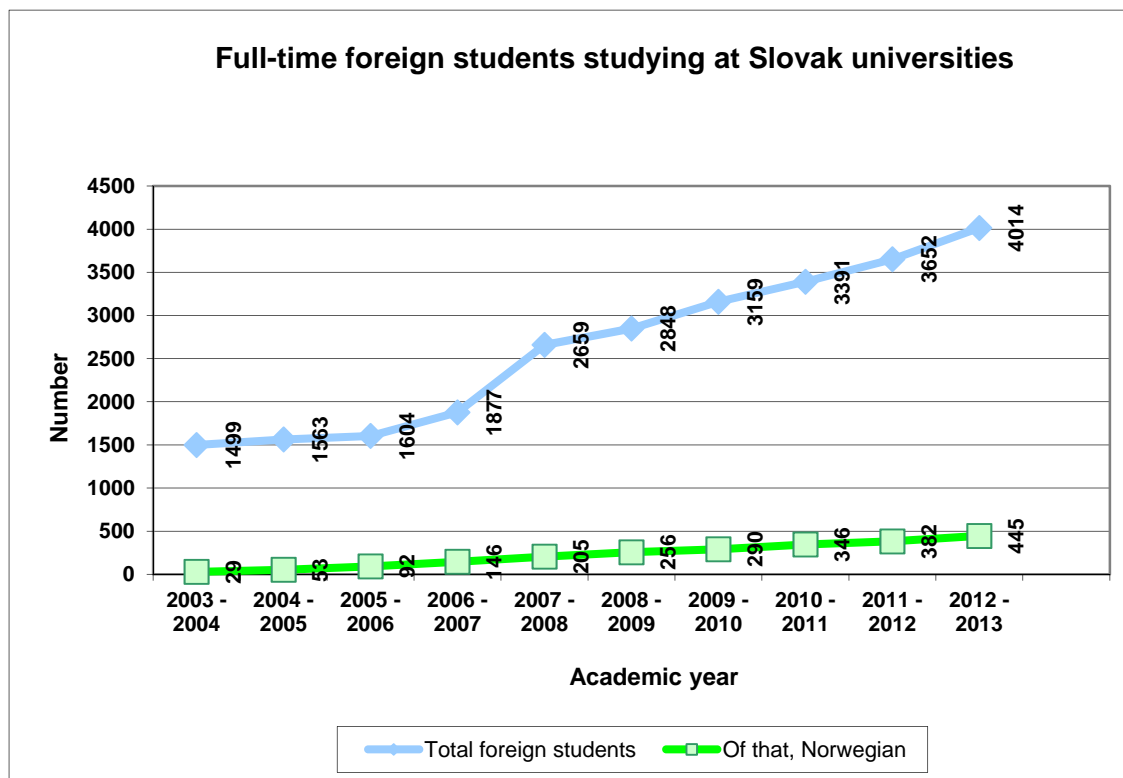
The EEA Grants were and are used to fund student mobility both in the previous and current programming period. Norway's, Iceland's and Liechtenstein's potential to accept foreign students is limited. In spite of this, these grants were extremely popular in the previous period. Norwegian and Icelandic students are especially interested in a medicine study programme at the medical faculty in Martin. In the 2013/2014 academic year, around 40 students from Iceland and 80 students from Norway started studying at the Martin medical faculty. Their preparation for studying in Slovakia is done in cooperation with the Bjørknes College in Oslo. The total number of Norwegian and Icelandic students in Slovakia rose to more than 500 in 2013. The scholarship fund is expected to further support this trend.

#### Statistics

The number of foreign students in Slovakia has more than tripled since the 2003/2014 academic year. For the sake of comparison, more than 39 000 foreign students studied in the neighbouring Czech Republic between 2003 and 2013<sup>11</sup>. According to the information at our disposal, the total number of Slovak students studying abroad is not assessed for statistical purposes.

Chart 7: Full-time foreign students studying at Slovak universities

<sup>11</sup> Source: <http://www.msmt.cz/vzdelavani/skolstvi-v-cr/statistika-skolstvi/data-o-studentech-poprve-zapsanych-a-absolventech-vysokych>



### 2.2.3 Evaluation of bilateral relations

Generally, the bilateral relations between the Slovak Republic and the donor states are excellent, friendly and constructive, having strong prospects of their further development and of intensifying mutual understanding and cooperation. Beyond any doubt, the policy profile and visibility of grants create a platform and encourage interest in information about Norwegian society and the values on which Norwegian society is built and has long been supportive of.

In general, partnerships with donor programme partners provide a wide range of consultancy activities and room for application of practical experience of partner institutions under the relevant programmes.

The National Focal Point had the opportunity to see how the donor programme partners participated in the preparation of draft programmes. It can be clearly stated that, even though there were problems in some cases because the entire programme-level partnership system was new and the powers of the individual institutions were not quite clear in the beginning, these problems were resolved quickly and the donor partners brought in their expertise and valuable knowledge from other countries and cultures. In the reporting period, the donor programme partners participated in the implementation of the grants in particular through the cooperation committees, selection committees and the individual events organised under the programmes, etc.



Donor programme partners have considerably contributed to the implementation of the programmes by providing inputs to programming documents, searching for potential partner entities and facilitating conclusion of project partnerships, ensuring participation of potential partner institutions at workshops for future partnerships, and creating lists of potential partner institutions that were published along with calls for project applications. Of course, entities not included in such lists could and can also be selected as project partners. A higher number of applications for contributions from the bilateral fund under Measure A showed an increased interest in creating project partnerships. The donor programme partners also cooperated with the Programme Operator in the evaluation process of applications for contributions from the bilateral fund. Wider bilateral effects are assumed and expected to be brought by the implementation of programme bilateral funds under measures B. The donor programme partners actively participated in a majority of events organised under individual programmes.

All events organised in 2013 also concentrated on the presentation of bilateral dimensions in the implementation of EEA and Norway Grants. Donor programme partners participated in/cooperated on a large number of the events and were presented, along with potential partner institutions, at all workshops for future partnerships. Such activities contribute to creating positive effects and reflect successful forms of cooperation between Slovak entities and donors responsible for and participating in the implementation of programmes.

The NFP assesses the cooperation between Programme Operators and individual donor partners as very active and mutually rewarding. A more detailed evaluation of bilateral cooperation is included in individual annual programme reports.

As far as project partnerships are concerned, the situation is satisfactory in general, as 66 partners are expected to be involved in the implementation of projects submitted in the reporting period.

