



2014 Strategic Report

on the EEA Financial Mechanism and the Norwegian
Financial Mechanism

*The Government Office of the Slovak Republic as the National
Focal Point for the FM EEA and the NFM*

Version 1.0

Table of Contents

1	Summary	4
2	Impact assessment of FM.....	5
2.1	Cohesion.....	5
2.1.1	Climate change	6
2.1.2	NGO Fund	7
2.1.3	Local and regional initiatives to promote social inclusion	9
2.1.4	Conservation and revitalisation of cultural heritage.....	12
2.1.5	Green Industry Innovation	14
2.1.6	Cross-border cooperation with Ukraine.....	16
2.1.7	Domestic and gender-based violence	19
2.1.8	Horizontal issues.....	21
2.2	Bilateral relations	23
2.2.1	Student mobility	23
3	PROGRAMME PROGRESS	27
3.1	Overview of programme progress	27
3.2	Overview of individual programmes	29
3.2.1	SK02 Adaptation to Climate Change – Flood and Drought Prevention Programme.....	29
3.2.2	SK03 and SK10 NGO Fund Programmes	30
3.2.3	SK04 Local and Regional Initiatives to Promote Social Inclusion Programme	31
3.2.4	SK05 Conservation and Revitalisation of Cultural and Natural Heritage & Promotion of Diversity in Culture and Arts within European Cultural Heritage	32
3.2.5	SK06 Scholarship Fund	33
3.2.6	SK07 Green Industry Innovation	35
3.2.7	SK08 Cross-border cooperation	36
3.2.8	SK09 Programme Domestic and Gender-based Violence	37
3.2.9	SK01 Technical Assistance to the Beneficiary State & Fund for Bilateral Relations at the National Level Programme.....	38
4	MANAGEMENT AND IMPLEMENTATION	41
4.1	Management and control systems.....	41
4.2	Compliance with Regulations	42
4.3	Irregularities	42
4.4	Audit, Monitoring, Review and Evaluation.....	43
4.4.1	Audits.....	43
4.4.2	Monitoring.....	45
4.4.3	Monitoring Committee.....	45

4.5	Information and Publicity.....	45
4.6	Work Plan	49
5	OVERVIEW OF PROBLEMS AND RECOMMENDATIONS.....	50
5.1	A Separate Chapter on Public Procurement	50
6	Annexes	53

1 Summary

This report¹ has been created by the National Focal Point - The Government Office of the Slovak Republic to summarise the progress of the implementation of the EEA Financial Mechanism as well as the Norwegian Financial Mechanism in the course of 2014 in the Slovak Republic.

The NFP considers the state of implementation for the EEA Financial Mechanism satisfactory. However, the implementation of the Norwegian Financial Mechanism is less satisfactory, which is why the NFP proposed measures (Chapter 5) to mitigate the situation. The report covers the development of the individual programmes (Chapter 3) as well as the achievement of individual indicators relevant for these programmes (Chapter 2). It focuses on the most important changes in the system regulations and presents the conclusions of the audits performed (Chapter 4).

The implementation of the financial mechanisms made significant progress in the course of the previous year. The rate of contracting has exceeded 90% within the EEA Financial Mechanism and 50% within the Norwegian Financial Mechanism. However, the figure related to the Norwegian Financial Mechanism is markedly distorted by the Cross-Border Cooperation Programme with Ukraine, where no funds have yet been disbursed due to the reasons explained in Chapter 5. The National Focal Point has therefore discussed the possibility of extending the eligibility period for another year with the Donor States. Despite the fact that the decision has not been made in the time period covered by this report, it is important to include this information not only for the sake of its completeness, but also in terms of the Cross-Border Cooperation with the Ukraine programme. In March 2014, the duration of the programme was extended until 30 April 2017.

In 2014, the contracted projects went through the time-consuming administrative process of either preparation for or public procurement itself. Also, the NFP started the implementation of the Bilateral Fund on the national level. All the calls (except the call for the Small Grant Scheme under the *SK05 Conservation and Revitalisation of Cultural and Natural Heritage & Promotion of Diversity in Culture and Arts within European Cultural Heritage* programme) were published and closed, and the presented projects have been evaluated by experts. From the point of view of the NFP, the most limiting factor in the drawing of the funds was public procurement. Paradoxically, the reason does not lie within the procedural acts related to public procurement, but the very essence of public procurement, i.e. the competition. For more information on public procurement and cases of suspected collusion, see Chapter 5.

It is reasonable to assume than in 2015 the implementation of individual projects as well as the programmes contracted at the end of 2014 will have achieved the planned outputs by the end of the eligibility period - April 2016. This Report also presents proposed measures regarding the projects and programmes not contracted at the end of 2014.

¹Based on consulting the Financial Mechanism Office, the NFP has prepared a single strategic report for both financial mechanisms.

2 Impact assessment of FM

2.1 Cohesion

Cohesion is one of the two primary goals of the EEA and Norway grants that facilitate the removal of economic and social disparities in the European Economic Area. The result-based management requires the measuring of objectively verifiable indicators. A continuous evaluation of these indicators will allow us to observe whether Slovakia reaches the average values in the EEA. Certain indicators are not observed on the supranational level; however, the analysis of national data allows us to determine whether the situation in Slovakia is improving. Cross-sectorial criteria are a special category as, apart from a few exceptions, it is rather complicated to quantify the benefits of these grants. In this as well as in the following chapters, qualitative changes in some of the parameters will be described.

The Report defines the indicators that are to be monitored throughout the programming period. These indicators are relevant to 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 will not be monitored either. Their list may be expanded from time to time. The objective of this part of the Strategic Report, however, is not to measure how specific programmes contribute to achieving these indicators. The contribution cannot be quantified in terms of allocation and impacts of EEA 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 EEA 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
EEA	Climate change and renewable energy	Adaptation to Climate Change – Flood and Drought Prevention	Damage caused by floods
	Civil society	NGO Funds	Sustainability index for civil society organisations
	Human and social development	Local and regional initiatives to promote social inclusion	Persons at risk of poverty and social exclusion in the EEA following social transfers (benefits)
	Conservation and revitalisation of cultural heritage	Conservation and revitalisation of cultural heritage	Current conditions of national cultural heritage
NFM	Green Industry Innovation	Green Industry Innovation	Renewable energy resource proportion in the final energy consumption in the EEA Rate of unemployment in the EEA
	Human and social development	Domestic and gender-based violence	Number of female victims of the criminal offense of domestic violence
		Cross-border cooperation with Ukraine	Number of visas issued by representative bodies of the Slovak Republic for the citizens of Ukraine

2.1.1 Climate change

A number of important events at international and national levels took place in the course of 2014. In November 2014, a Comprehensive Report was published as the final part of the Fifth Assessment Report of IPCC (Inter-governmental Panel on Climate). In September 2014, a Summit on climate took place at the UN premises in New York. The objective of the summit was to increase political support for reaching a meaningful agreement on climate expected to be concluded at the Conference of Parties that will take place in Paris in 2015. A positive development could be observed at the Conference of Parties in Lima held in December 2014. It was the final preparatory summit for Paris at which a number of new objectives were proposed. In 2014, certain progress was already observed in the fulfilment of the objectives regarding climate and energy until 2020. European leaders concluded an agreement on greenhouse gas emission reduction by at least 40% in comparison with 1990 until 2030

In April 2014, a Climate Action of the European Commission, Directorate-General, was launched under the name *Mayors Adapt*. The initiative includes the introduction of a voluntary commitment to create and accept a Strategy on the adaptation to climate change on the local level. By signing the access documents, the cities commit to either: prepare a Strategy on the adaptation to climate change as a separate strategic document or include the adaptation to climate change into existing development plans and documents.

In either case, the Strategy on adaptation to climate change on the local level is to be submitted two years after taking up the *Mayors Adapt* initiative at latest. The signatories of the initiative also undertake to send their city's profile factsheets on the current stage of development every two years. The capital city of the Slovak Republic - Bratislava - took up the initiative. The *Mayors Adapt* initiative results directly from the EU's Strategy on adaptation to climate change approved in April 2013.

On the national level, the fifth thematic objective of the EU for 2014-2020 was included into the operational programmes within structural funds. The objective is to "support the adaptation to climate change, prevention and risk management that may have a synergic effect with the *SK02 Adaptation to Climate Change - Flood and Drought Prevention Programme*." This objective is also included in the Environment Operational Programme in which adaptation to climate change is listed directly under the Investment Priority 1 of Priority Axis 2: Facilitation of investments related to adaptation to climate changes including ecosystem approaches.

Statistics

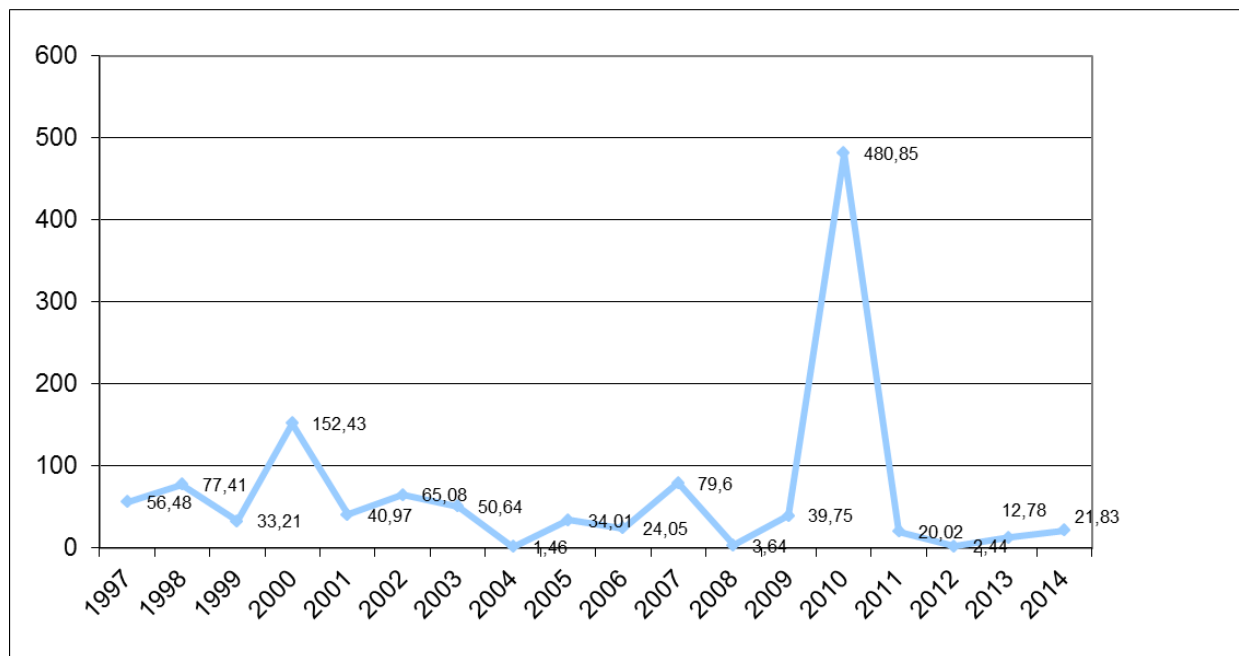
The chart below shows damage caused by floods. The 2014 data were only available for the period of the first 6 months at the time of preparation of this Report. According to the data from the Report on the Course and Consequences of the Floods in the Territory of the Slovak Republic for the first 6 months of 2014², the floods occurred in the period from 17 March to 29 May 2014. Second and third-level alertness was ordered in 201 municipalities where flooding occurred or threatened to occur. In the first 6 months, floods occurred in 8 out of 10 partial sub-basins in Slovakia, whilst only two sub-basins (the Morava and Dunaj Rivers located at the South-West of the country) did not experience any flooding.

In the first 6 months of 2014, a total area of 2293.85 ha was flooded. Out of the total area, 77.4% constituted of agricultural land, 12.2% of forest land and 10.4% of urban spaces. The course of floods was often negatively influenced by the methods of land-use and crop selection inappropriate for areas where surface run-off occurs. The Research Institute for Soil Science and Protection created a Code of Good Practice in Agriculture -- Soil Protection, tailored for the conditions in Slovakia. A consistent

² <http://www.minzp.sk/sekcie/temy-oblasti/voda/ochrana-pred-povodnami/rok-2014.html>

application of the Code in the whole country, especially on sloping lands in mountain areas and foothills, would significantly contribute not only to soil protection, but also to flood prevention. After the verification, the total flood-caused damage amounted to EUR 21,831,000 in the first 6 months of 2014.

Chart 1: Overview of flood-caused damage by year³



In the second half of 2014, torrential rains and long-term precipitation caused several floods in the territory of Slovakia.

Of particular note is the flood that occurred in July 2014 in Vrátna Dolina, not only for the amount of precipitation, but also for other attributes (peak flow, specific run-off). The amount of precipitation recorded by the Vrátna Dolina weather station was 120 mm between 20 and 21 July 2014. However, the flood was caused by a subsequent storm during which 50 mm of precipitation fell on the already damp soil in a single hour.

In August 2014, torrential rains caused a landslide in Levoča, the urban area of Levočské Lúky. In September, continuous rains in Bratislava caused transport complications when a landslide occurred in the vicinity of Devínska Cesta and subsequently at the Arm. gen. Ludvíka Svobodu quay.

According to the data from the Report on the Course and Consequences of the Floods in the Territory of the Slovak Republic from July to November 2014, currently undergoing an interministerial consultation, in the second half of 2014, the flood-caused damage amounted to EUR 15,127,657. To conclude, 2014 was an average year regarding flood-caused damage.

2.1.2 NGO Fund

The EEA FM is currently the largest financial donor to non-governmental organisations in Slovakia with a total allocation exceeding EUR 7,400,000.

³ Source: Prepared on the basis of reports on the course and consequences of the floods in the territory of the Slovak Republic, prepared by the Ministry of the Environment of the Slovak Republic on an annual basis

In November 2014, the Government of the Slovak Republic appointed a new Plenipotentiary for the Development of the Civil Society, Martin Giertl. The position was vacant for more than a year after the previous Plenipotentiary, Martin Vagač, resigned in October 2013.

The Office of the Plenipotentiary submitted a proposal for a new plan of the Initiative for Open Governance in the Slovak Republic in 2014-2015. Subsequently, it was subjected to an interministerial consultation. The Action Plan was created “based on consulting with a wide scope of organisations that participated in the dialogue and were given the opportunity to comment on its contents.”⁴

The themes and tasks of the Action Plan⁵:

- Open information - a portal of open data and a web application for European Structural and Investment Funds, Financial Mechanism of the EEA, the Norwegian Financial Mechanism, the Swiss Financial Mechanism and subsidy schemes of the State Budget of the Slovak Republic;
- Open education - open educational resources and open access to the scientific and research data;
- Government open for a dialogue - public policies and electronic collective request;
- Open justice;
- Feedback and continuation.

According to a USAID (US Agency for International Development) report for 2013 (the 2014 data were not available at the time of the preparation of this Report), the number of NGOs increased by 1,870, currently totalling 40,370.

Statistics

Chart 2: Civil society organisation sustainability index for the period from 1997 to 2013, according to the Civil Society Annual Report published by USAID⁶.



The chart shows that the overall sustainability index increased to 2.8 in 2013, which is a moderate deterioration compared to the previous period.

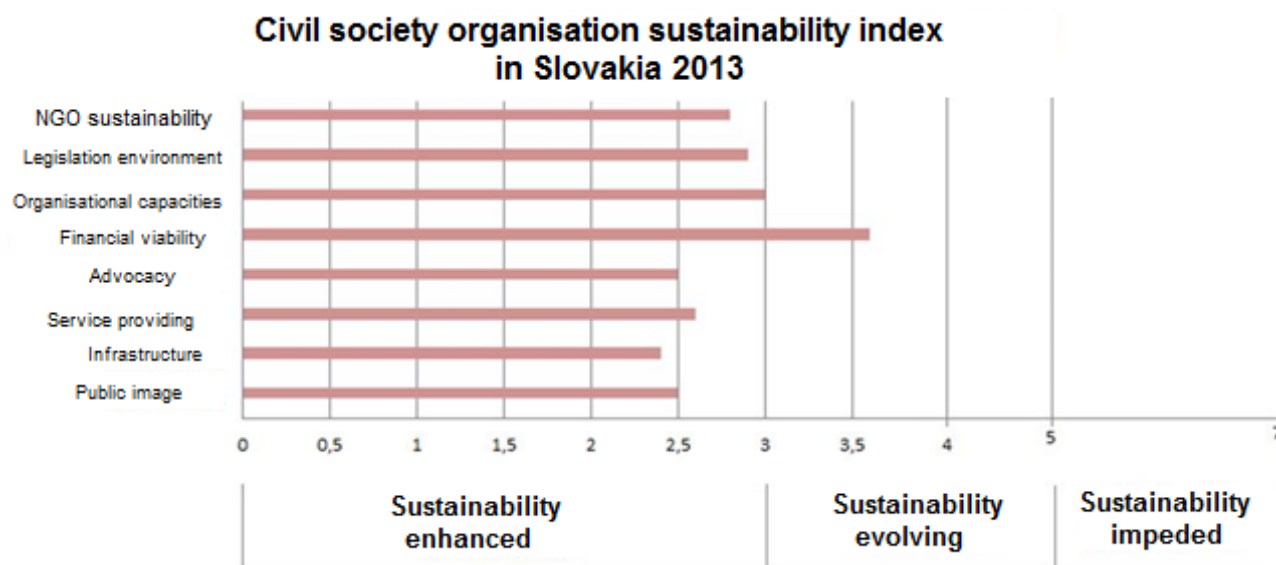
The overall sustainability index consists of several partial components, as illustrated below.

⁴ <http://www.otvorenavlada.gov.sk/schvaleny-akcny-plan-iniciativy-pre-otvorene-vladnutie-na-rok-2015/>

⁵ <http://www.otvorenavlada.gov.sk/schvaleny-akcny-plan-iniciativy-pre-otvorene-vladnutie-na-rok-2015/>

⁶ Zdroj: <http://www.usaid.gov/europe-eurasia-civil-society>

Chart 3: Civil Society Organisation Sustainability Index in Slovakia in 2013⁷



Thanks to the voluntary 2% contribution (anyone can donate 2% of their income tax to a selected NGO), the income of NGO's increased by EUR 3.8 million in comparison with 2012, when the income of NGO's amounted to a total of EUR 46.7 million⁸. However, as for the partial component *Financial Viability*, the recorded score moderately deteriorated (from 3.5 in 2012 to 3.6 in 2013).

This phenomenon can be explained by the fact that in 2013, the number of NGO's increased by 1,870. Also, several grants for watchdog organisations were cut off in 2013.

From the point of view of the FM EEA, it can be concluded that 2013 was a preparatory year, the calls published and the selected projects contracted. Within the *SK10 Active Citizenship and Inclusion* Programme, 2 calls were closed and 70 projects with an allocation of EUR 3,061,001 selected in 2013. Within the *SK03 Democracy and Human Rights* Programme, two calls were published in 2014 (another call for small grants with an allocation of EUR 175,000 is planned for 2015). Of the first call, 26 projects with an allocation of EUR 1,929,173 are being implemented. Of the second call, 37 projects with an allocation of EUR 899,477 are being implemented.

As for the *SK03* and *SK10* Programme calls published in 2013 and 2014, it is reasonable to assume that the indicator for 2014-2015 will decrease.

2.1.3 Local and regional initiatives to promote social inclusion

In 2014, the Slovak Republic witnessed several new development trends in the area of social inclusion. They were related to launching new projects and initiatives rather than to changing the legislative environment. These projects and initiatives are supposed to result in removing economic and social differences, thus strengthening social and economic cohesion on national, regional and local levels in Slovakia. The only significant legislative change affecting this area is the Amendment of Assistance in

⁷ Source: <http://www.usaid.gov/europe-urasia-civil-society>

⁸ Source: <http://www.usaid.gov/europe-urasia-civil-society>

Material Need, in force since 1 January 2014. This Amendment obliges unemployed persons reliant on assistance in material need to work at least 32 hours a month in municipal services. If an unemployed adult citizen in material need refuses to participate in municipal services, their benefit in material need is decreased by EUR 61.60. The declared objective of the change introduced is to refresh the working habits of the long-term unemployed. After a year of the Amendment being in force, there is no complex evaluation of its impact available.

The Office of the Plenipotentiary for the Roma Communities (hereinafter referred to as the "UVSRK") declares that based on their surveys, the change does have a positive effect, since the beneficiaries of the assistance in material need have become more responsible, active and have achieved social and working habits. They have also done a great job revitalising local social and cultural facilities. Certain public officials as well, as a part of the society, perceived the Amendment unconstitutional as they interpreted it as a tool introducing forced labour. 30 of the Members of the National Council of the Slovak Republic submitted a collective complaint to the Constitutional Court of the Slovak Republic, which has been rejected. Despite the fact that the Amendment forces the long-term unemployed into activity, it does not create any jobs and neither does it present an opportunity to increase their incomes. From this point of view, it is uncertain whether it actually results in a decrease of economic and social differences and the inclusion of the marginalised communities.

The most significant progress was achieved in the Structural Funds for the 2014-2020 programming period. Roma related projects were allocated EUR 383,000,000. The USVRK together with partners created an *Underdevelopment Index* covering 150 municipalities from the updated Atlas of Roma Communities (2013) where the Roma communities with the lowest quality of life live. The municipalities with the highest segregation index will be given the opportunity to implement projects from the Takeaway Package based on their eligibility regardless of competition. The basic Package will include the support of field social work, community centres, teaching assistants, healthcare assistants and the legal settlement of lands on which the Roma live. The USVRK focuses on the social aspect in public procurement, meaning that the companies applying for the public contracts focused on the marginalised Roma communities in the Human Resources Operational Programme will be obliged to make use of the local labour force.

A project regarding modular schools is supposed to resolve the long-term issue of the crowded school premises in municipalities with a high proportion of Roma communities. In 2013, a pilot test for 5 two-shift operation container schools was carried out. Total costs amounted to EUR 1 million. The project was evaluated as successful by the Government authorities and in 2014 the project entered its next phase -- building 11 more modular schools (allocation -- EUR 3 million).

Besides the running projects related to pre-school education (the *PROGRESS* Project and the *Inclusive Model of Education for the Pre-Primary Stage of the MRK 2 School System*), the Methodological and Pedagogical Centre together with THE USVRK has also launched the *PRINED* project. Its objective is to prevent children from a socially disadvantaged environment from entering special schools by means of introducing a daycare educational system and increasing the capacities of primary schools by hiring teaching assistants, psychologists, special teachers, therapeutic teachers and social educators. Kindergartens as well as primary schools are participating in the project, creating 250 jobs for teaching assistants and 368 jobs for other professionals. The overall allocation for the project is EUR 6.5 million funded by the Horizontal Priority Marginalised Roma Communities.

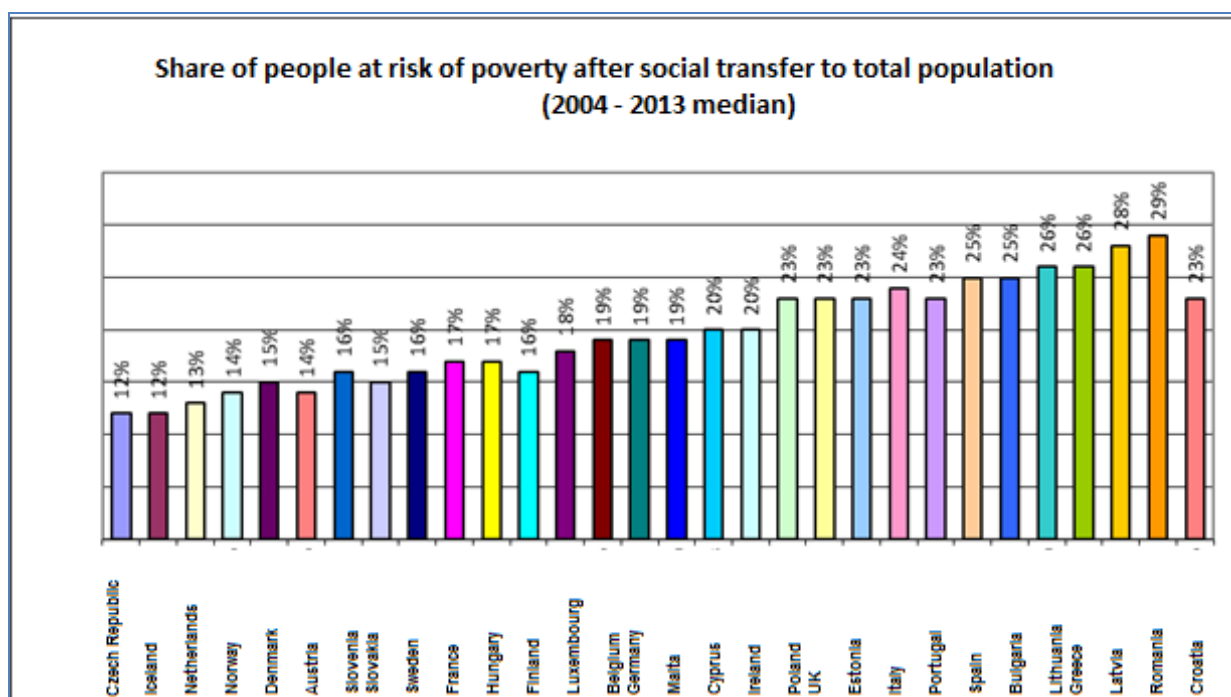
Statistics

In terms of relevant indicators for which statistical data are collected, evaluated and compared across individual EEA countries on an annual basis, the percentage of population at risk of poverty seems to be the only suitable indicator. In 2013, Slovakia ranked 8th out of all the EEA countries' average. However, the indicator does not reflect data on the distribution of financial and non-financial resources at the

national level when compared to other countries; hence, it does not reflect data on the actual wealth of the countries. On the other hand, it shows social disparities within individual countries. An interpretation of this indicator does not mean that Slovakia is the eighth wealthiest EEA country, as the indicator does not reflect the actual wealth of the country. The indicator must be assessed against the purchasing power parity, i.e., against the size of population below 60% of the median equalised disposable income in a given country. The purchasing power parity is an important economic factor that allows the comparison of the economic power of a country (region) against another country (region), or against a group of countries (regions). For comparison's sake, the Czech Republic scored best under this indicator, even though it is not the wealthiest of the EEA countries, but has the lowest percentage of people below 60% of the national median equalised disposable income.

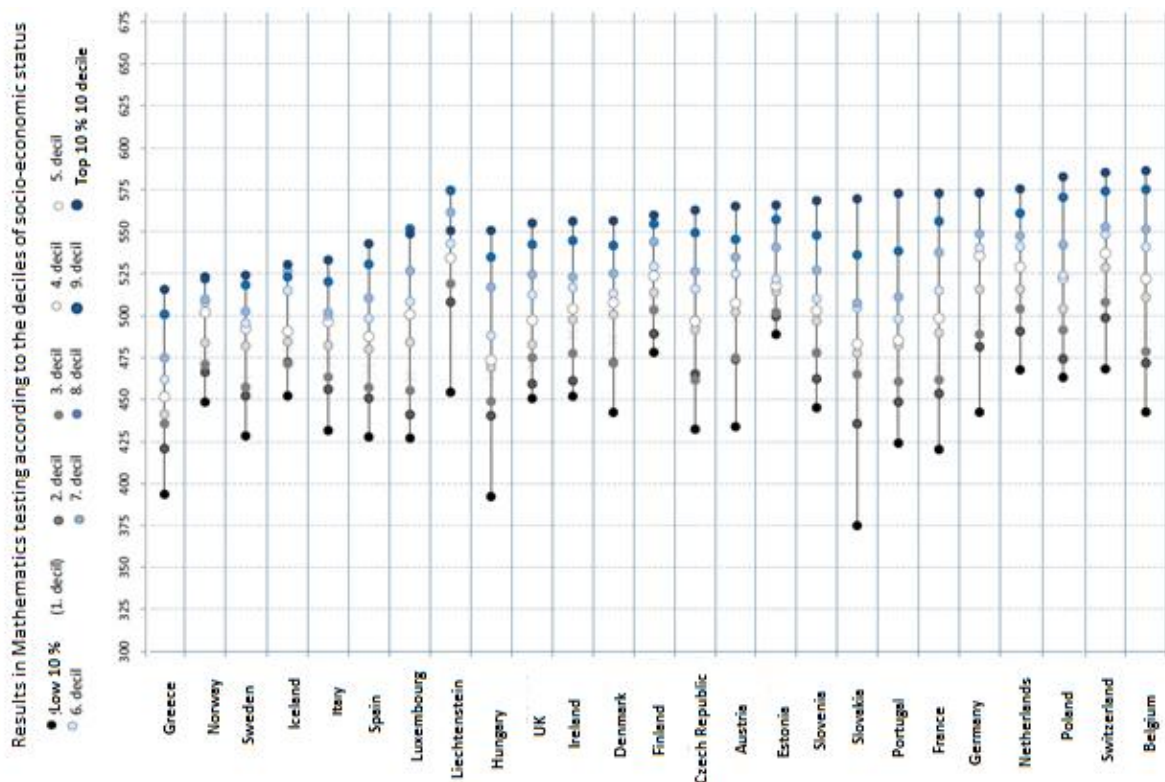
Current data by the Programme for International Student Assessment (PISA) for 2014 are not yet available and the last measurement was carried out in 2012. As for the Slovak Republic, the correlation between socio-economic family background and the results of testing in Mathematics was the strongest out of all the OECD countries (see Chart 5). The sample of students tested in the lowest decile (based on family income) also scored the lowest in the Mathematics tests. The Slovak Republic is facing a challenge -- to find a way of decreasing the correlation between socio-economic backgrounds and results in academic subjects. The connection of these factors later influences the country's ability to decrease economic and social differences and increase social cohesion at all levels.

Chart 4 Share of people at risk of poverty after social transfer to total population (2004 - 2013 median)⁹



⁹Prepared using Eurostat data

Chart 5 Results in Mathematics testing according to the deciles of socio-economic status¹⁰



2.1.4 Conservation and revitalisation of cultural heritage

Current conditions in cultural heritage conservation

Cultural heritage conservation in Slovakia is performed pursuant to Act No. 49/2002 Coll. on the Protection of Monuments and Historic Sites as amended. The executive body responsible for the conservation of cultural heritage is the Monuments Board of the Slovak Republic. On 25 March 2014, the National Council of the Slovak Republic adopted Amendment No. 104/2014 to Act No. 49/2002 Coll. on the Protection of Monuments and Historic Sites as amended. The Act came into force on 1 July 2014.

The draft specifies the tasks of State administration bodies regarding cultural heritage conservation. The most important changes are the introduction and definition of new concepts (“immediate vicinity of national cultural heritage”, “research for scientific and documentation purposes”, “head of research”), specification of the administrative procedure and decision grounds regarding the revitalisation of national cultural heritage as well as the specification of the tasks related to national heritage supervision and for the cooperating authorities. Other changes are related to national cultural heritage research, its implementation, issuing certificates and approvals. For easy reference of the owners and applicants for national cultural heritage research, a new system is being implemented.

Conditions of cultural heritage structures:

Currently, there are 9,807 immovable national cultural heritage units (15,406 historic monuments) and 14,871 movable cultural heritage units (33,163 historic objects) registered in the Central Register of Monuments and Historic Sites of the Monuments Fund; 28 monument reserves and 89 historic zones¹¹. 5 sites in Slovakia are included in the UNESCO World Heritage List. The State also protects 72 monuments of an extraordinary historic value.

¹⁰ Source: http://oecd.org/mcm/Pisa2012_Overview_v25_04_05_14.pdf

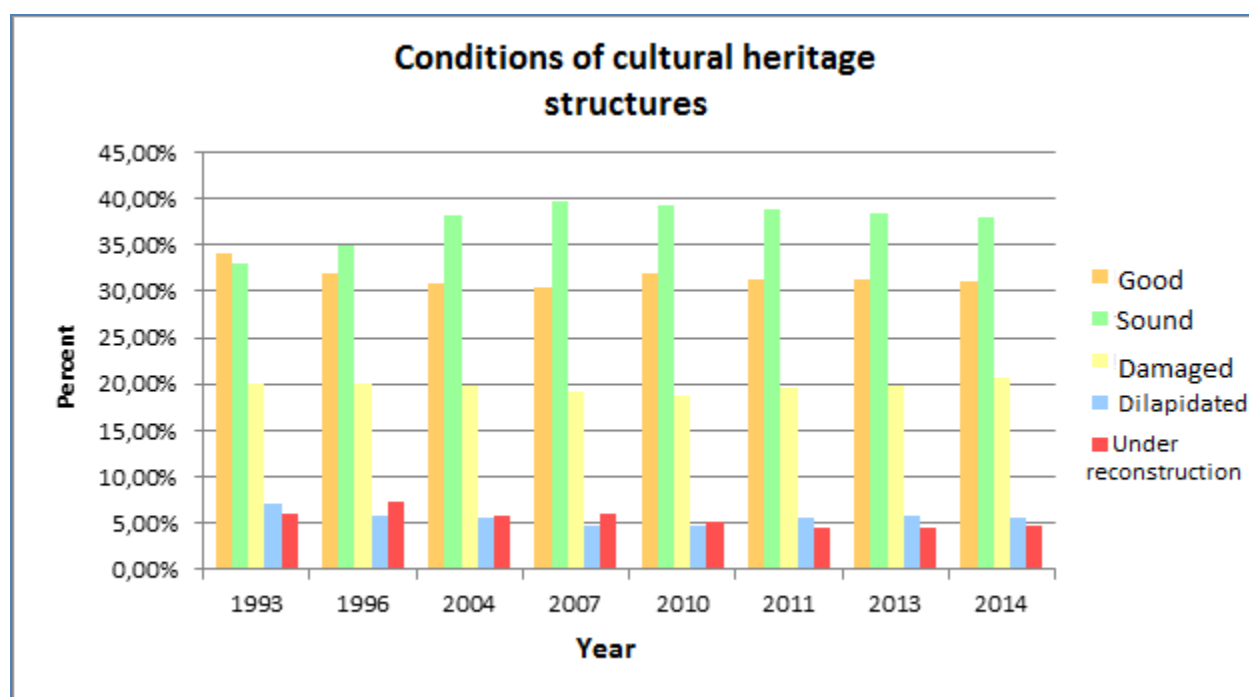
¹¹ <http://www.pamiatky.sk/sk/page/vyvoj-stavebno-technickeho-stavu-a-vlastnickej-formy-pamiatok>

The list covers a wide scope of monuments of varying historical and cultural value, nature, state, use, presentation and forms of ownership. The preservation and protection of these values requires enormous social and economic resources.