### **Evaluation of bilateral cooperation by four defined types of outcomes**

In terms of the actual scope of cooperation, institutions from the donor states are involved, to the maximum extent possible, in the implementation of EEA and Norway Grants at the programme as well as project level. At the project level, they are engaged in the search for possible partnerships under bilateral funds. The data on the number of partnership agreements concluded in the reporting period is not available and, therefore, the exact number of partnership institutions engaged in implementation cannot be specified at the moment.

In terms of result sharing, it should be noted that know-how transfers and sharing of experience and knowledge, strategies, ideas and good practices are integral part of the implementation of programmes. Support has been launched from the programme bilateral funds under Measure A to achieve results in the implementation of such bilateral processes. Further expansion and support to achieve results in these areas will be ensured through

measures B under the programme bilateral funds, as well as the planned launch of a national Bilateral Fund under its individual components.

In terms of improved knowledge and common understanding, it should be noted that all publicity measures are closely linked with the presentation of donor states and contributions they provide to Slovakia. Permanent publicity of donors' tasks and positions in the implementation of programmes, coupled with a general presentation of bilateral dimension of the EEA and Norway Grants, contributes to raising public knowledge and awareness of this cooperation.

In terms of wider bilateral effects, the actual implementation of programmes and projects and the achievement of results in the three foregoing groups are expected to ensure that wider bilateral effects are achieved, as well. An increased attention will be paid to achieving this goal during Slovakia's presidency of the Council of the EU which, according to the National Focal Point's opinion, will commence implementation of key publicity measures particularly designed to bring about wider bilateral effects through the presentation of programme outcomes with respect to reinforced bilateral relations, clear identification of donors that have provided financial assistance to achieve relevant outputs, as well as all entities engaged in implementation. The planned implementation of a pre-defined activity under the bilateral fund at the national level, focused on regional cooperation in foreign and security policy between the V4 Group countries and Scandinavian countries, represents an important action to achieve the outcomes of type four.

### **Brief overview of basic risks in bilateral relations**

**With respect to bilateral risks**, all risks are generally low and the NFP seeks to avoid them by applying a responsible approach and outlining measures to eliminate them to the largest extent possible.

A possible risk in relation to the unfinished project selection procedure is that **projects with a stronger potential for development of project partnerships may fail to pass the evaluation**, while a project with weaker potential would pass.

To eliminate possible risks, it is necessary to **engage all resources and capacities of donor programme partners** in achieving the maximum effects in supporting project partnerships. To that end, five workshops for future partnerships were organised, with considerable participation of donor entities. **Their insufficient engagement** could result in a lower share of project partnerships concluded, therefore, the maximum possible utilisation of available capacities and strong efforts of all entities involved in the implementation eliminate the said risk.

## **3 PROGRAMME PROGRESS**

### 3.1 Overview of programme progress

In 2013, the NFP and donors agreed to dissolve an emergency reserve of EUR 2,160,000. The amount was re-allocated to programme SK07 *Green Industry Innovation* and programme SK09 *Domestic and Gender-based Violence* in a 60/40 ratio.

Under programme SK07 *Green Industry Innovation*, one call for project proposals was published in March 2013, within which the Programme Operator received 13 project applications, eight of which were submitted in cooperation with a project partner from Norway. 12 projects complied with the eligibility criteria and advanced to expert evaluation. Under programme SK08 *Cross-border Cooperation*, Call CBC01 for project proposals was published in September 2013 and, in December 2013, Call CBC02 was published under the small grant scheme implemented by the Prešov Self-governing Region. Both calls were still open as at the end of the reporting period.

Call DGBV01 under programme SK09 *Domestic and Gender-based Violence* was published in March 2013 and closed in July 2013.

List of calls, their status and number of applications received:

| Programme area                           | Call code           | Available allocation | Status | Applications received | Project grant sought |
|--|---------------------|----------------------|--------|-----------------------|----------------------|
| SK07 Green Industry Innovation           | GII01               | € 16,064,757         | closed | 13                    | €28,132,210.09       |
| SK08 Cross-border Cooperation            | CBC01               | € 10,780,999         | open   | n/a                   | n/a                  |
|  | CBC02 <sup>12</sup> | € 2,752,370          | open   | n/a                   | n/a                  |
| SK 09 Domestic and Gender-based Violence | DGBV01              | € 4,170,000          | closed | 15                    | €2,656,659.70        |

The total amount of funding sought within projects under programme SK07 exceeds total allocations available for individual calls. Therefore, the NFP considers the number of applicants sufficient to cover the allocation under this programme. On the other hand, the financial allocation for Call DGBV01 under programme SK09 is not sufficiently covered by projects. More details about the reasons why the allocation was not drawn are given in Chapter 3.2.3.

<sup>12</sup> Call under the small grant scheme implemented by the Prešov Self-governing Region

In 2013, the Certifying Authority received advance payments from the FMO for the programmes with respect to which programme agreements were signed that year (SK07 and SK08) in the total amount of €2 943 283.

Based on the seven IFRs approved and submitted to the FMO in 2013, the Certifying Authority received interim payments for programmes SK07, SK08 and SK09 in the total amount of €4 751 667 that were subsequently paid to the Programme Operator in accordance with the Regulations. Under these IFRs, the Certifying Authority also approved and submitted to the FMO eligible expenditures for programmes SK07-09 in the total amount of €272 213.

Since individual projects have not yet been implemented under the NFM, possible absorption-related problems or problems with the drawing of the funds could not be identified.

An overview of the disbursement of funds on Certifying authority level is provided in Annex 9.

## **3.2 Overview of individual programmes**

### **3.2.1 SK07: Green Industry Innovation**

|                      |   |
|----------------------|---|
| Programme area:      | Green Industry Innovation   |
| Programme Operator:  | National Focal Point - the Government Office of the Slovak Republic |
| DPP:                 | Innovation Norway   |
| NFM allocation:      | EUR 14,628,000  |
| National co-funding: | EUR 2,581,412   |
| Programme progress:  | Expert evaluation of projects                                       |

The objective of the programme is to increase the competitiveness of green enterprises, including the greening of existing industries, green innovation and green entrepreneurship. The principal topic of the programme is the environmental use of organic waste and the production of biomass from areas not used by agriculture in green energy generation. In addition, the programme should bridge the gap between research and the market adoption of its outcomes. The programme's primary focus is on increasing the creation of green jobs and green entrepreneurship.