It is one of the reasons for which the current state of the Monuments Fund cannot be regarded as satisfactory. The shares of monuments according to their technical condition are relatively unchanged, although the structural and technical conditions of certain monuments have been stabilised thanks to the State and partially also European grant schemes (Chart 6). The private sector (physical and legal persons) has also made significant investments into the revitalisation of immovable cultural heritage.

Based on the data presented below, it is clear that the shares of monuments in various technical conditions have changed only minimally over the course of the last two decades. The share of monuments in damaged condition oscillates at about 20%. In 2014, there was a moderate increase from 19.9% to 20.67%. The share of monuments in dilapidated condition decreases only moderately and for several years, has been stabilised at 5%.

Chart 6 Conditions of cultural heritage structures – development from 1993 to 2014¹²



The cultural heritage has a great potential in areas such as employment support or tourism. Therefore, the conservation of the Monuments Fund has become one of the priorities based in the Concept for Cultural Heritage Protection (hereinafter referred to as the Concept)¹³.

One of the main objectives of the Concept is to facilitate protection and prevention from physical degradation of the historic monuments as well as education and awareness raising. The *Conservation and Revitalisation of Cultural and Natural Heritage & Promotion of Diversity in Culture and Arts within European Cultural Heritage Programme* significantly contributes to the progress of achieving this objective. The Programme not only facilitates the revitalisation of historic monuments, thus decreasing the number of endangered monuments, but also provides education, promotion as well as the maintenance of the monuments targeted in the *ProMonumenta* Project.

¹²Source: The Monuments Board of the Slovak Republic

¹³ Concept for Cultural Heritage Protection

The *ProMonumenta* Project¹⁴ – *Prevention by Maintenance* is a pre-defined project under the *Conservation and Revitalisation of Cultural and Natural Heritage & Promotion of Diversity in Culture and Arts within the European Cultural Heritage Programme*. The project is also a part of the Government Manifesto for 2012-2016 and one of the tasks included in the strategic government document *The Concept of Protection of the Monuments Fund in the Slovak Republic until 2020*.

In the course of 2014, the project succeeded in achieving all its objectives, presenting results and outputs. The material, technical and organisational conditions have been provided for the three uniformly allocated geographical groups of independent experts monitoring the monuments. The inspection groups are located in Trnava, Banská Bystrica and Poprad – Spišská Sobota. 40 Technical Reports on Cultural Monuments based on inspections were provided by the end of 2014, each owner of the respective monument given a Certificate on the Condition of the Cultural Monument as a comprehensive report on the condition of the building. Each Certificate included obligations as well as specific recommendations on the procedures required to be carried out by the owner in order to remove the deficiencies. A web page of the project was created (www.promonumenta.sk). It presents information on the project, electronic guidelines for the owners/administrators available for download and also a list of experts from which they can choose.

2.1.5 Green Industry Innovation

Renewable energy resources (RER) usage

Electricity production by major hydroelectric power plants dominated the sector of RER in the Slovak Republic in the reporting period, representing more than 90% of all the RER usage. Electricity production was therefore highly dependent on hydroelectric power plants. The progressive increase in electricity production by hydroelectric power plants will probably continue in the future as new projects for minor hydroelectric power plants are being prepared or implemented. The increase in the prices of fossil fuels (non-renewable energy resources) was reflected by achieving the highest price of oil in history, but prices started decreasing again. If the prices of fossil fuels decrease significantly, the demand for biomass will decrease moderately; on the other hand, prices of biomass will also decrease since the costs of its production, refinement and transport will be lower. However, biomass is currently still an important economic and ecological alternative to fossil fuels in the Slovak Republic. The rate of use for biomass in the heat generation sector has also increased in recent years and it is reasonable to assume that it will become the second most widely used RER after hydroelectric power plants.

The main theme of the Green Industry Innovation Programme is the environmentally friendly usage of organic waste and the production of otherwise unusable biomass from agriculturally unused lands suitable for the production of green energy. Using innovative green technology to create environmentally friendly energy resources on the local level together with the synergic effect of waste and agricultural by-products usage, biomass production in unused areas and the biodegradable components of municipal and industrial waste all alleviate the negative impact of the energy production sector on the environment, improves the competitiveness of green entrepreneurship and contributes to the creation of new, green job opportunities.

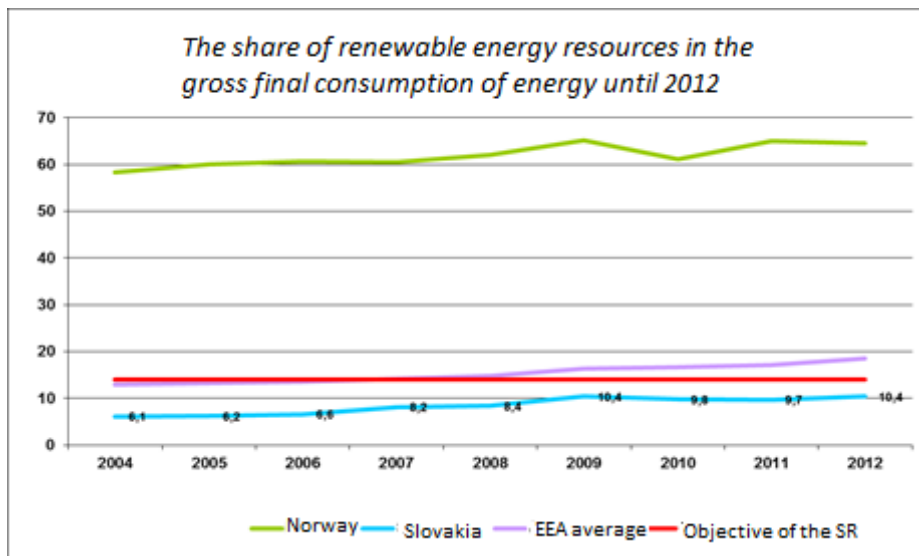
Statistics

The commitment of the Slovak Republic to increase the share of RER in the gross final consumption of energy to 14% by 2020 has not changed. The objective has been set in accordance with Directive 2009/28/ES on the promotion of the use of energy from renewable sources. The Government of the Slovak Republic approved the National Action Plan for Renewable Energy compliant with the Directive in October 2010. The Action Plan has already identified the reserves in the usage of biomass as a valuable

¹⁴ www.promonumenta.sk

alternative to fossil fuels and called for biomass to be used also in areas other than heat generation (which has increased significantly in recent years) such as energy production. It means that the *Green Industry Innovation* Programme can contribute to achieving the objectives set in Directive 2004/8/ES on the promotion of co-generation based on useful heat demand in the internal energy market and Directive 92/62/EEC on combined heat and power (CHP), as amended. Slovakia moves towards achieving the objective set for 2020, the experts agree the 14% objective should be achieved in 2020.

Chart 7: The share of renewable energy resources in the gross final consumption of energy in EEA¹⁵



As can be seen above, the share of RER in the gross final consumption of energy in 2012 moderately increased in comparison to 2011. However, in comparison with Norway, the overall share of RES in the gross final consumption of energy is very small although the trend curves of both countries are of relatively similar nature.

As stated above, several experts (although not all of them) believe that Slovakia will achieve the 14% share of RER energy by 2020; however, the process is expected to become challenging mainly in the final years. Currently, the NFP cannot say how the selected projects will contribute to achieving the objective of the *SK07 Green Industry Innovation* Programme. The impact analysis of *SK07 Green Industry Innovation* Programme regarding the 14% objective cannot be carried out before the programme is implemented and outputs from individual projects are available. It will be possible in 2015 or in the beginning of 2016.

Unemployment

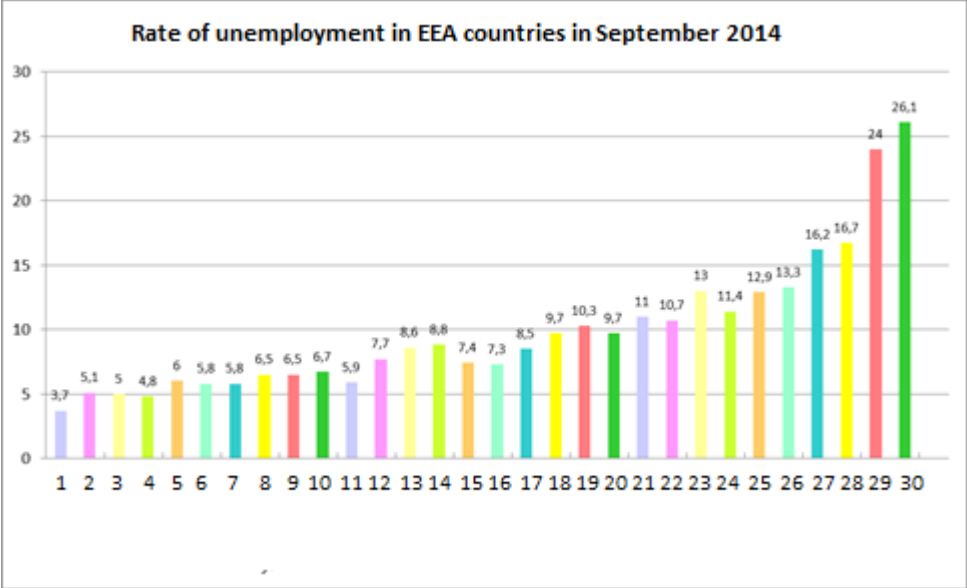
The Slovak Republic is one of the countries with the highest unemployment rate in the European Union. The *Green Industry Innovation* Programme definitely cannot improve the situation significantly. On the other hand, the programme helps create job opportunities in the most affected regions of the country and in the affected areas of the national economy (for example, agriculture and forestry). The proposed Programme includes investments into new technologies in energy production, logistic centres for transport, storage and refinement of biomass as well as investments into agricultural and forestry activities related to biomass production.

Statistics

¹⁵Based on data by EUROSTAT

As seen below, unemployment is an issue not only for Slovakia, but also for the EEA in general. The average unemployment rate in the EEA (i.e. the unemployment rate calculated as an arithmetic average of the unemployment rates for individual EEA countries in 2014) was 9.8%¹⁶, which represents a decrease in comparison to 10.7% in 2013.

Chart 8 Rate of unemployment in the EEA countries in September 2014¹⁷.



(1 – Norway; 2 – Austria; 3 – Germany; 4 – Iceland; 5 – Luxembourg; 6 – Czech Republic; 7 – Malta; 8 – Denmark; 9 – Netherlands; 10 – Romania; 11 – UK; 12 – Sweden; 13 – Belgium; 14 – Finland; 15 – Estonia; 16 – Hungary; 17 – Poland; 18 – Slovenia; 19 – France; 20 – Lithuania; 21 – Ireland; 22 – Latvia; 23 – Italy; 24 – Bulgaria; 25 – Slovakia; 26 – Portugal; 27 – Cyprus; 28 – Croatia; 29 – Spain; 30 – Greece)

The impact of the *SK07 Green Industry Innovation* Programme is not significant for the reporting period, since its share is relatively small in proportion to the overall number of unemployed citizens of the Slovak Republic and the general situation. Most of the approved projects focus on improving technical solutions whilst their social impact is a matter of support activities. Projects that have been approved and whose funding has started are currently being implemented -- their direct impact on the unemployment rate is not visible yet. However, it is important to mention that the programme actually had a very positive impact on employment in the individual municipalities or micro-regions and it is reasonable to assume that the projects implemented will serve as good examples and impulses for the implementation of similar projects in other locations. A partial contribution to the direct creation of job opportunities within the implementation of the support programme is expected soon. The important benefit of the Programme in the later period can be a positive indirect influence on increasing employment through suppliers and purchaser relations with the beneficiaries of assistance in material need. Also, the members of marginalised groups and Roma communities can potentially become employees, mainly of the supplier companies providing agricultural biomass or dendromass for the production processes.

2.1.6 Cross-border cooperation with Ukraine

The socio-economic situation in both regions in Eastern Slovakia is unfavourable. Despite the fact that certain indicators have been improving in recent years, these regions are falling behind all the other

¹⁶ Switzerland and Lichtenstein were not included in the calculation.
¹⁷ Based on data by EUROSTAT

regions (except the region of Banská Bystrica) and the gap is increasing. The partner Zakarpattya region is significantly falling behind the borderland regions of other neighbouring countries (Slovakia, Poland, and Hungary) concerning social and production infrastructures. The political, economic and security situation of Ukraine has radically changed since the beginning of the programming period (2009). The economic situation had been deteriorating before the crisis due to insufficient reformation and in 2014, the war in Eastern Ukraine started. Ukraine's economy decreased by 6-8% based on estimations.

Ukraine is in need of financial assistance amounting to EUR 12.05 billion. These factors can directly influence cross-border cooperation as the region cannot rely on funding from the state budget any more. There is no relevant information available to provide an estimate on how the cross-border cooperation will be supported by Ukraine's state administration in the short and medium-term run.

On the supranational level, the *ENI CBC Programming Document HU-SK-RO-UA 2014 – 2020* is important for the progress of the cross-border cooperation¹⁸. The *ENI CBC Programme* will bring EUR 73,952,000 for the cross-border cooperation regarding the three strategic objectives: the facilitation of economic and social development in both the countries; the resolving of common environmental problems, public health, safety and security; the improvement of conditions and creation of procedures facilitating the mobility of persons, goods and the capital.

The institutional conditions of the cross-border cooperation have not changed in the Slovak part.

The spontaneous initiatives¹⁹ of relevant parties on both parts were a positive sign in 2014. They contributed to the expert dialogue on the future progress of the bilateral cooperation between the Slovak Republic and Ukraine including the cross-border cooperation. The Development Strategy for the Slovak-Ukrainian Cooperation until 2020 has been processed, creating one of the most important outputs of the dialogue²⁰. It was processed within the *Hungary-Slovakia-Romania-Ukraine ENPI Cross-border Cooperation Programme 2007-2013*. Medium-term objectives and measures have been proposed to achieve regional cohesion, sustainable development of the borderland regions and improvement of the quality of life of the citizens affected. The complementarity of the *ENI CBC Programme* and the *SK08 Cross-Border Cooperation Programme* create the basis for the improvement of border management, securing mobility and synergy in the cross-border cooperation between the Slovak Republic and Ukraine.

Statistics

The most important aspect of the cross-border cooperation is the progress of Ukraine in the visa-related dialogue. The visa free regime to be introduced during the Eastern Partnership Summit in Riga (May 2015) will remove one of the biggest obstacles for the cross-border cooperation. The basic precondition of a successful cooperation is the opportunity to meet partners. This issue is related to the Schengen

¹⁸ <http://www.huskroua-cbc.net/en/programming-of-the-2014-2020-period-in-the-frame-of-eni-cbc>

¹⁹ International conference **Slovakia – Ukraine: Slovakia – Ukraine: Ukrainian Crisis and its Impact on the Development of Bilateral Relations: What Next?**, 30 June 2014 in Košice. The conference was organised by the Slovak Foreign Policy Association (SFPA), the Carpathian Foundation and the Ministry of Foreign and European Affairs of the Slovak Republic with financial support from SlovakAid. The international conference **Strengthening the Cross-Border Cooperation between the EU and Ukraine with Regard to Regional Development, Investment and the Development of Social Capital in the Border Region, Prešov, October 2014**. The conference was organised by the Slovak Foreign Policy Association (SFPA) and supported by the Friedrich Ebert Foundation.

²⁰ The strategy was processed within the *Slovak-Ukrainian Cultural Centre -- forming and strengthening cooperation between the Prešov Self-Governing Region and the Zakarpattya Region in Ukraine* Project. The project was implemented by: the Association of Ruthenians - Ukrainians of Slovakia, Regional Development Agency of the Prešov Self-Governing Region, Ukrainian-Slovak Cross-Border Cooperation Centre "Carpathians", Regional cultural and educational organization "Matica Slovenská" Transcarpathia, Prešov Self-Governing Region, Košice Self-Governing Region, the Transcarpathian Regional Council, the Transcarpathian Regional State Administration. The project was publicly discussed, reviewed and approved by the committee of the Transcarpathian Regional Council for the Cross-Border Cooperation and supported by the regional state administration.

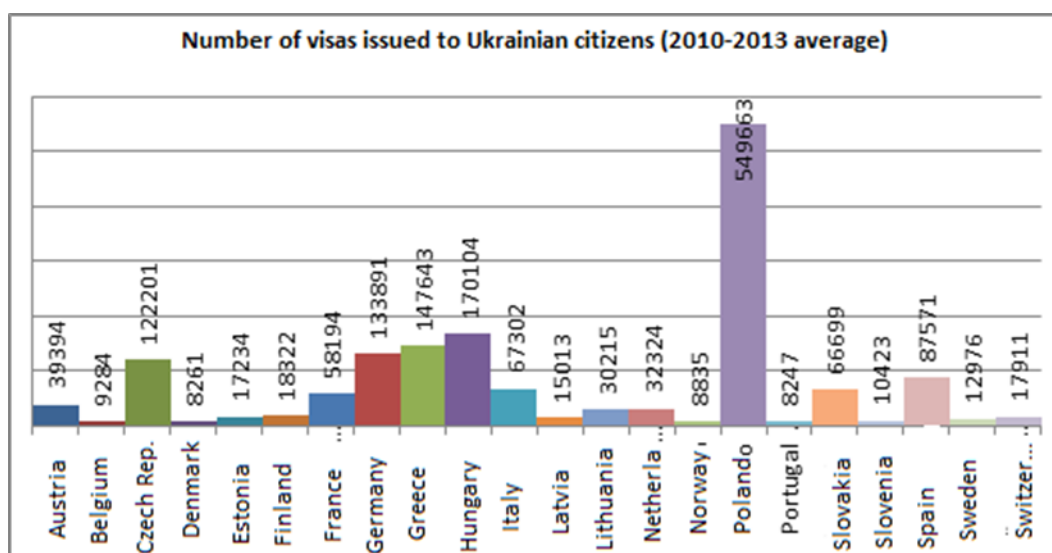
border and visa regime. The embassies of the Slovak Republic issued 49,657 visas for Ukrainian citizens in 2014, which is a significant decrease in comparison with 2013. It is probably the result of the unfavourable political, economic and social situation.