The Programme Operator continued close cooperation with the Slovak Environmental Agency (SEA), the Ministry of Economy of the SR, the Slovak Innovation and Energy Agency and the Agricultural Technical and Testing Institute. However, these institutions are not formally participating in the programme as partners. Cooperation was and will be based on individual experts providing consultancy and proposals as necessary and at the request of the Programme Operator. The works mainly involved the preparation and finalisation of the key

programme documents, the state aid scheme, criteria for the evaluation applications and the list of required annexes to the project applications.

At the beginning of 2013, the Programme Operator and experts participating in the preparation of the programme specified the criteria for the selection of projects which were approved by the Cooperation Committee. At the same time, the Programme Operator appointed an independent expert to prepare a study about the programme with a focus on the strategic assessment of the programme relevance, developments in applicable legislation between the date of submission of the programme to donors for assessment and the present time, as well as the progress in the area of biomass processing in the relevant period and, last but not least, the assessment of the appropriateness of the setting of the proposed indicators and their quantification. The outcome of the study was the conclusion that the programme *Green Industry Innovation* is a relevant financial mechanism linking agriculture, services and energy generation sectors into one compact whole within which it will be possible to create jobs for the preparation of raw materials for logistic centres, prepare fuel with the use of innovative technology and processes and ensure its optimum distribution to electricity and heat generators or processors of biomass and products made from biomass. The programme will also contribute to the fulfilment of Europe 2020 objectives and the national objectives of the Slovak Republic in the area of employment, as well as the use of renewable energy sources. The open call for the submission of project applications was published in March 2013 and 13 applications were received. 12 projects complied with the eligibility criteria and advanced to the expert evaluation. Based on the expert evaluation and available allocation, seven best ranking projects were selected. The eighth project cannot be supported in the requested grant amount.

At the end of 2013, no projects were contracted and, therefore, the individual projects were not yet implemented. Nonetheless, it is possible to expect that these projects would contribute to the overall objective of the programme, as can be assumed from the expected outcomes of the individual projects.

On 30 December 2013, the Programme Operator submitted a draft request for the modification of the programme agreement concerning the re-allocation of the reserve for the programme *Green Industry Innovation* in the amount of EUR 2,160,000. This amount should be used for increasing the programme allocation by EUR 1,160,000 to intensify the creation of green jobs and entrepreneurship and by EUR 1,000,000 for a predefined project of the Government Office of the Slovak Republic and a Norwegian partner.

Legislative issues pose the biggest risk for the implementation and, in particular, the sustainability of projects. An amendment to Act No. 309/2009 on the promotion of renewable energy sources and high-efficiency cogeneration has been effective since January 2014 and reduces the feed-in price for electricity in relation to the amount of support provided from the state budget for the respective facility, which is also the category applicable to the contribution provided under the NFM. This change may result in two applicants withdrawing from their project applications. To mitigate the risk arising from legislative changes in the relevant laws, the Programme Operator needs to closely cooperate with experts not only from

the Ministry of Economy of the Slovak Republic, but also from other ministries (agriculture, environment).

The programme is implemented in cooperation with Innovation Norway as the donor project partner and this lays the groundwork for establishing partnerships with various Norwegian institutions at project level. Along with the call for the submission of project applications, Measure A of the Bilateral Fund was opened as well. At the same time, the Programme Operator also organised a matchmaking seminar attended by the representatives of Innovation Norway and four Norwegian institutions. Out of the submitted applications, it is likely that 8 projects will be supported, five of which were joined by a Norwegian partner.

### 3.2.2 SK08: Cross-border Cooperation

|                      |   |
|----------------------|---|
| Programme area       | Cross-border Cooperation  |
| Programme Operator   | National Focal Point - the Government Office of the Slovak Republic |
| DPP:                 | Norwegian Barents Secretariat                                       |
| NFM allocation:      | EUR 12,720,000  |
| National co-funding: | EUR 1,908,000   |
| Programme progress:  | Publication of calls  |

The objective of the programme *Cross-border Cooperation with Ukraine* is to strengthen cross-border cooperation between the regions on both sides of EU's external border. The programme is targeted at the Slovak-Ukrainian cooperation with a focus on supporting people-to-people contacts and exchange of experience, good practice in cross-border projects between Norway and Slovakia, as well as obtaining information and establishing contacts in Europe.

The programme will support those projects which will contribute to accomplishing the four outputs of the programme: supporting new and existing cross-border partnerships/networks; enhancing the exchange of know-how, best practices and experience with Norway; creating better conditions at the border crossings; and improving the cross-border information flow – the fulfilment of which will help reduce the existing barriers to cross-border cooperation.

The programme counts on cooperation with local authorities, non-governmental organisations, as well as private sector on both sides of the border. At the same time, it offers an opportunity to cooperate with Norwegian organisations, which is mandatory for one outcome of the programme; however, such cooperation will also be given significant weight in the evaluation and implementation of projects, if it improves the quality of a particular project and brings in Norwegian knowledge and experience.

The year 2013 was important due to the approval of the programme in May 2013, followed by the publication of two calls and organisation of the launching conference and a matchmaking seminar. The first call under the programme was launched in September 2013 and the second

in December 2013 under the small grant scheme implemented by the Prešov Self-governing Region.

The calls were not yet closed by the Programme Operator at the end of the reporting period and, therefore, it is not possible to specify the progress towards accomplishing the objective of the programme in more detail. On the other hand, the Programme Operator noted significant interest in the call during its launch, indicating that a sufficient number should be submitted and jointly contribute to the attainment of the objective.

Despite sufficient interest from potential project promoters, unstable political situation in Ukraine represents a major risk for the entire programme also due to the fact that the attainment of project outputs and outcomes requires close cooperation of all stakeholders, be it on the national or regional level, including non-governmental organisations, the relations with which are very tense at present. The Programme Operator fears that many institutions would not be willing to participate in activities financed by international donors, which can lead to changes in the target values of the programme outcomes. The risk is beyond direct control of the Programme Operator that is not able to directly influence the situation in Ukraine.

Nonetheless, the Programme Operator is proceeding as planned. However, the plan may undergo changes in the course of 2014 given the current political situation and stability in Ukraine.

As part of bilateral relations, the Programme Operator cooperates with the Norwegian Barents Secretariat in the preparation and implementation of the programme, holding sessions and communicating even outside the official meetings of the Cooperation Committee. In addition to providing consultancy in the preparation and implementation of the programme, the key role of the Barents Secretariat is to provide assistance and support in raising awareness about the programme among potential partners in Norway.

The Bilateral Fund is another instrument designed to promote bilateral relations, and its Measure A was launched along with Call CBC01 under which the Programme Operator received 12 grant applications. Most of the activities under grant applications focused on seeking project partners in Norway. Significant interest in bilateral cooperation emanates from suitable promotion of the Bilateral Fund during the launching conference in Košice and the matchmaking seminar held in Prešov. The activities covered by the Bilateral Fund were described by the Programme Operator as successful, with a strong potential for strengthening bilateral relations. Under Call CBC02, Measure A is still open due to the date of call publication being set towards the end of the reporting period.

In the implementation of the programme, the Programme Operator makes sure that the principles of good governance are complied with and applies the policy of zero tolerance towards corruption. All information about the programme is freely available to the public and the Programme Operator put in place procedures aimed at ensuring compliance with good governance principles in the implementation of individual projects. The objective of the project is to contribute to sustainable development of three regions, which translates into

reducing social and economic disparities and the protection of the environment. At programme level, the environmental sustainability criteria constitute part of the programming documents. At project level, the Programme Operator takes into account the reduction of environmental risks when evaluating and selecting the projects. Both outcomes of the programme are aimed at improving cooperation between employer institutions, education institutions and employees, which may result in better utilisation of the economic potential of the Košice and Prešov self-governing regions and the Transcarpathia region in Ukraine.

### 3.2.3 SK09: Domestic and Gender-based Violence

|                      |   |
|----------------------|---|
| Programme area:      | Domestic and Gender-based Violence                                  |
| Programme Operator:  | National Focal Point - the Government Office of the Slovak Republic |
| DPP:                 | Norwegian Directorate of Health<br>Council of Europe                |
| NFM allocation:      | EUR 7,000,000   |
| National co-funding: | EUR 1,235,294   |
| Programme progress:  | Expert evaluation of projects                                       |

The objective of the *“Domestic and Gender-based Violence”* programme is to prevent and tackle gender-based violence. In Slovakia, the key challenge in this programme area is to strengthen institutional capacities for the provision of services to women at risk of violence or experiencing violence, as well as to other victims of domestic violence (women’s shelters, counselling centres), adopt a systematic approach and coordinate all elements of aid provided to victims of violence in all regions of Slovakia, ensure training for the relevant professions and create strategies of prevention when working with the media, education system and the public.

The programme is implemented as a combination of the predefined project (the establishment and operation of the Coordinating Methodological Centre), open call (the establishment of women’s shelters and support for the existing counselling centres dealing with the issue of violence against women) and small grant schemes (the establishment of new counselling centres for the provision of support services to women experiencing violence and support for the existing centres for victims of domestic violence). The outcomes of the programme, i.e., reduced gender-based violence and reduced domestic violence, will be fulfilled by supporting the projects under this programme.

The year 2013 was important for the implementation of the programme. March 2013 saw the launch of the first call which consisted of two parts – the first one for measures 1 and 2 and the second for the small grant scheme for measures 2 and 3. The Programme Operator received 15 applications and 11 of them were recommended for approval. The evaluation process for three projects under Measure 1 commenced at the end of the reporting period. For measures 2 and 3, projects were contracted at the end of the year. However, the Programme Operator considered the response to the first call to be weak due to low interest



from applicants, which resulted in a situation where as much as 50% of the funds allocated for this call remained unused. The Programme Operator considered the main reasons to the low interest to be as follows: compulsory co-financing by applicants, strict rules for the eligibility of applicants, the required guarantee and a simultaneous launch of similar calls under the NGO fund. The NFP agrees with the reasons to the low interest as identified by the Programme Operator. Because of insufficient interest, the programme is not reaching the specified values of outcome indicators so far. In this connection, the Programme Operator will request a modification of the programme. The specified outcome indicators could be achieved by adjusting the co-financing rules, eligibility criteria for applicants and the possibility to republish the call. The renewed call could be republished in the third quarter of 2014 which the NFP thinks would make it possible to achieve the defined outcomes of the programme.

The implementation of the predefined project of the Coordinating Methodical Centre for the prevention and elimination of violence against women and domestic violence, which is implemented by the Ministry of Labour, Social Affairs and Family of the Slovak Republic, is proceeding as planned. The project complied with the administrative criteria and eligibility criteria and, at present, is the subject of a detailed evaluation which will also tackle the issue of co-financing. In terms of the fulfilment of the programme outcomes, the project itself is running without any problems.

As regards bilateral relations, the programme is implemented in cooperation with donor project partners – the Norwegian Directorate of Health and the Council of Europe. In June 2013, the Programme Operator organised an Information Day in Banská Bystrica, including a matchmaking seminar, which resulted in the establishment of two partnerships. In terms of the Bilateral Fund, one application was received along with the published call; however, it was not in line with the eligibility criteria and was turned down. The allocation for Measure A in the amount of EUR 24,000 will therefore be reallocated to the next possible call or to Measure B.

In terms of cross-cutting issues, the programme primarily contributes to gender equality. Violence against women is one of the key factors which prevent women from enjoying full equality. Gender equality is also respected at the programme level where the Programme Operator ensured compliance with non-discriminatory approach in the whole process of administration of the programme, particularly by hiring experts and by setting up committees with such composition that prevents any application of discriminatory or restrictive conditions. The programme is also implemented in line with the principles of good governance. The Programme Operator has been managing the programme with maximum transparency. As regards environmental burden, the Programme Operator handled this issue by incorporating the environmental sustainability criteria in the programming documents, which the NFP considers sufficient. Economic sustainability of the programme will be ensured by enshrining, in the legislation, the system of crisis intervention which will be supported under the programme, whereas the economic factor will be ensured through the impact of the supported projects. The elimination of gender-based violence may have a very positive impact both on the victims of violence, as well as on society and social inclusion of these women.

### **3.2.4 Technical Assistance Fund and National Bilateral Fund**

An annual report of the Technical Assistance Fund is attached as Annex 8 to the Strategic Report.

#### **Implementation of the National Bilateral Fund**

Based on a work plan for the National Bilateral Fund approved by donors on 9 July 2013, the NFP organised the first meeting of a bilateral committee on 29 October 2013 in Bratislava. According to the approved work plan, the bilateral committee is comprised of representatives of the National Focal Point, Norwegian Embassy to Slovakia, Ministry of Foreign and European Affairs of the Slovak Republic and a Financial Mechanism Office representative with an observer status. As part of the preparatory works for the first committee meeting, the Embassy of the Republic of Iceland in Vienna and the Embassy of the Principality of Liechtenstein in Vienna were also asked to participate. They, however, did not assign any representative for the committee.