Chart 9: The number of visas issued by the representative bodies of the Slovak Republic for the citizens of Ukraine²¹



Slovakia rates 8th in the number of visas issued to Ukrainian citizens in 2010-2013 among the 22 Schengen area countries. The statistical data for 2014 are not available at the time of the Report's preparation.

Chart 10 Number of visas issued to Ukrainian citizens by Schengen area countries – average for 2010 – 2013²²



²¹ Based on data provided in the statistical yearbooks of the Border and Foreigner Police Department of the Presidium of the Police Force <http://www.minv.sk/?rok-2014-1>

²² Based on data by DG Home Affairs, http://ec.europa.eu/dgs/home-affairs/what-we-do/policies/borders-and-visas/visa-policy/index_en.htm, data include Schengen visa type A and C with limited territorial validity.

2.1.7 Domestic and gender-based violence

In 2014, several initiatives and activities related to strengthening gender equality and resolving the issue of domestic and gender-based violence emerged. In November 2014, the Government approved the 2014-2019 National Strategy for Gender Equality and the related Action Plan. The Strategy is based on the strategic documents of the EU and the Council of Europe according to which the Member States undertake to adopt positive measures related to gender equality. It also reflects the recommendations of the international monitoring authorities relevant for the area of gender equality and the commitments of the Slovak Republic itself. It covers the areas of women's dignity and physical integrity and the elimination of gender-based violence.

In December 2013, the Government approved the Action Plan of the elimination and prevention of violence against women for 2014-2019 with the objective of creating, implementing and managing a comprehensive state policy for the elimination and prevention of violence against women. The *SK09 Domestic and Gender-Based Violence* Programme is one of the most important resources for facilitating the tasks and activities in the Plan, regarding mainly improving the availability and quality of specific services, prevention and also providing education for specialists.

The Coordinating-Methodological Centre for Domestic and Gender-based Violence is being implemented as a project pre-defined in the *SK09 Domestic and Gender-based Violence* Programme. In 2014, the inevitable processes for launching the project were in their final stage and at the time of this Report's preparation, the Project is already running. The Coordinating-Methodological Centre for Domestic and Gender-Based Violence will provide good practice sharing with other countries, funding for methodology and guidelines creation.

Despite the fact that related basic social services are currently being funded by the self-governing regions, there is a large deficit in the long-term sustainability, universal accessibility and quality of these services. The NFM together with the European Social Fund (ESF) represent important financial sources for organisations focused on the development and improvement of the quality of services related to the area of domestic and gender-based violence. In 2014, the ESF launched a project focused on improving the services and their accessibility, including a free-of-charge hotline for women at risk. In the preparation for the new programming period of the European Structural and Investment Funds (ESIF) 2014-2020, the *Human Resources* Operational Programme was extended by the future possibilities for these activities.

The contribution of the NFM was also significant for the networking of the organisations providing specific services for the victims of domestic and/or gender-based violence as it organised various events such as round tables. It also launched a campaign on the occasion of 25 November -- International Day for the Elimination of Violence against Women.

Statistics

The high-profile presentation of the research by **European Union Agency for Fundamental Rights**²³ attracted public attention to the need for systemic solutions in the prevention and elimination of violence against women. A survey showed that the occurrence of violence against women in the Slovak Republic is average in comparison with the rest of the EU. 23% of adult respondents stated they have

²³ European Union Agency for Fundamental Rights: Survey data explorer – Violence against women survey, <http://fra.europa.eu/DVS/DVT/vaw.php>

experienced physical or sexual abuse at the hands of their partner (EU average -- 22 %) and 34% of the adult respondents stated they have experienced it at the hands of a man in general (the EU average is 33%). Regarding violence, 6% of the respondents experienced violence at the hands of their partner and 10% at the hands of a man in general. The survey on victim assistance turned out even more disturbing: only 8% of female victims contacted the police and only 27% of women know of at least one institution that provides assistance to women at risk. 40% of adult Slovak women have experienced sexual harassment, 22% of them have experienced more serious, non-verbal sexual harassment.

For the offence of Cruelty Against Closely Related Persons or Dependent Persons (Section 208 of the Criminal Code), 116 offenders (108 males) were convicted in 2013. Based on the statistics on the crimes reported as seen in the chart below, the number of the cases of cruelty against closely related persons or dependent persons reported (domestic violence) is decreasing, whilst the number of cases of sexual violence reported is increasing, which can be attributed to the success of awareness raising. Despite the fact that the number of the cases of cruelty against closely related persons or dependent persons reported (domestic violence) is decreasing, there is a reasonable concern that it is the result of underestimating the situation. Such reports are often evaluated as minor offences, which results in the distrust of the victims toward the law enforcement authorities.

Chart 1 Overall number of victims and number of female victims (2008-2014) of selected violent offences and offences against decency in 2008 - 2014.

	2008	2009	2010	2011	2012	2013	2014
Violent crime							
Murders	94	78	82	88	63	78	65
Women murdered	24	32	31	31	18	23	19
Persons mugged	1217	1078	908	671	764	637	512
Women mugged	353	366	307	260	253	203	190
Cruelty against closely related persons or dependent persons reported	497	371	279	343	284	268	222
Female victims	377	277	207	246	209	184	191
Offences against decency							
Rape (women victims only)	152	142	117	150	88	91	87
Female victims	152	142	117	150	88	91	87
Sexual abuse	387	396	369	542	497	482	533
Female victims	333	225	309	437	412	414	466
Human trafficking	11	9	9	19	23	11	11
Female victims	9	7	4	8	13	5	10

Source: Information System Department of the Presidium of the Police Force

The quantitative data probably do not reflect the reality; regarding crimes against closely related persons or sexually motivated crimes, there has been latent criminal activity present for years. Especially in cases where the victims are dependent on their offenders, reporting the crime would mean a direct endangerment of the victim, possibly resulting in the escalation of violence or losing their social and economic security. Last but not least, the surroundings often stick to the stereotypical perception of the issue, possibly persuading the women to stay in a violent relationship. All these factors are strengthened in women with multiple social disadvantages, such as women from marginalised Roma communities, handicapped women or socially excluded women at the risk of poverty.

2.1.8 Horizontal issues

EEA and Norwegian Grants include the following horizontal priorities:

1. Democracy and good governance
2. Human rights, minorities, vulnerable groups, combating poverty and social exclusion
3. Combating discrimination, racism, xenophobia
4. Gender equality
5. Combating hate speech

Democracy and good governance

The National Focal Point paid due attention to the good governance principles across all programme agreements by properly including the principles of transparency, responsibility, efficiency and effectiveness in the wording of individual programme agreements. The programmes are implemented in cooperation not only with relevant ministries, but also with civil society representatives and donor programme partner officials, thus reinforcing the principle of participative democracy.

Another measure contributing to good governance is the obligation to publish contracts in the publicly accessible Central Register of Contracts as a condition for the effectiveness of contracts concluded between government and public institutions and third parties. The NFP extended this obligation to also apply to project applicants and their partners, which means that the publishing obligation also applies to contracts concluded with contractors selected through public procurement carried out under individual projects.

The programmes are implemented transparently and openly, exercising zero tolerance in regards to corruption. The good governance principles are included in the project evaluation and selection processes.

Human rights, minorities, vulnerable groups, combating poverty and social exclusion

The NFP is running the *SK04 Local and Regional Initiatives to Reduce National Inequalities and to Promote the Social Inclusion Programme*.

There was a round-table meeting held in the Bôrik Hotel in Bratislava on 12 November 2014 dedicated to Roma ethnic education. It was attended by the representatives and recipients of the *SK04 Local and Regional Initiatives to Reduce National Inequalities and to Promote the Social Inclusion Programme* as well as the representatives of the Council of Europe, the Financial Mechanism Office, the Embassy of the Kingdom of Norway in Slovakia and the state administration representatives (Ministry of Education, Science, Research and Sports of the Slovak Republic; The Ministry of Labour, Social Affairs and Family of the Slovak Republic and the representatives of individual schools). The recommendations from this discussion are listed in Appendix 10.

A similar round-table meeting will be held in May 2015, where the NFP will provide a report on the implementation of these recommendations.

Poverty and social exclusion are also combated by the *SK02 Adaptation to Climate Change -- Flood and Drought Prevention Programme*. Climate change has an impact on poverty and affects mainly low-income communities.

The *Blue Schools* component provides workshops, seminars and personal meetings to set a good example and improve the social capital.

The issues of social exclusion will be combated by the implementation of specific adaptation measures concerning mainly marginalised social groups. The Programme facilitates alleviating the unemployment issues in Horná Nitra and Zemplín regions by providing short-term job opportunities related to the implementation of projects. In the long run, the Programme will increase the tourist attractiveness of the related regions.

The *SK09 Domestic and Gender-Based Violence* Programme is focused on combating violence against women and domestic violence and it directly supports the human rights of women as well as the human rights of other potential victims.

Combating discrimination, racism, xenophobia

The *SK09 Domestic and Gender-Based Violence* Programme promotes zero tolerance of violence against women. The related activities aim to create a more tolerant society that will not accept any forms of violence.

The NFP assumes the combat against discrimination, racism and xenophobia will be supported also by the *SK05 Conservation and Revitalisation of Cultural and Natural Heritage & Promotion of Diversity in Culture and Arts within European Cultural Heritage* Programme. The Programme has allocated 5% of its funding to the monuments historically related to interculturalism or to those planning activities related to promoting non-discrimination and tolerance or cultural diversity, intercultural dialogue, combating anti-Semitism and promoting the cultural identity of minorities. It resulted in the support for 3 projects focused on Jewish culture promotion. It regards the synagogue in Žilina, the Jewish quarter in Bardejov (listed by UNESCO) and the Jewish cemetery in Topoľa.

Although the *SK07 Green Industry Innovation Programme* is focused on technology, the NFP expects it to positively influence the employment of the socially disadvantaged, especially the Roma as the Project can provide them with activities related to the production, refinement and processing of biomass as well as construction work job opportunities. By employing members of the socially excluded groups, the non-discrimination principle will be promoted.

In general, the creation of new and support of existing partnerships will greatly contribute to mutual understanding, the essence of tolerance.

Gender equality

The potential regarding the strengthening of gender equality principles despite not being enormous is not negligible. The *SK02 Adaptation to Climate Change -- Flood and Drought Prevention* and *SK05 Conservation and Revitalisation of Cultural and Natural Heritage & Promotion of Diversity in Culture and Arts within European Cultural Heritage* Programmes objectively do not have much potential regarding the issue. However, the *SK03 Democracy and Human Rights*, *SK04 Local and Regional Initiatives to Reduce National Inequalities and to Promote Social Inclusion*, *SK08 Cross-Border Cooperation* and *SK10 Active Citizenship and Inclusion* Programmes do as they cover several support areas through which they can promote gender equality principles. Even though the *SK04* Programme does not directly target gender equality, the Programme Operator motivated the applicants to promote gender equality and has created procedures that ensure that the project is compliant with gender equality principles. The applicants were required to state how exactly they were planning to exercise these principles. Also, the *SK08* Programme contributes to the promotion of gender equality as its principles are included in all related documents and the compliance with them is one of the criteria of the evaluation and selection process. Under the *SK03*²⁴ Programme, 15 projects targeting gender equality have been supported.

²⁴ The SK03 and SK10 Programmes are not included in this Report

Combating hate speech

The NFP cooperated with the Council of Europe in order to promote tolerance and basic rights. The activities combating hate draw from NGO funds under EEA schemes. In 2014, an on-line campaign was launched in order to inform, remove prejudice and myths, promote correct information, search for suitable tools and attract as many young people as possible, as they are apparently the group most affected.²⁵

The Youth Councils of Žilina, Trnava and Prešov carried out surveys among young people in Slovakia as a part of the *Hate-Free Youth* project under the *SK10 Active Citizenship and Inclusion Programme*. The survey targeted high-school students aged 15 to 19 to examine their experience with hate speech in their everyday life. More information on the project and the survey results can be found at the project's website²⁶.

2.2 Bilateral relations

The bilateral aspect of EEA and Norwegian grants implementation is one of the main areas, supported as much as possible at every level of management. All the programmes implemented in the Slovak Republic except for the *SK05 Conservation and Revitalisation of Cultural and Natural Heritage & Promotion of Diversity in Culture and Arts within European Cultural Heritage Programme* are run in cooperation with donor programme partners. The donor programme partners are mainly Norwegian institutions, but the *SK06 Scholarship Fund* also includes institutions from Iceland and Lichtenstein. The donor programme partner of the *SK09* and *SK04* Programmes is the Council of Europe. The systematic support is achieved by using special financial tools – the Bilateral Funds for the support of bilateral relations between the Slovak Republic and the donor programme partners on national and programme levels. In the relevant period, the Bilateral Funds were drawn in all the relevant programmes. They were used to support the process of seeking and finding project partners in the donor countries, the development of partnerships and also bilateral cooperation in applying for projects. 31 applications for financial contributions were submitted. The total sum reserved amounted to EUR 87,947.

25 activities were carried out, 10 out of them were parts of projects submitted and implemented by the donor programme partners. 24 statements of cost have already been submitted. As of December 2014, a total of EUR 59,107 was paid. The *SK08 Cross-Border Cooperation Programme* was the most popular with 16 applications for financial contributions, of which 12 have been implemented, the provided contributions amounting to EUR 33,489.

The overall quality of bilateral relationships is characterised by various direct and indirect indicators, for example, student mobility.

2.2.1 Student mobility

The EEA Grants have been 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, the grants were extremely popular in the previous period. Norwegian and Icelandic students are especially interested in a medical study programme at the Jessenius Faculty of Medicine in Martin. In the 2013/2014 academic year, around 40 students from Iceland and 80 students from Norway started studying at the faculty in Martin in a common study programme with the Bjørknes College in Oslo. This cooperation currently represents one of the most important projects of bilateral cooperation with a significant economic potential not only for the Jessenius Faculty of Medicine, but also for the whole

²⁵ <http://beznavisti.sk/o-kampani/>

²⁶ <http://mbn.rmzk.sk/?cat=4>

region. More than 500 students are currently studying in Slovakia²⁷. Since the beginning of the 15-year cooperation, almost 200 Norwegian students have completed their studies there.

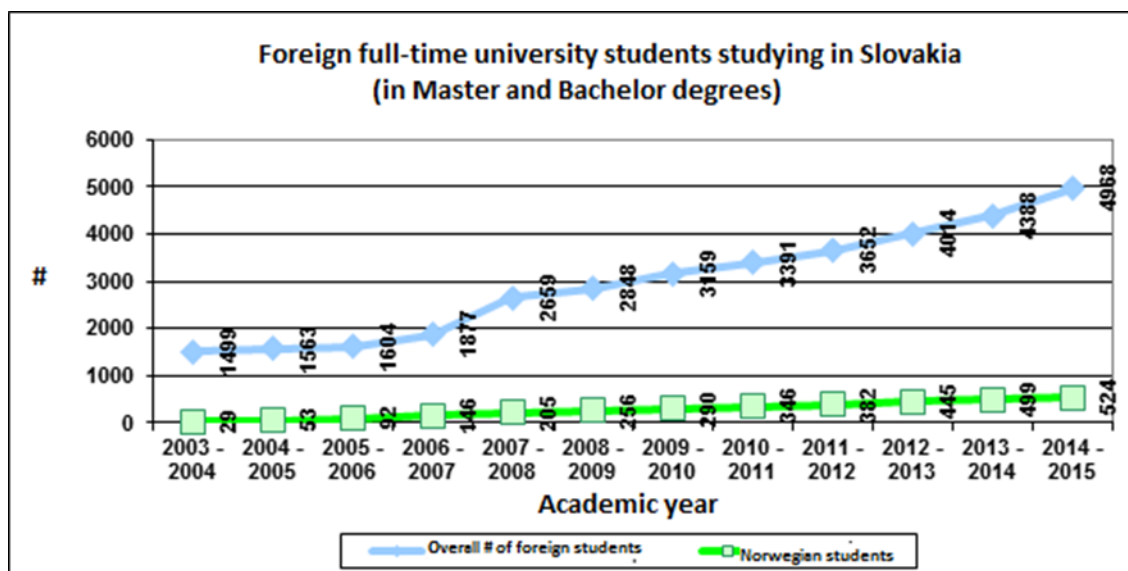
It is reasonable to assume that the number of students from EEA countries in Slovakia will increase, as the *SK06 Scholarship Fund Programme* will continue in 2015 and 2016.

A ceremony on the occasion of awarding Haakon, Crown Prince of Norway the Golden Medal of Comenius University in Bratislava for his extraordinary contribution to the development of long-term Norwegian-Slovak cooperation in preparing the Norwegian students of general medicine for studies in Slovakia, was held on 5 December 2014²⁸.

Statistics

The number of foreign students in Slovakia has more than tripled since the 2013/2014 academic year. For the sake of comparison, more than 41,871 foreign students studied in the neighbouring Czech Republic between 2003 and 2014²⁹ (figure from 31 December 2014). According to the information at our disposal, the total number of Slovak students studying abroad is not assessed for statistical purposes. According to the figure from 31 October 2014, 524 Norwegian students, 79 Icelandic students and 1 Liechtensteiner student are currently studying at Slovak universities.