At its first meeting, the bilateral committee discussed the issue concerning the presentation of the bilateral fund, its focus and use, implementation plan for 2014 and draft notifications of the opening of individual components of the bilateral fund. Two pre-defined activities with high priority for the reinforcement of bilateral relations were also discussed in general. The first one should support a transfer of a Bjørnstjerne Bjørnson monument in cooperation with the City of Košice, the second one, proposed by the Comenius University in Bratislava and NUPI (Norwegian Institute of Foreign Affairs), focuses on organising a seminar of experts on enhancing regional cooperation in foreign and security policy between the V4 Group members and Scandinavian countries. Both pre-defined activities were also discussed at an annual meeting in November 2013 and will further be elaborated in 2014.

Notifications of the opening of individual components of the National Bilateral Fund are scheduled to be published in 2014.

In terms of the use of the bilateral fund, an increased attention will be paid to achieving set outcomes during Slovakia's presidency of the Council of the EU which, according to the National Focal Point's opinion, will commence implementation of key measures to present and promote bilateral relations beyond the scope of the programme areas implemented in the Slovak Republic. By that time, the implementation of the relevant programmes will have been completed and maximum attention will be paid to achieving wider bilateral effects.

#### **Funding**

**Programme SK01 – Technical Assistance Fund and National Bilateral Fund**

The first advance payment of € 28,268 was credited, along with the first interim payment of € 14,247 from the National Bilateral Fund, to the accounts of the Certifying Authority on 6 August 2013. The funds were paid to the NFP on 20 August 2013.

In 2013, the Certifying Authority received three interim payments under the Technical Assistance Fund from the FMO, in the total amount of € 107,985. The funds were then distributed among individual partners on 13 May 2013, 20 August 2013 and 20 December 2013.

In the course of 2013, the Certifying Authority approved and submitted to the FMO, for programme SK01, four IFRs with eligible expenditures totalling € 146,933, up 17.3% against 2012. The total eligible expenditures approved and submitted to the FMO within this programme represent € 217,207.

## **4 MANAGEMENT AND IMPLEMENTATION**

### **4.1 Management and control systems**

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 failure to draw the funds allocated for the Slovak Republic.

Considering the advanced phase of the 2009-2014 programming period, several changes related to the implementation framework have been made:

- An update to the “Detailed description of the management and control systems of the Programme Operator” based on Audit No A549 performed by the Audit Authority in the period from April to July 2013.
- Because the NFP also acts as the programme operator, a Guideline No. 11/2013 of the Head of the Government Office of the Slovak Republic of 22 July 2013 for ensuring unified procedure and rules for the implementation of programmes under the EEA Financial Mechanism and the Norwegian Financial Mechanism 2009 – 2014, the programme operator of which is the Government Office of the Slovak Republic, has been issued and amended on two occasions in the course of 2013. The amendment was related to the Programme Agreement on the Funding of the Programme “Cross-border Cooperation” dated 19 August 2013 and the Programme Agreement on the Funding of the Programme “Conservation and Revitalisation of Cultural and Natural Heritage and Promotion of Diversity in Culture and Arts within European Cultural Heritage” dated 13 November 2013, both of which were entered into between the Government Office of the Slovak Republic and Norway, Iceland and Liechtenstein

- Instruction No. 4/2013 of the director of the Economic Department dated 8 August 2013, laying down the verification of payment claims submitted under the EEA Financial Mechanism and the Norwegian Financial Mechanism

In connection with a change in the Organisational Rules of the Government Office of the Slovak Republic in November 2013, the department acting as the NFP at the Government Office of the Slovak Republic was renamed from “EEA FM and NFM Management and Implementation Department” to “EEA and Norway Grants Department”. Within the department, the Strategic Operations Department was established primarily for the purposes of monitoring, evaluation and implementation of the Bilateral Fund and publicity.

The Funding and Financial Management System is unified for all programmes under management of programme operators designated by the Nation Focal Point, under which the Ministry of Finance fulfils the role of the Certifying Authority. During the year 2013, the Certifying Authority amended the following documents:

- Funding and Financial Management System of the Financial Mechanism of the European Economic Area and the Norwegian Financial Mechanism for the 2009-2014 programming period, version 1.2, effective from 21 April 2013,
- Guideline No. 1/2012 – U to forms used within the Financial Mechanism of the European Economic Area and the Norwegian Financial Mechanism for the 2009-2014 programming period, version 1.2, effective from 2 January 2013.

Due to organisational changes in 2013, the EEA, NFM and ERDF Payment Unit was transformed into the Payment and Budgetary Analysis Unit. This change does not have any impact on the Funding and Financial Management System of the EEA FM/NFM, and all of the existing functions and administrative capacities in relation to the EEA FM/NFM agenda remained unchanged

## **4.2 Compliance with regulations**

All managing documents and approved programmes have been drawn up in compliance with EU legislation, national legislation, as well as the Memorandum of Understanding.

The problems related to changes in the Slovak legislation have occurred in connection with programme SK07 “*Green Industry Innovation*”. An amendment to Act No. 309/2009 on the promotion of renewable energy sources and high-efficiency cogeneration has been effective since January 2014 and reduces the feed-in price for electricity depending on the amount of support provided from the state budget for the respective installation, which is also the category applicable to the contribution provided under the NFM. This change may result in several applicants withdrawing from their projects.

## **4.3 Irregularities**

Based on Article 11.8 of the Regulation on the implementation of the Norwegian Financial Mechanism 2009-2014, the NFP enabled, by electronic means on its official website [www.eeagrants.sk](http://www.eeagrants.sk), the filing of the suspicions of irregularity not consistent with the principles of good governance within the implementation of the NFM. On top of that, the irregularities – or the procedure triggered by their occurrence – are also defined in the general terms and conditions which constitute an integral part of every project contract.

At the time of the preparation of the Strategic Report, no irregularities have been detected and identified.

## **4.4 Audit, monitoring, review and evaluation**

### **4.4.1 Audits**

#### **List of system audits carried out**

The Audit Authority pursuant to Article 4.6 of the Regulations on the implementation of the EEA FM and NFM did not carry out any system audit in the period from 1 July 2012 to 30 June 2013.

The assessment of compliance with respect to the setting of the management and control systems of the Programme Operator for the SK07 and SK 09 programmes was carried out by the Audit Authority in the period from 15 April 2013 to 26 August 2013.

The assessment of compliance involved the verification of the Programme Operator's management and control system set up at the Government Office of the Slovak Republic.

Scope of compliance assessment:

- obtaining assurance that the management and control systems within the EEA FM and NFM comply with the requirements under Article 4.8 of the Regulations on the implementation of the EEA FM and NFM;
- obtaining assurance that the Programme Operator has been formally designated at national level;
- obtaining assurance that the system for the verification of payment claims (Article 4.8 (2)(a)) has been properly set up;
- obtaining assurance that the audit and monitoring system has been properly set up;
- obtaining assurance that the system for preventing, mitigating, detecting, reporting on and remedying irregularities has been properly set up;
- obtaining assurance that the system established to maintain an audit trail of all supported activities has been properly set up;
- obtaining assurance on the compliance with other requirements imposed on the Programme Operators under the Regulations;
- obtaining assurance on the preparation and approval of the programme pursuant to Chapter 5 of the Regulations (where relevant);
- obtaining assurance on the existence of a programme implementation agreement pursuant to Article 5.8 of the Regulations (where relevant);
- verifying the implementation of measures adopted to remove deficiencies identified by previous government audits No. A 349, K 2271 (a system audit from the previous

programming period of 2004–2009) and No. A 403, K 2604 (an audit of operations from the previous programming period of 2004-2009).

### **Key findings and conclusions from audits**

N/A – because the Audit Authority pursuant to Article 4.6 of the Regulations on the implementation of the EEA FM and NFM did not carry out any system audit in the period from 1 July 2012 to 30 June 2013.

In accordance with Article 4.8 of the Regulations on the implementation of the EEA FM and NFM, the Audit Authority carried out an assessment of the management and control systems whereby identifying two deficiencies related to the Programme Operator's evaluation and selection process and the failure to incorporate procedures for the recovery of unduly paid expenditure; the deficiencies have been rectified through the adoption of measures for remedying deficiencies and were assessed within the documentary verification as fulfilled.

In the light of the above, the audit group obtained assurance on the compliance of the management and control systems.

On 13 September 2013, the National Focal Point FP sent, in accordance with Article 4.8 of the Regulations on the implementation of the EEA FM and NFM, the detailed description accompanied by a report and an opinion confirming that the implementation system complies with the Regulations on the implementation of the EEA FM and NFM and generally accepted accounting principles.

### **Audits on projects**

Because, during the reporting period, the implementation of programmes was in the preparatory phase within which the activities of the managing authorities and the certifying authority focused in particular on the preparation and approval of managing documents, i.e., this period corresponded to the phase of setting up the management and control systems, and because no expenditure was declared to the Financial Mechanism Office, the Audit authority did not carry out any audit on projects pursuant to the Regulations on the implementation of the EEA FM and NFM.

#### **4.4.2 Monitoring**

Within the reporting period the NFP did not carry out any programme-level monitoring. This was due to the fact that, during that reporting period, the calls under the individual programmes were being published and, therefore, it was not possible to carry out the monitoring at programme level.

The NFP plans to perform programme-level monitoring in 2015.

#### **4.4.3 Monitoring Committee**

In 2013, the NFP convened the second session of the Monitoring Committee, the main agenda of which was to approve the Strategic Report for 2012.

At the end of 2013, the government plenipotentiary for civil society development resigned from his post which is currently vacant and, therefore, the NFP decided to amend the Statutes of the Monitoring Committee in that the deputy of the government plenipotentiary for civil society development is now on the committee as its member.

#### 4.5 Information and publicity<sup>13</sup>

The year 2013 saw the implementation of key information and publicity measures which significantly contributed to the objectives set out in the communication strategy. The National Focal Point is implementing several communication activities continuously, and the implementation of these measures is based on the principle of effective and speedy communication with the controlled impact on the target groups. By employing this type of communication process, the NFP strives to ensure higher transparency and efficiency in the implementation of the EEA and Norway grants 2009 – 2014, which also constitutes the primary objective of open communication serving as the basis for the entire communication process. As regards Norway grants, the National Focal Point acts as the Programme Operator in SK07, SK08 and SK09 programmes. For this reason, most of the measures implemented are summarised in detail primarily in the annual reports for the individual programmes. Selected information is summarised and elaborated in this section of the Strategic Report. All important measures relating to information and publicity are coordinated in cooperation with the donor programme partners and the Norwegian embassy in Slovakia.

All communication activities are implemented in order to raise public awareness of the EEA and Norway Grants and to highlight, to the maximum extent possible, the role of the donor states in their implementation. The period during Slovakia's presidency of the EU Council in the second half of 2016 will have the best potential for presenting the grants, as well as implementation results. The National Focal Point considers this period as a significant opportunity with a high information potential and, therefore, plans to organise the largest number of events focusing on the publicity of grants and the presentation of bilateral relations between the Slovak Republic and donor states during this very period. In keeping with the communication strategy, the National Focal Point also strives to establish and promote the 'EEA and Norway Grants', 'EEA Grants' or 'Norway Grants' brand instead of the EEA Financial Mechanism and the Norwegian Financial Mechanism. Wherever practicable, the abbreviated form and logos constitute an integral part of all information and publicity measures.

*The visual image of the grants* predominantly focuses on logos as the primary identification component of the grants in terms of publicity. At the same time, it can be noted that strong public interest has been registered at all levels of the communication process which is

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<sup>13</sup> Because many publicity-related activities were performed jointly for the EEA FM and the NFM, it is not possible to give a separate account for publicity activities for a single financial mechanism

demonstrated, for instance, by a high number of people attending various types of events or by many e-mails about aid provided from the grants or queries about calls, etc.

During the monitored period, special hyperlinks were created for the individual programmes operated by the National Focal Point.

| <i>Programme</i> | <i>Hyperlink</i>   |
|------------------|--|
| <b>SK07</b>      | <a href="http://www.norwaygrants.sk/industry">www.norwaygrants.sk/industry</a> |
| <b>SK08</b>      | <a href="http://www.norwaygrants.sk/cbc">www.norwaygrants.sk/cbc</a>           |
| <b>SK09</b>      | <a href="http://www.norwaygrants.sk/violence">www.norwaygrants.sk/violence</a> |

### **Websites visit rate**

By means of the GoogleAnalytics portal, the NFP established a system for the monitoring the websites visit rate. The NFP keeps an in-depth statistics of the number of people visiting the websites and subpages, how long they stayed on the individual pages or the number of exclusive visitors/returning visitors. With the help of this system, it can efficiently and immediately assess the visit rate of the websites. In the course of 2013, a total of 210,191 pageviews<sup>14</sup> and 47,032 visits<sup>15</sup> were recorded, with returning visitors accounting for 55.90% (based on unique IP addresses) and new visitors of the website accounting for 44.10%. The number of unique visitors<sup>16</sup> represented 21,591. Of the total number of visits recorded, 88.70% of visitors came from the webnodes with the .sk domain name and 11.30% from foreign webnodes. The average websites visit rate increased in the periods immediately following the publication of calls. The average length of stay at the website is roughly 4 minutes, with the number of pages viewed averaging at 4, which indicates that the visitors are seeking specific information.