Chart 11 Foreign full-time university students studying in Slovakia



Cooperation with donor programme partners (hereinafter referred to as DPP)

Generally, the bilateral relations between the Slovak Republic and the donor states within EEA Grants provide a wide scope of consulting activities, opportunities for practical application of the experience gained as well as strategic assistance by the partner institutions in the related programmes. DPP significantly contribute to programme implementation. They attend the Committees of cooperation on regular basis and participate in the implementation of the programmes. The Committee was held 14 times in the reporting period. As a DPP, the Council of Europe participates in two programmes (*SK04 Local and Regional Initiatives to Reduce National Inequalities and to Promote the Social Inclusion Programme*, *SK09 Domestic and gender-based Violence*). The cooperation is of high quality in both the cases. The representatives of the Council of Europe attend the programme meetings on regular basis.

²⁷ <http://www.mzv.sk/oslo>

²⁸ <http://www.mzv.sk/oslo>

²⁹ Source: http://dsia.uiv.cz/vystupy/vu_vs_f1.html

DPP significantly contributed to seeking and finding potential partner entities and facilitating the conclusion of project partnerships, ensuring the participation of potential partner institutions in matchmaking seminars, and creating lists of potential partner institutions that were published along with calls for project applications.

They 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 about by the implementation of the Bilateral Funds programme under the B measure in 2015. The donor programme partners actively participated in a majority of events organised under individual programmes.

The NFP assesses the cooperation between Programme Operators and individual donor partners as very active and mutually rewarding. All events organised in 2014 also concentrated on the presentation of bilateral dimensions in the implementation of EEA Grants. 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 the programmes.

A broader context of bilateral relations in 2014³⁰

The bilateral relations between Slovakia and Norway can also be evaluated from the point of view of the number of events and meetings held. As an example, a travelling photographic exhibition about the Slovak Republic was held in the popular Norwegian tourist town Drøbak in June and July 2014. It was organised by the Embassy of the Slovak Republic in Oslo, The Kingdom of Norway in cooperation with the Frogn community. The representatives of diplomatic corps including a representative of the Slovak embassy met the representatives of the Norwegian Shipowners' Association (an industry and labour organisation representing approximately 160 member companies) in January 2014. Slovakia also supports Norway's maritime and fishing industries by producing ship ropes (TIMM Slovakia, s.r.o. company in Trenčín, a part of Norwegian TIMM AS Holding).

Regarding the top-level meetings, the Minister of Defence of the Slovak Republic officially visited the Kingdom of Norway in May 2014 to meet the Norwegian Minister of Defence, Eriksen Søreide, to discuss possible bilateral cooperation in security. The Slovak Minister also met the members of the Foreign Affairs and Defence Committee of the Storting Parliament as well as the former Prime Minister of Norway, who currently holds the position of the Secretary General of NATO -- Jens Stoltenberg. During his visit, the Minister met the representatives of Bjørkness College, at which the future Norwegian students of medicine complete their preparation before coming to study in Slovakia. The Minister laid a commemorative wreath on the grave of the famous writer and Nobel Prize winner, Bjørnstjerne Bjørnson, who actively fought for the right of Slovaks to self-determine in the first half of the 20th century.

As for the top-level visits of the representatives of Norway, Ingvild Næss Stub, the Minister of Foreign Affairs of the Kingdom of Norway, visited Slovakia in November 2014. Together with the Slovak State Secretary from the Ministry of Foreign and European Affairs of the Slovak Republic, Peter Javorčík, she opened the conference on human rights, attended the bilateral negotiations and visited a crisis centre in the Nitra region. At the bilateral meeting, both the secretaries, Javorčík and Stub, expressed their satisfaction with the extraordinary mutual relations between Slovakia and Norway as well as their interest in the further development and strengthening of these relations. The Secretary also visited a crisis centre for domestic and gender-based violence.

The more than satisfactory situation in the bilateral relations can also be documented by the fact that the entrance exams for Icelandic students who wish to study medicine at the Jessenius Faculty of Medicine in Martin were held in Reykjavik and Akureyr. It was organised by the Honorary Consul of

³⁰ Source: www.mzv.sk, www.norway.sk

Island, Runólfur Oddsson, who actively works in the area. Currently, more than 500 Norwegian and Icelandic students study in Martin. Norwegian and Icelandic students in Slovakia are supported by the implementation of the pre-defined activity under the Bilateral Fund on the national level, which also covers teacher mobility and the publication of two Slovak-Norwegian course books in 2015.

Last but not least, the Hereditary Prince Alois of Lichtenstein presented the Slovak Ambassador Extraordinary and Plenipotentiary Andrea Elscheková Matisová with the credentials in Vaduz in October. The Prince currently acts as the head of the Principality of Liechtenstein on behalf of Prince Hans Adam. Both representatives expressed their appreciation of the bilateral and diplomatic relations between the Slovak Republic and the Principality of Liechtenstein since 2009 and discussed the possibilities for their further development.

The overall evaluation of the bilateral relations can be finished by mentioning the visit of the Ambassador Extraordinary and Plenipotentiary of the Slovak Republic to the Kingdom of Norway and the Republic of Iceland, František Kašícký, who visited Reykjavik in June 2014 to attend the celebration of an Icelandic public holiday. During his visit, the Ambassador met the Icelandic Minister of Foreign Affairs, Gunnar Bragi Sveinsson and the President of the Republic of Iceland, Ólafur Ragnar Grímsson. The Ambassador also attended a discussion with the Honorary Consul of the Slovak Republic in Iceland, Runólfur Oddsson.

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 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. Also, the B measure of Bilateral Funds implementation is being prepared and a high demand is expected among the entities eligible to carry out bilateral activities under the programmes. The existing cooperation will be extended through the opening of a Bilateral Fund on the national level.

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 an integral part of the implementation of the programmes. Support has been launched from the Bilateral Funds programme under the A measure to achieve results in the implementation of such bilateral processes. Further expansion and support to achieve results in these areas will be ensured through B measures under the Bilateral Funds programme, as well as the planned launch of a national Bilateral Fund under its individual components. The Bilateral Fund is specifically designed to support a common result sharing by means of study travels, seminars, meetings, workshops and conferences.

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. The permanent publicity of donors' tasks and positions in the implementation of programmes, coupled with the general presentation of bilateral dimension of the EEA 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 EU Council which, according to the National Focal Point's opinion, will commence the 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, a clear identification of donors that have provided financial assistance to achieve relevant outputs, as well as all entities engaged in implementation. Donor states agreed to provide funds amounting to approximately EUR 100,000, which have been allocated for the support of bilateral relations, mainly the organisation of

events to be held during the presidency of the Slovak Republic in the EU in the second half of 2016. The bilateral effects are expected to result from the implementation of pre-defined activities under the Bilateral Fund on the national level.

Brief overview of basic risks in bilateral relations

An insufficient number of partner institutions in the donor states pose one of the highest risks regarding bilateral relations. The risk is present in almost all programmes as well as in the process of implementation of the Bilateral Fund on the national level. The applicants are asking the National Focal Point and the Norwegian Embassy to assist them in searching for project partners.

The SK05 Programme has no DPP whatsoever, which may limit the development of bilateral relations in the given area. Despite this risk, the SK05 Programme Operator expects bilateral results mainly from the implementation of the small grant scheme *Promotion of Diversity in Culture and Arts*. The Norwegian Embassy will do as much as possible to attract applicants for bilateral activities supported by the Bilateral Fund.

3 PROGRAMME PROGRESS

3.1 Overview of programme progress

In 2014, the final programme agreement (*SK06 Scholarship Fund*) was signed, which means that all the programme agreements for the current programming period have already been signed. All the calls except for the *SK06 Scholarship Fund* have been closed and the operators of the individual programmes are not planning to publish any more calls in the given period. The financial mechanisms are entering the implementation stage in all the programmes.

See the list of calls, their status and number of applications received in Chart 2 below:

Programme area	Call code	Available allocation	Status	Applications received	Requested project grant
<i>SK02 Adaptation to Climate Change - Flood and Drought Prevention Programme.</i>	ACC01	EUR 6,900,000	closed	5	EUR 11,089,664
	ACC02	EUR 4,000,000	closed	4	EUR 7,242,560
	ACC03	EUR 2,723,235	closed	82	EUR 3,094,086
<i>SK04 Local and regional initiatives to promote social inclusion</i>	SI01	EUR 461,177	closed	35	EUR 1,381,185
<i>SK05 Conservation and Revitalisation of Cultural and Natural Heritage & Promotion of Diversity in Culture and Arts within European Cultural Heritage</i>	CLT01	EUR 2,948,943	closed	52	EUR 25,629,759
	CLT02	EUR 2,948,942	closed	13	EUR 7,363,686
<i>SK06 Scholarship Fund</i>	EEA/EHP-SK06-I-01	EUR 15,228	closed	9	EUR 23,726
	EEA/EHP-SK06-IV-V-	EUR 814,306	closed	17	EUR 1,525,825

	01				
	EEA/EHP-SK06-II-01	EUR 600,000	closed	4	EUR 254,655
	EEA/EHP-SK06-I-02	EUR 7,973	open	N/A	N/A
<i>SK07 Green Industry Innovation</i>	GII01	EUR 16,064,757	closed	13	EUR 28,132,210
<i>SK08 Cross-Border Cooperation</i>	CBC01	EUR 10,780,999	closed	83	EUR 41,927,012
	CBC02 ³¹	EUR 2,752,370	closed	73	EUR 8,666,970
<i>SK09 Domestic and Gender-Based Violence</i>	DGBV01	EUR 4,170,000	closed	15	EUR 2,656,660
	DGV02	EUR 2,430,965	closed	18	EUR 1,584,289
	DGV03	EUR 2,762,953	closed	6	EUR 5,081,632

The total amount of funding sought exceeds total allocations available for individual calls. Only *SK09* exhibits a lower demand. Based on the operator's experience as well as on the fact that the funding for the NGO's could not be increased, the results can still be considered satisfactory.

As for the lower demand for the *SK06 Scholarship Fund*, the Operator will apply for a reallocation of the funds for a third call.

Drawing of funds³²

SK01 Technical Assistance to the Beneficiary State & Fund for Bilateral Relations at National Level

In 2014, the Certifying Authority accepted EUR 213,513 from the FMO under the Technical Assistance and Bilateral Funds in 3 interim payments. These funds were further allocated to the individual partners on 28 April and 27 August 2014.

The Certifying Authority approved 3 IFR's related to the *SK01* Programme with eligible expenditures totalling EUR 168,405 and submitted it to the FMO. The total amount of eligible expenditures approved and submitted to the FMO is EUR 582,081, representing 35.97% of the allocation.

Programmes SK02 to SK09

In 2014, the Certifying Authority accepted an advance payment amounting to EUR 74,190 from the FMO for the *SK06* Programme (programme agreement signed in 2014).

Based on 21 IFR's approved and submitted to the FMO, the Certifying Authority accepted interim payments for all the programmes in the total amount of EUR 10,477,575, that were subsequently paid to the Programme Operator in accordance with the Regulations. By means of these IFR's, the Certifying Authority also approved and submitted to the FMO eligible expenditures for the *SK02* to *SK09* programmes in the total amount of EUR 1,073,991.

³¹Small grant scheme call by the Prešov Self-Governing Region

³²Source: Ministry of the Finance of the Slovak Republic

In 2014, a debit note for EUR 2,057,000 was received from the FMO due to exceeding the appropriations available in the budget for *SK05 Conservation and Revitalisation of Cultural and Natural Heritage & Promotion of Diversity in Culture and Arts within European Cultural Heritage Programme* in 2 instances. This debit note was paid to the FMO's account on 1 October 2014.

An overview of the disbursement of funds on the Certifying Authority level is provided in Appendix 9.

3.2 Overview of individual programmes

3.2.1 SK02 Adaptation to Climate Change – Flood and Drought Prevention Programme.

Programme area	Adaptation to climate change
Programme Operator	The Government Office of the Slovak Republic
DPP:	Norway's Directorate for Civil Protection and Emergency Planning Norwegian Water Resource and Energy Directorate
EEA FM allocation	EUR 12,463,750
National co-funding	EUR 2,199,485
Programme progress	Implementation

The key targets of the programme is to outline strategies and implement measures to adopt for climate change, reinforce capacities to assess vulnerability to climate change and raise public awareness and knowledge of adaptation to climate change. The programme objective is to find economically effective and environmentally sustainable adaptation measures based on changes in the use of the landscape, and to address climate change-related risks.

All the related calls were published in 2013. The year 2014 was dedicated to the selection of projects and the conclusion of the project agreements. Project activities are currently being carried out. Under the ACC01 call, 3 projects were selected (1 project in the Horná Nitra component, 2 projects in the Zemplín component). Under the ACC02 call -- the *Healthy Cities* component, 3 projects were selected. One of the selected projects to be implemented by the Bardejov city decided to turn down the grant offer due to their internal financial situation; therefore only 2 project agreements were concluded.

An important part of the programme is also the activity related to education and awareness-raising in the area of climate change adaptation. The *Blue Schools* Small Grant Scheme is composed of medium-term projects in which pupils, students, parents, teachers and local communities participate in the implementation of climate change adaptation measures. The schools also develop and include new activities into their syllabi.

The popularity of the ACC03 *Blue School* Small Grant Scheme is high as is the number of schools involved. In 2014, the implementation of 68 projects began. The Programme Operator assumed all the 79 counties of the Slovak Republic would participate in the Blue School component since 82 project applications were submitted. This objective was not reached, however, this part of the programme definitely a great example of effectiveness in information sharing and publicity reaching. All the projects under this component carry out educational activities, successfully implement pilot climate change adaptation measures and reach high levels of publicity.

The *Developed Strategies and Measures for Adapting to a Changing Climate* Programme outcome is expected to be achieved by planning strategies and documents for the selected adaptation measures in 4 selected regions. The schools will identify the adaptation measures based on their cooperation with partner entities.

Another expected Programme outcome, *Increased Capacity to Assess Vulnerability to Climate Change*, should be achieved through the results of the implementation of specific water-retaining and

revitalisation measures and flood prevention measures implemented under individual projects in regional and school premises. However, given the number of projects concluded, it is now clear that the objective of implementing 5,000 instances of concrete water-retaining measures, systems and facilities in the country is unrealistic. The original objective was proposed for a decrease (with regard to the individual objectives of the projects concluded). A realistic number would be approximately 640 instances. An outcome of the *Increased Awareness of and Education in Climate Change Adaptation* Programme is expected to be accomplished through future results delivered by projects implemented under the Small Grant Scheme (*Blue Schools*).

Concerning awareness of the issue, the measures implemented in 2014 focused mainly on opening events of the individual projects. By the end of the year, the number of project events reached 15. NFP organised training for the recipients on implementation, project partner guidelines and public procurement. The main activities are to be carried out in 2015 and 2016.

From the perspective of bilateral relations, the programme is apparently successful. The Programme Operator closely cooperates with DPP. DPP representatives actively participate in the programme implementation by attending all the Cooperation Committee meetings as well as visiting the places where the projects are being implemented. In 2014, two Cooperation Committee meetings were held; the first one was held in Bergen in June and was also attended by the representatives of the *Healthy Cities* projects; the second one was held in Slovakia in November and connected with a visit of the localities where *Healthy Cities* and *Blue School* projects are implemented. The implementation of Measure A under the Bilateral Fund has been completed, Measure B to be implemented in 2015 and 2016. One of the activities planned within Measure B is a study visit for the recipients under the *Blue School* component called Blue Trip Norway for 60 participants (students and teachers) who will travel to Oslo to become acquainted with the implementation of the pilot adaptation measures right in the donor country, Norway. This activity will also strengthen the bilateral aspect of the Programme. Top-level bilateral meetings of the representatives of Bratislava, the capital city of Slovakia and those of Oslo, the capital city of Norway are planned to take place.

Concerning current risks, an insufficient number of professional staff capable of preparing the adaptation strategy and implementing the adaptation measures has been reported. Also, there are insufficient data needed for the identification and evaluation of the expected negative impacts on climate change and some of the certification documents are missing. The main ways of minimising the overall risks are to raise awareness, build capacities and cooperate within professional and multidisciplinary teams composed of experts and research institutions. Other risks can be alleviated by tailoring a time plan of cooperation with specialised media and creating a detailed communication strategy that will increase the overall awareness of the project.

From the perspective of horizontal issues, the programme helps to increase the sustainability of the environment as well as protecting it through the implementation of the inevitable adaptation measures with positive impact on nature in order to revive healthy, balanced and dynamic ecosystems. The programme will facilitate the revitalisation of conditions for establishing long-term economic sustainability. By minimizing risks of floods and droughts, the attractiveness of the localities concerned will be improved, possibly providing new job opportunities. The educational nature of the Blue Schools component contributes to the social sustainability.

3.2.2 SK03 and SK10 NGO Fund Programmes

Programme area	NGO Funds
Programme Operators	The Open Society Foundation Ekopolis Foundation and partners
EEA FM allocation	EUR 6,903,000
Programme progress	Implementation

The objective of the programme is to strengthen the development of NGO's, promote social justice and sustainable development. The programme is designed to support the needs of minorities, judicial reform, environmental activities, etc. Since the Programme Operator is the Financial Mechanism Office in Brussels, this report does not include detailed information.