### **Communication through Facebook**

In accordance with the communication strategy, the National Focal Point created a profile on Facebook under the title “EEA and Norway Grants Slovakia”. The National Focal Point regularly updates its Facebook profile with the news and relevant information in sync with the websites. During the pilot run, it also launched subpages of three implemented programmes, however, due to receiving insufficient interest from Facebook users, further activities have been suspended and the efforts concentrated on the common Facebook profile. On Facebook, the National Focal Point publishes all reports on the individual programmes under the common profile “EEA and Norway Grants Slovakia”. In 2013, the number of published posts was roughly 30, and the “Like” count of the profile itself totalled 187, with the percentage share of women accounting for 45% and men for 54%. In terms of posts, the highest post view count was recorded in relation to programme SK08 “*Cross-border Cooperation*”.

### **An overview of organised events – conferences, information days, seminars**

<sup>14</sup> Total number of all pageviews per website, including repeated pageviews.

<sup>15</sup> A website visit means a set of all actions performed by a visitor on all web pages/ subpages of a website

<sup>16</sup> The number of unique visitors indicates the number of non-duplicate visits counted only once during the reporting period



|      | Launching Conference | Average number of participants | Information Day | Average number of participants | Seminar   | Average number of participants | Number of potential partners from Norway |
|------|----------------------|--------------------------------|-----------------|--------------------------------|---|--------------------------------|--|
| SK07 | 11.4.2013            | 150                            | 18.6.2013       | 30                             | Matchmaking seminar, 11.4.2013, as a separate part of the conference                            | 30                             | 3  |
| SK08 | 24.9.2013            | 150                            | 11.12.2013      | 100                            | Matchmaking seminar, 25.9.2013  | 100                            | 15                                       |
| SK09 | X                    | X                              | 17.6.2013       | 30                             | Expert Seminar on the subject "Violence against women as an issue of public policy", 27.11.2013 | 70                             | 2  |
|      |                      |                                |                 |                                | Matchmaking seminar, 17.6.2013  | 30                             | 2  |

In 2013, a total of 8 events were organised under programmes SK07, SK08 and SK08 (launching conferences, information days, matchmaking seminars), plus one expert seminar. More than 700 people attended the events in total. At the same time, 20 potential partner institutions from Norway were presented at the matchmaking seminars. All the organised events (with the exception of the expert seminar on the subject "Violence against women as an issue of public policy") were open to the public which showed great interest in this issue. As proof of this fact, there were many requests for participation arriving even after the individual events were filled to capacity.

### **Media, FAQ, advertisements**

In the reporting period, the following reports were broadcast under programme SK08: one TV report broadcast by public station Radio and Television Slovakia (RTVS) as part of the Minorities News programme and one TV report broadcast by local television station TV Zemplín. Both TV reports focused on the Cross-border Cooperation programme with Ukraine.

As part of the published calls, frequently asked questions of the applicants (FAQs) were published as well. At the same time, more than 300 questions were answered through the general e-mail address [eeagrants@vlada.gov.sk](mailto:eeagrants@vlada.gov.sk).

As regards advertising in the press, the Pravda daily, a nationwide periodical with the longest tradition in Slovakia, published an advertisement for the currently published calls ACC01, ACC02, GII01 and DGBV01 on 19 April 2013. The average Pravda print run in 2012 was 69,735 copies, with the average paid circulation standing at 51 833 copies.

### **Plan of information and publicity measures for 2014**

| Type of activity (set) | Activity title   |
|------------------------|--|
| <b>Web</b>             | The <a href="http://www.eegrants.sk">www.eegrants.sk</a> and <a href="http://www.norwaygrants.sk">www.norwaygrants.sk</a> website – regular publication of the news and all relevant information<br>Website monitoring |
| <b>Social networks</b> | Regular updates and communication through Facebook<br>Creating user profiles on Facebook   |

|   |  |
|---|--|
|   | Regular updating of Facebook profiles  |
| <b>Preparation of the Communication Action Plan</b> | Preparation and approval of the Communication Action Plan for the upcoming period (typically one year) by the National Focal Point in cooperation with the Royal Norwegian Embassy in Slovakia |
| <b>Press releases</b>                               | As required  |

### Quantitative assessment

| Criterion  | Impact indicator  | Output                                   |
|--|---|--|
| <b>The degree of general public awareness of the EEA and Norway Grants</b> | % of individuals familiar with the existence, mission and aims of the EEA and Norway Grants | The exact percentage amount is not known |
| <b>Interest in support from EEA and Norway Grants</b>                      | Number of project applications under calls closed in 2013                                   | 28                                       |
| <b>Success rate of media outputs (Norway Grants)</b>                       | Number of positive media outputs  | more than 5                              |

| Criterion  | Output indicator | Output   |
|--|------------------|--|
| <b>Conferences, seminars and other events (Norway Grants)</b>        | Total number     | 9  |
| <b>Attendance at events (Norway Grants)</b>                          | Total number     | approximately 700  |
| <b>Satisfaction of people attending the events (Norway Grants)</b>   | %                | The exact percentage rate is not known – feedback based on a sample – maximum satisfaction |
| <b>Website traffic (EEA and Norway Grants)</b>                       | Number of visits | Special chapter  |
| <b>Publications, materials and brochures (EEA and Norway Grants)</b> | Total number     | 1  |
| <b>Published reports in all types of the media (Norway Grants)</b>   | Total number     | more than 15   |
| <b>Communication channels used (EEA and Norway Grants)</b>           | Total number     | 5 main types of the media (web, social network, TV, press, radio)                          |
| <b>Reports, news published on own website (Norway Grants)</b>        | Total number     | more than 25   |
| <b>Press conferences (Norway Grants)</b>                             | Total number     | 0  |
| <b>Journalists attending the events (Norway Grants)</b>              | Total number     | approximately 5  |
| <b>Citizens addressed through the media (Norway Grants)</b>          | Total number     | Broad public (it is not possible to indicated the exact figure)                            |
| <b>Number of answers to e-mails (Norway Grants)</b>                  | Total number     | more than 300  |

In general, the overall image of the EEA and Norway Grants is characterised as very positive. Norway, Liechtenstein and Iceland are considered the best examples in many relevant social, scientific, cultural or commercial contexts. The implementation of the 2004–2009 programme period certainly played a significant role in bridging societal gaps.