3.2.3 SK04 Local and Regional Initiatives to Promote Social Inclusion Programme

Programme area	Local and regional initiatives to promote social inclusion Programme
Programme Operator	The Government Office of the Slovak
DPP:	The Council of Europe
EEA FM allocation	EUR 1,000,000
National co-funding	EUR 176,471
Program progress in 2014	Evaluation, conclusion and starting of implementation of the applications

According to the Amendment to the relevant programme agreement, the programme consists of a pre-defined project implemented by the Slovak National Institute for Education (hereinafter referred to as the "SNIE") under the component *Creating an accredited study programme for innovative education for teaching staff in primary schools to increase their intercultural competence in the education of Roma pupils* and of the *Small grants to support Roma inclusion and intercultural projects at primary and secondary schools. Primary and secondary schools reinforcing implementation of educational programmes and extracurricular activities focused on intercultural education, Roma language culture and history with the involvement of a family, school and community* published call.

In 2014, SNIE organised an international conference under the name of *Together with the Roma, We Will Achieve More*. A number of experts from the Council of Europe, teachers of the Roma language and literature from Slovak primary and secondary schools as well as Slovak experts in Roma issues attended the conference. Their recommendations have been included in the innovative education contents. The Study programme Innovative Education was accredited for the next 5 years by the Ministry of Education, Science, Research and Sports of the Slovak Republic on 18 July 2014. SNIE accepted 46 primary school teachers and teaching assistants for the study programme.

In 2014, no more calls were published. In the previous reporting period, 35 project applications were received, of which 33 met the administrative and eligibility criteria and were forwarded for expert evaluation. Each application was evaluated by two independent evaluators. If the difference between the assessments of the two evaluators exceeded 30%, a third evaluator was called in. Based on the expert evaluation, the Programme Operator set the order of the project applications and forwarded them to the Selection Committee. The Selection Committee examined the order of projects and submitted a list of the recommended ones to the Programme Operator. Three applicants eventually decided not to conclude their project agreements (Primary schools in Kluknava, Smolník and Slanec) and were substituted by three other applicants from the list approved by the Selection Committee. 15 projects have been concluded with the overall allocation amounting to EUR 665,583 from August to October 2014. An amount of EUR 53,594 was released as 4 of the applicants ranked 19th at the same time and a division of the given allocation would therefore not be effective.

18 out of 35 projects have been supported and the selection process proceeded without any major problems, the Programme Operator therefore considers this call successful. It is assumed that all projects will be implemented during their eligibility period – by 30 April 2016.

The only unsatisfactory aspect is the absence of donor partners for the projects, probably the result of a relatively low allocation per project (EUR 40,000 at maximum) and the insufficient experience of the applicants in the area of bilateral cooperation.

Concerning bilateral relationships, the Programme Operator organised a meeting of the Selection Committee in April 2014 and a Cooperation Committee meeting was held in November 2014 and attended by the DPP, the Council of Europe. Cooperation with the Council of Europe as the DPP is very good. Since no project under the Small Grant Scheme has a donor country partner, there has been no significant bilateral cooperation on the project level. In the course of the projects implementation, the Programme Operator will continue to organise seminars in order to facilitate bilateral cooperation and experience sharing.

In the context of horizontal issues, the support for multicultural understanding is considered crucial. All programme activities are designed to enhance social inclusion and multicultural understanding through intercultural education, the Roma language and culture courses and cooperation between schools and families; the Programme Operator sufficiently covers this particular horizontal area in this manner. In addition, the programme strategy builds on two fundamental rights - the right to education and the right to be educated in a minority language - through which the Programme Operator promotes the rights of minorities, including the Roma.

The achievement of expected project outcome *Local and regional authorities, as well as private and civil society participants, are developing initiatives to strengthen anti-discriminatory measures for groups vulnerable to social and economic exclusion* is measured against several indicators. At the time of preparing this report, some of the indicators were the number of applicants accepted to the Innovative Education Study programme as a part of the outcome represented by the teachers and teaching assistants ready to implement a school educational programme focused on intercultural education, Roma language, culture and history. The number of teachers (46) exceeded the planned objective (40). Such a success was facilitated by the fact that the planned outcome in the form of the creation of accredited study programmes was reached -- on 18 July 2014, the Innovative Education Study programme was accredited and the given objective was achieved.

One of the possible risks could be a change in the Slovak legislation or insufficient final results of completed projects. Another risk lies within the relatively large amount of administrative work related to the projects and the lack of recipients' (the schools) experience in the area of project implementation as well as the absence of project teams caused by the low allocation. The Programme Operator will try to minimize the risks through intense cooperation and communication with the schools and the Slovak National Institute for Education.

3.2.4 SK05 Conservation and Revitalisation of Cultural and Natural Heritage & Promotion of Diversity in Culture and Arts within European Cultural Heritage

Programme area	Conservation and Revitalisation of Cultural and Natural Heritage & Promotion of Diversity in Culture and Arts within European Cultural Heritage
Programme Operator	The Government Office of the Slovak Republic
DPP:	-
EEA FM allocation	EUR 11,922,000
National co-funding	EUR 2,103,971
Program progress in 2014	Calls CLT01 and CLT02 published, concluded and project implementation started

The Programme contributes to the protection and conservation of cultural heritage in the Slovak Republic for future generations and makes it publicly accessible, as well as to the enhancement of

cultural dialogue and European identity through the understanding of cultural diversity. The main component of the programme is the protection of the most important national monuments, castles, fortifications and city palaces.

In the reporting period, two calls (CLT01 and CLT02) were published. 52 applications were submitted for the CLT01 call and 13 for the CLT02 call. The evaluation process was completed in August 2014. On 10 September 2014, the Selection Committee approved 7 projects under CLT01 call (4 more projects were listed as a reserve) and 7 projects under CLT02 call (3 project listed as a reserve). The total number of 14 projects was concluded under the CLT01 and CLT02 calls in 2014. In December 2014 a conference under the name of *Live Monuments* was held in the Wedding Palace in Bytča. 11 projects were concluded right there and 3 more were concluded later that month.

The implementation of the CLT01 and CLT02 projects started at the end of 2014 (preparation for public procurement and public procurement itself).

The outcomes defined in the programme agreement are being progressively reached, however, it is too early to present a relevant evaluation.

The main risk to the programme is the time aspect which can be minimized by:

- using the spring and summertime for outdoor construction work,
- alter the project documentation related to the projects unexpectedly complicated by archaeological findings at the sites to facilitate further research.

The programme contains two important pre-defined projects: *ProMonumenta - Prevention by Maintenance* and *Rusovce Servants' House Reconstruction and Gardens Revitalisation*. The *ProMonumenta* pre-defined project was concluded in 2014 and its implementation started right away in the cooperation with the Riksantikvaaren partner. Due to the current state of the *Rusovce Servants' House Reconstruction and Gardens Revitalisation*, the NFP together with the Programme Operator asked for a reallocation of funds from this project to other projects from the CLT01 and CLT02 calls. Due to the insufficient amount of time for the project implementation, it would not have been completed by the end of the eligibility period; neither would outcomes have been reached. It was proposed to decrease the original allocation for the project *Rusovce Servants' House Reconstruction and Gardens Revitalisation* from EUR 5 million to EUR 500,000 and reallocate EUR 4.5 million into other projects as follows: increase the CLT02 call allocation by EUR 1.8 million and the CLT02 allocation by EUR 2.7 million. Such reallocation should be able to allow the Programme Operator to fund all projects from the CLT01 reserve lists and 2 other projects that ranked slightly below the reserve list.

A Small Grant Scheme focused on promoting the diversity of the contemporary arts and culture as well as the bilateral exchange in arts and culture is planned for publication in the second quarter of 2015.

Concerning publicity and bilateral relations, besides the CLT01 and CLT02 calls, the opening of Measure A under the Bilateral Fund was announced. The main objective of Measure A was to financially support the process of searching for project partners from the donor states and networking at a matchmaking seminar organised by the Program Operator in Bratislava on 12 March 2014.

Concerning the horizontal issues, the programme contributes to the promotion of tolerance, multicultural understanding, minority rights, the fight against racism, xenophobia and anti-Semitism.

3.2.5 SK06 Scholarship Fund

Programme area	Scholarships
Programme Operator	SAIA, n.o.
DPP	The Icelandic Centre for Research (Iceland)

	The National Agency for International Education Affairs (Liechtenstein) The National Centre for International Cooperation in Education (Norway)
NFM allocation	EUR 1,917,500
National co-funding	EUR 338,382
Program progress in 2014	Three project calls published and closed, currently concluding projects, starting implementation (first stage)

The scholarship Programme of the EEA Slovakia was approved by the Financial Mechanism Committee on 7 October 2013. Subsequently, the Agreement on financing the *EEA Scholarship Fund* was signed on 12 February 2014 and the Agreement on the implementation of the programme was signed on 18 March 2014.

With regard to the date of signing the Programme and Implementation agreements, the start of the implementation itself has been postponed. The first call under Measure 1 *Preparatory Visits* was originally planned to be published in November but was actually published in April 2014. The publishing of the calls under Measure 4 (*Inter-institutional cooperation projects between higher education institutions*) and 5 (*Inter-institutional cooperation projects in upper secondary education/training*) was planned for January 2014 but was actually published in June 2014. (Note: Other types of partner organisations from Slovakia and the donor countries were also included.) The publishing of the call under Measure 2 *Mobility projects between higher education institutions* was postponed from March to September 2014. With regard to the time frame, the Programme was optimised by adding Amendment 1 pursuant to which the two originally planned calls have been merged into a single call.

At the end of 2014, the projects under Measure 1 (*Preparatory Visits*) were implemented and cleared. The second call was published in November 2014. A formal check and evaluation were performed in November 2014 and as for Measures 4 and 5, projects from the first call were selected. By the end of the reporting period, no project agreements were concluded. A call for Measure 2 was open from September to November 2014, a formal check of the submitted applications performed. In December 2014, an A677 Government audit of quality management systems of the Programme Operators was completed with a positive opinion. A Detailed description of the management and control systems based on the audit as well as the opinion of the Audit Authority were sent by the Donor on 16 December 2014.

To summarise, a total of 3 calls were published and closed, one call currently open and another call planned for publication in February 2015.

The current main priority of the Programme is to conclude agreements with the selected applicants and implement the individual projects. It is too early to present a relevant evaluation of the outcomes. However, the Programme Operator expects certain indicators defined in Output 1 to be unsatisfactory, as the number of project applications submitted is low, which directly influences certain indicators. For instance, the set number of students with ECTS credits accepted will not be reached, whilst the set number of PhD candidates working on their dissertation works will be exceeded based on the information currently available. At the time of preparing this report, however, the trend cannot be correctly estimated as the long-term student mobilities are specified in Measure 2 *Mobility projects in higher education*.

The outcomes defined in the programme agreement are being progressively attained; however, it is too early to present a relevant evaluation as it heavily depends on the call to be published in February 2015.

The main risk to the programme is the small number of projects submitted and the complicated process of applying for a DPP.

Concerning bilateral relations, it is important to promote successful cooperation with a DPP to motivate the applicants. In the reporting period, three Cooperation Committee meetings were held. The first meeting was held on 8 October in Bratislava, the second meeting was on-line and took place between 28 July and 15 August and the third meeting was held on 26 November 2014, again in Bratislava. The implementation of Measure 1 *Preparatory Visits* under the Bilateral Fund is an important part of the bilateral cooperation. The first call under the Measure was published from 10 April to 15 August 2014. Slovak applicants showed significant interest in the call, 8 out of 9 applications approved. The second call under the same Measure was published on 10 November 2014 and will be open until 13 February 2015.

The implementation of this programme focuses mainly on the principles of anti-discrimination, equal opportunities and diversity promotion. The programme creates suitable conditions for the participation of handicapped persons.

3.2.6 SK07 Green Industry Innovation

Programme area	Green Industry Innovation
Programme Operator	The Government Office of the Slovak Republic
DPP	Innovation Norway
EEA FM allocation	EUR 15,073,085
National co-funding	EUR 2,660,115
Program progress in 2014	Project conclusion, Programme agreement amendment

The objective of the programme is to increase the competitiveness of green businesses, make existing industries greener, promote green innovations and green entrepreneurship. The main theme of the Green Industry Innovation Programme is an environmentally friendly way of using organic waste as well as the production of otherwise unusable biomass from agriculturally unused lands. The Programme aims for the practical application of the research results. The most important aspect is to increase the number of green job opportunities and green entrepreneurship.

The call published in 2013 was finally closed in 2014. All 13 project applications were approved. Act No. 309/2009 Coll. on the Promotion of Renewable Resources was amended, decreasing the buying-in price of electricity according to the amount of financial support provided for the project implementation, which caused 5 applicants to withdraw. 7 other projects were evaluated in 2014 and 4 of them concluded (Intech Slovakia, s.r.o.; Biopel, a.s.; STAMAP, s.r.o.; VSV Group, s.r.o.). It is assumed that in the first quarter of 2015, the 3 other project applications will be concluded as well (BPS Hontianske Nemce, s.r.o.; ECO Film, s.r.o., Syngas, s.r.o.).

Due to the facts mentioned above, the Programme Operator asked the FMO to amend the relevant Programme agreement in order to reallocate a part of funds from *SK07 Green Industry Innovation* into *SK08 Cross-Border Cooperation* (EUR 714,015) and into the Bilateral Fund at National Level (EUR 65,468).

As of 31 December 2014, the achievement of indicators was as follows:

- Number of facilities processing biomass to produce electricity planned -- 7, actual number -- 1 (VSV Group, s.r.o),
- Number of biomass producers (objective: to increase the production rate of agricultural biomass) -- 21 planned, actual number -- 2 (VSV Group, s.r.o and STAMAP, s.r.o).

As for the risks to the programme, mainly the time frame for the projects which have not yet been concluded can be perceived as problematic. The Programme Operator will closely cooperate with the

project applicants to help them plan their outcomes by the end of the eligibility period and reach as many of them as possible.

Projects implemented under this Programme generally have no potential related to horizontal issues. It is because the programme is of a technical nature whilst the horizontal criteria mainly focus on social aspects. No significant bilateral activity was carried out in 2015.

3.2.7 SK08 Cross-border cooperation

Programme area	Cross-Border Cooperation
Programme Operator	The Government Office of the Slovak Republic
DPP	Barents Secretariat, Norway
NFM allocation	EUR 12,720,000
National co-funding	EUR 1,908,000
Program progress in 2014	Evaluation of project applications

The implementation was slowed down by the extended time for the evaluation of project applications. Interest in the calls was high. However, an insufficient number of qualified evaluators complicated the process. It was due to the fact that most of the experts on cross-border cooperation already participated in the preparation of individual projects. A Selection Committee meeting was held in August 2014 but the list of recommended projects was not approved, as the number of additional questions related to the individual projects was high. Based on the recommendations that emerged at the meeting, the Financial Mechanism Office decided to perform an external monitoring before the Committee selected the projects. After the completion of the external evaluation, the Programme Operator together with the Prešov Self-Governing Region resumed the selection process under the Small Grant Scheme. At the second meeting of the Selection Committee in December 2014, 24 projects from the CBC01 call and 16 projects from the CBC02 call were approved. As for the CBC02 call under the Small Grant Scheme, the implementation was also postponed. The total of 73 project applications that answered the call applied for the total of EUR 7.5 million, whilst the actual allocation for the call was only EUR 2.75 million. The Selection Committee of the Prešov Self-Governing Region approved 16 projects in December 2014, out of which 9 projects are to be implemented in cooperation with the DPP.

The main priority of the Programme is to conclude agreements with the selected applicants and implement the individual projects. It is too early to present a relevant evaluation of the outcomes. However, the Programme Operator expects certain outputs not to be reached, as the number of project applications submitted is low and there is not enough time to alter the programmes in any way. Also, the time period for the implementation of the projects has been significantly reduced, which is why certain proposed activities will not be possible to complete.

Since the selected programmes have not been concluded by the end of 2014 and their implementation has not started, no evaluation regarding the achievement of indicators or objectives is available.

The main risk to the successful implementation of the *Cross-Border Cooperation* Programme is the insufficient amount of time. The implementation period has been extended and the original deadline (30 April 2016) postponed. The NFP asked for a postponement at the annual meeting in November 2014.

The unstable political situation in Ukraine and a possibility that Ukraine will ask Slovakia to sign another intergovernmental agreement in order to be able to receive financial assistance from Slovakia poses another risk. Also, the deteriorating economic situation in Ukraine may lead to budget cuts that may have an impact on the implementation of projects shared with Ukrainian partners.

From the perspective of bilateral relations, the programme is successful. There was high interest in Measure A and the Programme Operator approved 13 project applications. A total number of 17 bilateral cooperation meetings were supported. The cooperation with the Barents Secretariat DPP played the key role in finding Norwegian partners, all the applicants eventually concluding partnerships.

The objective of the Programme is to contribute to the sustainable development of three regions which will facilitate the removal of social and economic disparities and enhance environmental protection.

3.2.8 SK09 Programme Domestic and Gender-based Violence

Programme area	Domestic and gender-based violence
Programme Operator	The Government Office of the Slovak Republic
DPP	Norwegian Health Directorate The Council of Europe
EEA FM allocation	EUR 8,440,000
National co-funding	EUR 1,489,412
Program progress in 2014	Repeating of calls, evaluation of applications, implementation of projects from the DGBV01 call

The DGBV01 call published in 2013 was finally closed in the beginning of 2014. Out of the total number of 15 project applications, 11 were approved by the Selection Committee. 9 of them were signed and are currently being implemented. The projects aim to create safe women shelters and consulting centres to provide support for women, children and handicapped (visually impaired in particular) victims of violence. According to the Programme Operator, interest in the call was low, which is why they asked for the Programme to be modified.

The Programme is targeting domestic and gender-based violence as well as combating it. The selected projects and the projects yet to be selected will facilitate the process. In the autumn of 2014, two calls were repeated (DGV02 and DGV03). The DGV02 call was focused on the support for women at risk, victims of violence and their children. Together with the modified DGV02 call, the DGV03 call incorporating a Small Grant Scheme was published.

24 project applications were received, 23 of them meeting the administrative and eligibility criteria and forwarded for expert evaluation. A Selection Committee will be held in March 2015.

The projects in the open calls are extended by a pre-defined project, the creation of a Coordinating-Methodological Centre for the Prevention and Elimination of Violence against Women and Domestic Violence. The project is implemented in cooperation with the Ministry of Labour, Social Affairs and Family of the Slovak Republic, the Institute for Labour and Family Research and the DPP - the Council of Europe, Norwegian Centre for Violence and Traumatic Stress Studies. As for the project implementation, the Programme Operator considers asking for an extended eligibility period. The total amount of eligible expenditures in the project were reduced from EUR 2,200,000 to EUR 2 million in 2014 due to the 10% rate of grant funding. The Project agreement was signed and entered into force in January 2015.

As of 31 December 2014, the achievement of indicators was as follows:

- The number of newly created consulting centres (initial number -- 0) planned -- 15, actual number 3
- The instances of providing consulting services to female victims of violence over one year of continuous support of the shelters/centres under the Programme (initial number 0) planned -- 4,000, actual number 59

- The number of already working consulting centres supported (initial number -- 0) planned -- 5, actual number 2
- The instances of providing consulting services to victims of domestic violence (except violence against women in intimate relationships) over one year at the (initial number -- N/A) planned -- 1,000, actual number 74.

The biggest risk to the successful implementation of the project is the time frame for the creation of new services for female victims of violence and their children -- safe shelters, crisis intervention centres, consulting centres. At the time of preparing this report, the projects (under the new DGV03 call published at the end of 2015) have not yet been concluded. A solution to this situation is an immediate action to start the projects, especially regarding the public procurement processes. Also, the Programme Operator is to be available to facilitate the implementation of the projects and possibly also ask the Ministry of Foreign Affairs of the Kingdom of Norway for an extended eligibility period for the projects mentioned above.

An Information Day was held for the DGV02 and DGV03 calls, and a seminar organised in cooperation with the Norwegian partner in order to facilitate bilateral matchmaking and raise awareness of the issue. On the occasion of the International Day against Violence, the Programme Operator held a round-table discussion in cooperation with the Ministry of Labour, Social Affairs and Family to discuss the topic of *Standardisation of Services for Women Experiencing Violence – Possibilities and Limits*. On the occasion of the annual meeting, the Norwegian State Secretary visited a crisis centre run by the Slniečko non-profit organisation.

As for cross-sectional issues, the programme mainly contributes to the promotion of gender equality. Violence against women is one of the main factors that prevent them from achieving full equality. Gender equality is also promoted at the project level. The Programme Operator provided a non-discrimination approach in the course of the program administration, especially regarding contracting the experts and choosing committee members. No discriminatory or restrictive criteria were allowed.

3.2.9 SK01 Technical Assistance to the Beneficiary State & Fund for Bilateral Relations at the National Level Programme³³

In 2014, the Certifying Authority accepted EUR 213,513 from the FMO under the Technical Assistance and Bilateral Funds in 3 interim payments. These funds were further allocated to the individual partners on 28 April and 27 August 2014.

The Certifying Authority approved 3 IFR's related to the SK01 Programme with eligible expenditures totalling EUR 168,405³⁴ and submitted it to the FMO. The total amount of eligible expenditures approved and submitted to the FMO is EUR 582,081, representing 35.97% of the allocation.

Bilateral Fund on the national level

The Bilateral Fund on the national level (opened in August 2014) plays a significant role in enhancing bilateral relations in 2014. It provided an opportunity for the interested parties to apply for contributions in three thematic components - Cultural, Social and Environmental. The Bilateral Fund on the national level also provides an opportunity to carry out bilateral activities such as participation in and the organisation of events or study visits. Applications for individual components could be submitted from 1 August 2014 to 31 January 2015 or until the allocation for the individual thematic component is sufficient. In the implementation of the Bilateral Fund at National Level, the NFP exercises

³³Source: Ministry of the Finance of the Slovak Republic

³⁴ However, the IFR's related to the SK06 Programme sent to the FMO by the Programme Operator in November 2014 were returned by the Certifying Authority for revision. They were reviewed and resent to the FMO on 3 and 4 April 2015. Since the FMO returned the IFR's in January 2015, it is not a part of the Strategic Report or its Appendices.

the FIFO (first in, first out) system with the possibility of a reservation of funds for an application meeting the formal criteria in the initial evaluation. The FIFO system expects the evaluation of the project applications to be quick and effective with no lags. The applications are to be evaluated in the same order in which they are submitted.

The Cultural component was of highest interest for the potential applicants during the opening of the Bilateral Fund for 2014 based on the demand for telephone and e-mail consulting. By the day of closing of the Fund, 15 applications had been submitted (Cultural component - 7, Environmental component - 3, Social component - 5). Full utilisation of the allocation is expected in the environmental and social components. The closing of the environmental component was announced on the website on 28 January 2015 as the full reservation was reached. 2 applications meeting the formal criteria of the initial evaluation were submitted and approved, each for the amount of EUR 10,000. 3 applications were rejected as they did not meet the criteria and 1 application was submitted after the deadline. 1 application was not recommended for forwarding to the Bilateral Commission. 1 application was included in the reserve list as the whole allocation had already been reserved, 1 application was reduced (after a consultation with the applicant) from EUR 10,000 to EUR 9,058 due to insufficient funds for the full support of such a project in the Social component.

Chart 3: List of project applications³⁵

Applicant	Activity	Reserved/approved funds	State as at 31 January 2015
Cultural component			
Bonafide Civil Association	Phuterdo Øre #1	N/A	rejected in the initial evaluation
Bonafide Civil Association	Phuterdo Øre #1	N/A	not recommended by the Bilateral Commission
Noc Architektúry Civil Association	SNØHETTA lecture at the Faculty of Architecture, Slovak Technical University	EUR 2,215.20	approved
Academy of Performing Arts in Bratislava	Edvard Grieg and the Human Voice	EUR 1,670.00	approved
PRARAG -- a Prešov Development Agency	Brain Sneezing	EUR 4,990.00	currently undergoing evaluation
Central European Foundation	NO-SK-NO know-how transfer in arts	EUR 4,283.00	currently undergoing evaluation
Museum of the Slovak Village	27th AEOM Conference	EUR 0,00	submitted after deadline

³⁵The NCP's data from 31 January 2015 (as of 31 December 2014, only 4 applications were submitted, out of which 2 were rejected)

Environmental component			
Building Testing and Research Institute	NOVACEM - Improving the protection of the environment through progressive production technologies and new generation cements	EUR 10,000.00	Currently undergoing evaluation
University of Žilina	Mountains -- the Workshop	EUR 10,000.00	Currently undergoing evaluation
Cyklokoalicia Civil Association	Sustainable Mobility I. -- Bikesharing system, winter cycling	EUR 3,840.00	rejected in the initial evaluation
Social component			
Aktiva Civil Association	Sustainable entrepreneurship	EUR 1,940.00	currently undergoing evaluation
KA Centre of Social Services	Bilateral Bridges	EUR 4,470.00	currently undergoing evaluation
Children of Slovakia Foundation	Study visit related to juvenile rights protection system	EUR 4,532.00	currently undergoing evaluation
Tenenet Civil Association	Organisation of a research event in the social area	EUR 9,058.00	decreased by EUR 942.00 during evaluation
Člověk v tísni, o.p.s. NGO	Grunnlaget -- experience and good practice exchange	EUR 10,000.00	Reserve List

The number of applications submitted reflects popularity among the applicants for funding activities focused on the enhancement of bilateral cooperation, which represents a positive result concerning the implementation of the Fund. It is reasonable to assume that similar popularity will be reached when the Fund is open again in 2015. Popularity was definitely enhanced by the measures taken to raise public awareness (direct e-mails, advertisements, repeated announcements on the website as well as on the Facebook social network). The completion of the evaluation of applications is expected in March 2015, first implementation outputs concerning bilateral activities supported by the Bilateral Fund at National Level for 2014 expected in the second quarter of 2015. The next opening of the Bilateral Fund is planned for April and May 2015.

Funds have also been allocated for the implementation of the two pre-defined activities.

The first bilateral activity called *Regional Security Integration: Nordic and Visegrad Approaches* is implemented by the Institute of European Studies and Internal Relations, Faculty of Social and Economic Sciences, Comenius University in Bratislava with a total allocation of EUR 23,311. The other pre-defined activity is called *Promoting International Cooperation in Medical Education* and it is implemented by the Jessenius Faculty of Medicine in Martin, Comenius University in Bratislava with a total allocation of EUR 25,000.

The National Focal Point closely cooperates with the National Bilateral Fund Committee (Bilateral Commission for short) in the implementation of the Bilateral Fund. The Bilateral Commission issues recommendations for the announcements of opening the Bilateral Fund as well as recommendations for the submitted applications, monitors the implementation progress and proposes priorities for the future. The Committee consists of a representative of the National Focal Point, a representative of the Norwegian Embassy in Slovakia, a representative of the Ministry of Foreign and European Affairs and a representative of the Financial Mechanism Office in Brussels, as an observer.

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 a failure to draw the funds allocated for the Slovak Republic.

Considering the advanced phase of the 2009-2014 programming period (project expenditure eligibility until 30 March 2016), 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. A578 performed by the Audit Authority in the period from February to April 2014.
- As of 30 April 2014, the Programme Operator Internal Manual, Version 1.3, was approved. The Programme Operator received a government audit report that showed the need to update the manual with regard to the numbering of the appendices, the numbering of the manual versions, proper term usage, as well as internal documents naming. In the context of the amendments of the Public Procurement Act, certain terms and procedures were to be updated. Based on the methodological guidelines of the Financial Mechanism Office in Brussels, certain procedures related to the control of expenditure by project partners from donor states involving the procedure of the Programme Administrator changed. Other changes relate to the specification of the procedures for the financial management of Small Grant Schemes.
- The manager general decided to alter the Programme Administrator Internal Manual of Version 1.3. This was due to the fact that the grant offer became a part of the Project agreement. It was therefore necessary to adjust the control questions in the Checklist of the beneficiary's project agreement so that the control questions were clear and comprehensible.

The Funding and Financial Management System is unified for all programmes under the management of programme administration designated by the Nation Contact Point, under which the Ministry of Finance fulfils the role of the Certifying Authority. In 2014, the Certifying Authority amended no methodical documents.

In 2015, the Certifying Authority expects an update of the 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 2.0, the amended 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 1.3.

As for the organizational structure of the Certifying Authority, the Department of Coordination of Financial Management was transformed, as a response to organizational changes, into the Department of Financial Management and Programme Closure Coordination. The change has no impact on the Funding and Financial Management System FM EEA and NFM and all functions and administrative capacities related to the FM EEA and NFM agenda remain the same.

In 2014, the Certifying Authority verified the fulfilment of conditions for the certification of the submitted interim financial reports (IFR) under the *SK01*, *SK02*, *SK04*, *SK05*, *SK06*, *SK08*, and *SK09* Programmes. In 2015, in addition to the verification of the fulfilment of conditions for the certification of the submitted interim financial reports, the Authority plans to measure the performance of the certification verification based on a selected sample³⁶.

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.

4.3 Irregularities

In the third quarter of 2014, the Authority for Irregularities registered five irregularities under the *SK04* Programme which, once examined, were recorded in the register for irregularities. The aforementioned irregularities were caused by recipients and classified as having no financial impact.

In the fourth quarter of 2014³⁷ the authority identified five irregularities at the NFP level under the *SK01* Programme. Four of them had a financial impact amounting to EUR 6,816 and one irregularity was said not to have had any financial impact. In the monitored period, four irregularities were identified under the *SK02* Programme at the programme level. The overall financial impact amounted to EUR 824. In the monitored period, three irregularities were identified under the *SK04* Programme at the programme level. The overall financial impact amounted to EUR 389. One irregularity was identified under the *SK05* Programme at the programme level. The overall financial impact amounted to EUR 159. Five irregularities were identified under the *SK07* Programme. Two of them at the project level: one with a financial impact amounting to EUR 8,469 and the other one with no financial impact. Three irregularities were identified at the programme level. The overall financial impact amounted to EUR 252 at the programme level. Three irregularities were identified under the *SK08* Programme at the programme level. Three irregularities were identified *under* the *SK09* Programme at the programme level, with their financial impact amounting to EUR 270.64. As of 31st December 2014, as much as 23 irregularities were identified at the programme level, with a financial impact amounting to EUR 10,050.69. At the project level, seven irregularities were identified, with a financial impact amounting to EUR 8,946.

Irregularities at the programme level can be divided into five groups according to the subject matter. The first group of irregularities was related to the supply of translation and interpretation services in 2010 and to the violation of Section 9 Article 4 (prohibition of discrimination) and Section 28 Article 2 (technical competence) of the Public Procurement Act, on the part of the contracting authority -- the Government Office of the Slovak Republic. The irregularity was identified during the Government performance auditing in December 2014. The second group was related to the airplane ticket purchase. Public procurement was carried out by the Ministry of Foreign and European Affairs of the Slovak Republic and the violation was related to Section 9 Article 4 (prohibition of discrimination) of the Public Procurement Act. The third group of irregularities was also related to translation and interpretation services and the Government performance auditing concluded the violation of Section 9 Article 4 (prohibition of discrimination) of the Public Procurement Act, on the part of the contracting authority - the Government Office of the Slovak Republic. The Audit Authority proposed to apply a financial correction of 25% of the total expenditure of the contract in question. The NFP assessed the financial impact of all Programmes implemented by the Government Office of the Slovak Republic. Based on the recommendation of the AA, it identified the expenses and reported irregularities to the FMO in a regular report on irregularities in the fourth quarter of 2014. The fourth group was related to a surcharge of the

³⁶ Source: Ministry of the Finance of the Slovak Republic

³⁷ These irregularities were identified under the A631 Audit and are described in detail in Sub-Chapter 4.4.1

Transport Department of the Government Office of the Slovak Republic on the provision of services to meet the needs of staff participating in the implementation of the FM EEA and the NFM, contrary to the internal directive of the Government Office of the Slovak Republic. The Audit Authority proposed that the applied surcharge on all of the expenditure be considered unauthorized. The NFP assessed the financial impact of all Programmes implemented by the Government Office of the Slovak Republic. Based on the recommendation of the AA, it identified the expenses and reported irregularities to the FMO in a regular report on irregularities in the fourth quarter of 2014. The last group of irregularities was related to the insufficient control of financial operations and was said not to have any financial impact. As for remedial actions, the Government Office of the Slovak Republic will return funding of the financial corrections and identified unauthorized expenditures and will take measures to strengthen the control of financial operations.

4.4 Audit, Monitoring, Review and Evaluation

4.4.1 Audits³⁸

SYSTEM AUDITS

In the period from 1 July 2013 to 30 June 2014, the implementation of programmes under the common management and control system subject to the annual Audit Report was in the stage of elaboration and approval of managing documents, in other words, the stage of setting up the management and control system. The AA carried out no system audit in accordance with Articles 4.6 on the FM EEA and NFM implementation.

In accordance with Article 4.8 Regulations on the FM EEA and NFM implementation, the Audit Authority carried out an assessment of the management and control systems concerning *SK05 Conservation and Revitalisation of Cultural and Natural Heritage & Promotion of Diversity in Culture and Arts within European Cultural Heritage* and *SK08 Cross-Border Cooperation* Programmes (hereinafter referred to as “Compliance Assessment”). Within the Compliance Assessment, the management and control system of the Programme Operator at the Government Office of the Slovak Republic was verified.

Overview of the most serious deficiencies

In light of the above, the AA does not provide information on the main findings and conclusions of the system audits.

As part of Compliance Assessment (A578) two deficiencies of a non-systemic character (one of medium severity and one of low severity) were identified. The more severe one was related to a failure to disclose the current version of the guide on financial corrections in the documents prepared by the Programme Operator. This deficiency was removed by taking a remedial action. The verification of documents conducted by the AA in July 2014 considered the task fulfilled. The other, low severity deficiency was related to deficiencies in the Internal Programme Operator Manual, Version 1.2, in the Guideline 4/2013 of the Director of Finance Department and in the Rules of Procedure of the Selection Board. The verification of documents carried out by the Audit Authority in July 2014 considered the deficiency partially removed, as the task to update the version of Instruction No. 4/2013 of the Director of the Finance Department is within the competence of the Economic Department. The fulfilment of the task will be verified after updating Instruction No. 4/2013 of the Director of the Economic Department.

With reference to the evaluation of the Compliance Assessment, the AA stated that the management and control systems for the FM EEA and NFM were set in accordance with the requirements of Art. 4.8 Regulation on the implementation of the FM EEA and NFM with the exception of the aforementioned deficiencies.

³⁸ Source: Ministry of the Finance of the Slovak Republic

PROJECT AUDITS

In the period from 2 April 2014 to 18 December 2014, the Audit Authority together with the Financial Control Administration of Zvolen carried out an audit of project No. A631 on a sample of transactions under Art. 6.4 Regulation on the FM EEA and NFM implementation.