However, there is no relevant statistics to prove this statement, and it can only be derived from partial statistics. The number of overnight stays in accommodation establishments

published by the Statistical Office of the Slovak Republic, which clearly indicates an increasing number of tourists travelling from the Kingdom of Norway to Slovakia, is regarded as a very interesting figure.

#### Number of visitors in tourist accommodation establishments in the Slovak Republic<sup>17</sup>

| Country       | 2003  | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 <sup>18</sup> |
|---------------|---|------|------|------|------|------|------|------|------|--------------------|
| NORWAY        | 3301  | 3762 | 5092 | 5678 | 5184 | 5153 | 4174 | 5054 | 6224 | 7823               |
| ICELAND       | Not identified – information not available at the Statistical Office’s website. |      |      |      |      |      |      |      |      |                    |
| LIECHTENSTEIN | Not identified – information not available at the Statistical Office’s website. |      |      |      |      |      |      |      |      |                    |

Without a doubt, the statistics shows that the number of visitors increased by more than 100% against 2003, which proves higher mobility of tourists amidst positive trends in tourism.

The implementation of the project encompassing general medicine studies in Slovakia represents another important element. At the beginning of August in 2013, entrance examinations were held at the Representative Office of the Slovak Republic in Oslo for students from Iceland; this event was organised by the Jessenius Faculty of Medicine in Martin, Comenius University, in cooperation with the Slovak honorary consul to Iceland SR Runólfur Oddsson and the Slovak Embassy. In the 2013/2014 academic year, more than 40 students from Iceland and 80 students from Norway started studying at the Martin medical faculty. Their preparation for studying in Slovakia is done in cooperation with the Bjørknes College in Oslo. The total number of Norwegian and Icelandic students in Slovakia rose to more than 500 in September.

The National Focal Point’s strategic interest is to continuously improve the promotion of grants in Slovakia. One of the primary activities is to improve the contacts with the media. In general, the media is more interested in negative or tabloid news and Slovakia is no exception. However, progress made in green innovation and energy, preservation of cultural heritage or complex social issues such as domestic and gender-based violence can be a very interesting source of information, if thoroughly communicated in compliance with the communication strategy. All communication activities are implemented in order to raise public awareness of the EEA and Norway Grants and to highlight, to the maximum extent possible, the role of the donor states in their implementation, which is the primary objective and mission of the implemented information and publicity strategies.

#### 4.6 Work plan

The National Focal Point/Programme Operator is planning the following activities for 2014:

1. Closing the call under SK08 *Cross-border Cooperation* in Q1 2014 and signing project contracts under programmes SK07, SK08, SK09.
2. Republishing the call under programme SK09

<sup>17</sup> <http://portal.statistics.sk/showdoc.do?docid=67349>

<sup>18</sup> At the time of preparation of the Strategic Report, only data until 2012 were available

3. The NFP plans to convene a session of the Monitoring Committee in March 2014 in order to approve the Strategic Report for 2013. Further meetings of the Monitoring Committee will be convened in 2014 as required by the implementation of the NFM.
4. Opening the individual components – publication of the announcement under the Bilateral Fund at national level.
5. Implementation of predefined activities under the Bilateral Fund at national level.
6. Updating the Internal NFP Manual
7. Updating the Communication Strategy
8. Sessions of the Cooperation Committees under programmes SK07 (April 2014), SK08 (May 2014, Q4 2014), SK09 (February 2014, Q4 2014)
9. Convening the annual meeting in November 2014 (preliminary)

## 5 OVERVIEW OF PROBLEMS AND RECOMMENDATIONS

The National Focal Point has identified the following major problems:

1. Time delays. - The NFP has long been drawing attention of all relevant institutions to this problem – the Financial Mechanism Office in Brussels, the NFM Financial Mechanism Committee and the Norwegian Embassy in Slovakia. A possibility to extend the eligibility period was discussed at the annual meeting held at the end of 2013. Unfortunately, the donors have always rejected the possibility to extend the eligibility period.

The major problem, according to the NFP, is the extremely short time period remaining for the implementation of projects. Based on its previous experience, the NFP considers it necessary to extend the expenditure eligibility period, thus the period for implementation of individual projects, until 30 April 2017, at least. It should be noted that the extension of the expenditure eligibility period would apply to individual programmes since the eligibility period for expenditure under the National Bilateral Fund lasts until October 2017 and for expenditure under the Technical Assistance Fund until December 2017.

The delay caused by lengthy negotiations between the European Commission and Member States that took nearly two years is enormous given the five-year eligibility period. Despite the maximum efforts of all institutions engaged in the implementation of the financial mechanism, the time available for the implementation of projects will be limited, which, in some cases, may result in non-achievement of the planned indicators. Therefore, the NFP will again open the question of extending the expenditure eligibility period. At the same time, the NFP welcomes the effort of the Commission and of the donors to align the future programme period with that of the EU Cohesion Policy and extend its implementation period from five to seven years.

2. Changes in legislation with possible adverse impacts on the achievement of outcomes at the programme level. The NFP cannot eliminate this risk completely; it can only consult with experts and relevant ministries in order to minimise the risk, for example, by re-allocation funds originally allocated for a particular measure and/or project to another

measure and/or project, or by modification of selected indicators. However, it must be noted in this respect that negative impacts of this potential risk are increasing as the time period for project implementation shortens.

3. The current situation in Ukraine and its possible impact on the fulfilment of objectives under the “Cross-border Cooperation” programme. Unfortunately, this situation is beyond the control of the NFP, which can only modify the program as necessary and as agreed with the donors so that the allocated funds are reasonably spent even if the participation of Ukrainian institutions and organisations becomes limited as a result of the current political situation.

## **6 ANNEXES**

Annex 1 – Number of applications submitted

Annex 2 and 3 – Overview of projects implemented with a donor project partner

Annex 4 – Irregularities at the programme and national levels

Annex 5 – Irregularities at the project level

Annex 6 – Monitoring and audit plan for 2014

Annex 7 – Risk assessment at the national and programme levels

Annex 8 – Annual Report of the Technical Assistance Fund

Annex 9 – Disbursement of funds under the NFM

Annex 10 – Abbreviations