Overview of the Most Serious Deficiencies

Random deficiencies amounting to EUR 659.77:

The Audit Authority identified a non-eligible expenditure from the Technical Assistance Fund related to a 20% surcharge for providing a vehicle for business trips abroad, whilst the surcharge was to be claimed only in case the company car is used for private purposes. This caused non-eligible expenditure amounting to EUR 50.27.

The AA came to a conclusion that the period for obtaining a tender dossier by potential applicants was too short and considered it a violation of Act 25/2006 Coll. on Public Procurement as amended (hereinafter referred to as the "Act on PP") under three contracts:

- services concerned with the provision of technical support of interpreting at the events of the Office of the Government of the Slovak Republic. In so doing, the principles of public procurement were violated, which was classified as a financial irregularity amounting to EUR 119.25 by the Audit Authority;
- provision of air transportation of individuals in foreign and domestic business trips. In so doing, the principles of public procurement were violated, which was classified as a financial irregularity amounting to EUR 337.25 by the Audit Authority;
- provision of translation and interpretation services. According to the AA, the terms of competition in public procurement concerning the technical skills and expertise of the applicants were discriminatory. It was demanded that the applicants have a network version of CAT (Computer Aided Translation) software. The above mentioned violation of the Act on PP was classified as a financial irregularity amounting to EUR 153.00.

Deficiencies at the system level:

Inadequate implementation of interim financial control -- the audit authority found that interim financial control was insufficient. The NFP/Programme Operator failed to check the compliance of the planned financial operations (expenditures) with regulations. AA identified non-eligible expenditure (Technical Assistance Fund, +20% non-eligible car amortisation surcharge), insufficient time period for obtaining dossiers by applicants, discriminatory terms of competing in public procurement, faulty analytical records for SK07, SK09 programmes and the records of the Technical Assistance Fund.

Non-systemic deficiencies:

Discriminatory conditions regarding the participation of applicants in public procurement. Applicants were required to prove their technical or professional qualification by proving they were contracted to provide their services for main Government authorities in the state or public administration in 2009-2011. In so doing, the principle of non-discrimination of applicants in accordance with Section 9 Article 4 of the Act on PP was violated.

No financial correction was applied in compliance with Section b) of the Appendix to Commission Decision C (2013) 9527 of 19 December 2013 on the setting out and approval of the guidelines for determining financial corrections. In individual cases, for example, when the economic interest is very low or economic entities located in another Member State have no interest in winning the contract, the impact on basic rights is very unclear and indirect to apply the norms resulting from the EU regulations. The Audit Authority found that the expelled applicant failed to meet the criteria concerning technical and professional capacity. Moreover, the applicant submitted a higher bid for translation and interpretation services than the winning bidder. The winning bidder submitted the bid with the lowest price for the services required, the adequacy of which was also assessed in the context of the audit. The

auditors also made sure that the prices of the services of the same kind of the winning bidder corresponded to market prices at the given time.

By verifying analytical records, the Audit Authority found that accounting codes for the SK07 and SK09 Programmes, and for the Technical Assistance Fund were being used incorrectly, which had led to the incorrect classification of expenditures of the individual programmes. In so doing, the provisions of the Section 12 Article 3 of Act No. 431/2002 Coll. on Accounting as amended were violated.

Obvious errors in writing and mathematical calculation were identified in the records on market research concerning low-value contracts for translation and interpretation services.

The misclassification of expenditures related to foreign business trip -- incorrectly listed as an economic sub-classification 631001 item -- domestic travel expenditures.

Annual Opinion

*Based on the results of Government audits conducted within the EEA FM and NFM in 2014, the auditors gave an **unqualified favourable opinion**, i.e. no deficiencies found had a significant impact on the effective functioning of the key areas of the system or authorities.*

4.4.2 Monitoring

Within the reporting period, no programme monitoring at the level was carried out. This was due to the fact that in 2014 the individual programmes were in such an implementation phase that it would not be effective to carry out the monitoring at the programme level. The programme monitoring will be carried out in the 2015 - 2016 period.

4.4.3 Monitoring Committee

In 2014, the NFP convened the third session of the Monitoring Committee, the main agenda of which was to approve the Strategic Report for 2013.

4.5 Information and Publicity

The year 2014 saw the implementation of key information and publicity measures that 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 2009 – 2014 Norwegian grants. As for Norway grants, the National Focal Point acts as the Programme Operator in six programmes. For this reason, most of the measures implemented are listed in detail in the *Annual Reports for the Individual Programmes*. Selected information is summarised and elaborated in this part 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.

Key Aspects of the Effective Communication of Grants

The period of Slovakia's presidency of the EU Council in the second half of 2016 will provide the best potential for presenting the grants, as well as implementation results. The National Focal Point considers this period a significant opportunity with a high information potential and plans to organise a number of events focusing on the publicity of grants and the presentation of bilateral relations between the Slovak Republic and donor states. In compliance with the communication strategy, the National Focal Point also strives to establish and promote the EEA and Norway Grants brand instead of the EEA Financial Mechanism and the Norwegian Financial Mechanism.

Assessment of the Implemented Publicity Measures

The NFP is the administrator of the website eeagrants.sk and norwaygrants.sk in cooperation with the IT and e-service department of the Government Office of the Slovak Republic. On a regular basis, the NFP updates a broad spectrum of information published on the websites. The news on the main (initial) website is generated from the subpages of individual programs, or generated separately (in accordance with the substantive nature of the news itself).

In the course of 2014 (1 January to 31 December 2014) a slight decrease in the visitation rate -- compared to that of 2013 - was recorded. From the analytical point of view, this is believed to be caused by the opening of calls for submitting project applications in 2013 when visitation rates were at an all-time high. In 2014, a total of 183,501 page views and 43,889 visits were recorded, with returning visitors accounting for 44.60% and new visitors of the website accounting for 55.40%. The total number of all visitors amounts to 20,848. An average length of stay at the website is 3 minutes and 32 seconds. 89.28% of the visitors come from the Slovak servers, 2.37% from Ukraine, 1.33% from the Czech Republic and 1.09% from Norway. In accordance with the communication strategy, the National Focal Point administers a profile on Facebook under the title "EEA and Norway Grants Slovakia". The National Focal Point publishes all news and relevant information in sync with the websites programmes under the common profile *Granty EHP a Nórska na Slovensku*.

The Financial Mechanism Office in Brussels demanded that the EEA and Norway Grants in Slovakia and all NFP in recipient countries take part in a campaign - *Combating Hate Speech Online* by publishing information on the website. The campaign aimed to fight hate speech online was launched on 22 March 2013 and continued in 2014. The NFP decided not to withdraw the information on the campaign published online, with the aim being easy to trace back. Moreover, the subject matter is considered timeless.

The Conference LIVING MONUMENTS, held in Bytča on 4 November 2014, was among the most important events with media attending and a society-wide impact. At the conference, eleven project agreements under the Programme Conservation and Revitalisation of Cultural and Natural Heritage were signed.



Picture 1 Successful applicants of PM EEA with the Ambassador of the Kingdom of Norway in Slovakia, Inga Magistag, the Ambassador of the Slovak Republic in the Kingdom of Norway, František Kašický, and the Director General of the Department of Financial Instruments of the Government Office of the Slovak Republic, Ján Krak, after the signing ceremony in front of the Wedding Palace in Bytča, Slovakia.

Another example is the presentation of the project of the Women's Safe house - a space for a fully-fledged life free of violence, carried out by the non-profit organization Centrum Slniečko held in Nitra on 27 November 2014. The project was an accompanying event of the 2014 Annual Meeting.



The ceremonial presentation entitled *Life Without Violence* was attended by the State Secretary of the Ministry of Foreign Affairs of the Kingdom of Norway Ingrid N's Stub, Her Excellency the Ambassador of the Kingdom of Norway in Slovakia, Inga Amistad, His Excellency the Ambassador of the Slovak Republic in the Kingdom of Norway, František Kašický, the president of the Financial Mechanism Committee, Anders Real, the president of the Financial Mechanism Office in Brussels, Stine Andresen, and the Director General of the Department of the Bilateral Financial Instruments of the Government Office of the Slovak Republic, Ján Krka, and other important guests and journalists.

Among the most important event of the year 2014 is the round-table discussion on the Standardization of Services for Women Experiencing Violence - Possibilities and Limits, held in Bratislava on 25 November 2014. The discussion was ended by a public event called VYPÍSKAJME NÁSILIE (Boo Violence!) held during Bratislava's Christmas Market. The event was organized in cooperation with the Embassy of the Kingdom of Norway and local non-governmental organizations. During the event, the attendees symbolically booed violence against women in order to express that violence against women has no place in Slovak society.

Table 4: Overview of the Most Important Events Carried out - Conferences, Info Days, Seminars

Type	Communication Activity	Implementation stage	Deadline / Status
Direct Communication	Information Day and Matchmaking Seminar	SK08 Cross-Border Cooperation -- Prešov Region	25 February 2014
	Information Day and Matchmaking Seminar within the CLT01 and CLT02 calls	SK05 Programme Conservation and Revitalisation of Cultural and Natural Heritage & Promotion of Diversity in Culture and Arts within European Cultural Heritage	12 March 2014
	Presentation of new challenges in the Domestic and Gender-Based Violence Programme -- INFOTOUR in: Michalovce, Prešov, Banská Bystrica, Rimavská Sobota, Čadca, Trenčín, Nitra, Bratislava	SK09 Domestic and Gender-based Violence	18 to 21 August 2014

	Information Day on open calls and a matchmaking Seminar - Bratislava	<i>SK09 Domestic and Gender-based Violence</i>	16 September 2014
	Information Day on the DGV02 and DGV03 open calls in Prešov	<i>SK09 Domestic and Gender-based Violence</i>	22 September 2014
	Seminar/round-table discussion on the occasion of the International Day for the Elimination of Violence Against Women in Bratislava	<i>SK09 Domestic and Gender-based Violence</i>	25 November 2014
	Round-table discussion on the topic of Roma minority inclusion in Bratislava	Local and Regional Initiates to Reduce National Inequalities and Promote Social Inclusion + National Focal Point (NFP)	12 November 2014
	The Living Monuments Conference in cooperation with the Embassy of Kingdom of Norway in Bytča	<i>SK05 Programme Conservation and Revitalisation of Cultural and Natural Heritage & Promotion of Diversity in Culture and Arts within European Cultural Heritage</i>	4 November 2014
	8 informative seminars in the region centres	<i>SK06 Scholarship Programme</i>	May 2014
	2 informative seminars in Košice and Prešov	<i>SK06 Scholarship Programme</i>	October 2014
E-Communication	Website eeagrants.sk/norwaygrants.sk and subpages of individual programmes	NFP/all programmes	continuously
	Profile on Facebook	NFP/all programmes	continuously
	Direct e-mails sent to institutions	All programmes	continuously
Advisory Services	Frequently Asked Questions (FAQ) relating to Calls	NFP/all programmes	continuously
	Applicants' questions via eeagrants@vlada.gov.sk and bilateralnyfond@vlada.gov.sk	NFP/all programmes + bilateral fund	continuously
	Applicants' questions via telephone calls	NFP/all programmes	continuously
Calls Advertising	Space advertising in the daily PRAVDA	<i>SK09 Domestic and Gender-Based Violence</i>	3 October 2014
	Space advertising in the daily PRAVDA	<i>SK09 Domestic and Gender-Based Violence</i>	15 November 2014
	Space advertising in the daily PRAVDA	The Bilateral Fund at the national level	12 November 2014
Promotional Items	Small Promotional Items	National Focal Point (NFP) level <i>SK02 Adaptation to Climate Change - Floods and Drought Prevention</i> <i>SK04 Local and Regional Initiates to Reduce National Inequalities and to Promote Social Inclusion</i> <i>SK07 Green Industry Innovation</i> <i>SK08 Cross-Border Cooperation</i> <i>SK09 Domestic and Gender-Based Violence</i>	Delivered in June - July 2014; another supply is expected to be delivered in January 2015
Press Releases	Press releases in cooperation with the Press and Information Department of the Government Office of the Slovak Republic - The Bilateral Fund at the national level of	NFP	As needed

Table 5: Qualitative assessment

Criterion	Impact indicator	Output
The degree of general public awareness of the EEA and Norway Grants	% of individuals familiar with the existence, mission and aims of the EEA and Norway Grants	The exact percentage amount is not known
Interest in support from EEA and	Number of project applications under	266

Norway Grants	calls closed in 2014 ³⁹	
Success rate of media outputs	Number of positive media outputs	more than 25

Table 6: Quantitative assessment

Criterion	Impact indicator	Output
Conferences, seminars and other events - programme and national levels	Total number	more than 25
Attendance at events (EEA Grants)	Total number	c. 900
Satisfaction of people attending the events (EEA Grants)	%	The exact percentage rate is not known – feedback based on a sample – maximum satisfaction
Website traffic (EEA Grants)	Number of visits	Special chapter
Publications, materials and brochures	Total number	3
Published reports in all types of media	Total number	more than 25
Communication channels used (EEA and Norway Grants)	Total number	6 main types of the media (web, social network, national and local press, radio, and TV)
Reports, news published on own website	Total number	more than 25
Press conferences	Total number	3
Journalists attending the events (EEA Grants)	Total number	c. 25
Citizens addressed through the media (EEA Grants)	Total number	Broad public (it is not possible to indicate the exact figure)
Number of answers to e-mails	Total number	c. 900

In 2014, about 25 events (conferences, information days, matchmaking seminars, seminars for applicants, roundtable meetings and conferences) were organised under the EEA and Norway grants. More than 900 participants took part in the individual events. Moreover, several potential partner institutions from Norway presented themselves during the matchmaking seminars.

4.6 Work Plan

The National Focal Point/Programme Operator is planning the following activities for 2015:

1. The call under *SK05 Conservation and Revitalisation of Cultural and Natural Heritage & Promotion of Diversity in Culture and Arts within European Cultural Heritage* in the second quarter of 2015
2. Signing project contracts under the *SK05, SK07, SK08, and SK09* programmes
3. The NFP plans to convene a session of the Monitoring Committee in March 2015 in order to approve the Strategic Report for 2014. Further meetings of the Monitoring Committee will be convened in 2015 as required by the implementation of the NFM.
4. Opening of individual components – announcing the opening of the Bilateral Fund at the national level in the second quarter of 2015
5. Implementation of pre-defined activities under the Bilateral Fund at the national level
6. Updating internal regulations as required by the implementation of the FM EEA and NFM
7. Sessions of the Cooperation Committees under the *SK02* (September 2015), *SK04* (September 2015), *SK07* (June 2015), *SK08* (June 2015), *SK09* (September - October 2015) programmes
8. Convening the annual meeting in November 2014 (Preliminary)
9. The second Roundtable discussion targeting marginalized minorities -- the second quarter of 2015
10. The 6th Forum for Cross-Border Dialogues -- the third quarter of 2015

³⁹Applications of bilateral funds at the programme/national level are not included

5 OVERVIEW OF PROBLEMS AND RECOMMENDATIONS

A time delay in the implementation emerged due to the fact that negotiation processes (European Commission – donors; the Slovak Republic – donors) lasted until August 2011 (the eligibility period started on 1 April 2009). Also, in comparison to the previous programming period, the implementation system of the financial mechanism, set by donors, changed considerably. Taking into account the current situation, it is not possible to catch up during implementation.

Despite the fact that the Slovak Republic was the first beneficiary state to have signed the Memoranda of Understanding as the basic documents of the implementation, the current situation regarding the implementation, or rather programmes within the NFM, is not satisfactory. The long approval process and the situation in Ukraine made the NFP ask donors for the extension of the eligibility period for the *SK08 Cross-Border Cooperation Programme* at the annual meeting in November 2014. As of 31 December 2014, the application was pending. The request was approved by donors in March 2015. The *SK07 Green Industry Innovation Programme* saw the amendment to the Slovak legislation (amendment of Act 309/2009 on the Promotion of Renewable Energy Sources and High-Efficiency Cogeneration). In so doing, conditions changed and the five selected project developers had withdrawn their projects. The situation regarding the *SK09 Domestic and Gender-Based Violence Programme* is related to the fact that the first call announcement in the third quarter of 2013 had to be, due to low interest, re-opened in 2014.

The NFP – Programme Operator has a stable and experienced team, which is a prerequisite for establishing a close cooperation with the Financial Mechanism Office and project implementers. They all are responsible for the implementation with an objective for the outcomes of each programme to be achieved to the largest possible extent. It is expected that in the first quarter of 2015, this team will be extended due to administrative burden, in particular due to the processing of individual interim reports on projects.

To launch the implementation of the *SK08 Cross-Border Cooperation Programme* it is necessary to extend the eligibility period by at least one year, i.e. until April 2017. Under the *SK07 Green Industry Innovation Programme* it would be appropriate to consider whether it is possible for the non-contracted projects (as of 31 December 2014) to be implemented by the end of their eligibility period. In case it is not possible, it is necessary to consider a reallocation of funds for these projects. In case of non-contracted, especially investment projects under the *SK09 Domestic and Gender-Based Violence Programme*, a request for the extension of the eligibility by a year until April 2017 should be considered.

5.1 A Separate Chapter on Public Procurement

The National Focal Point analysed the results of 300 public procurement instances submitted for a check to the Government Office of the Slovak Republic in the role of Programme Operator. The supervision of public procurement is conducted by a separate department of the Government Office to ensure the separation of functions as well as independence of the audit. Of the total sample of 300 public procurement instances, in 76 cases it was recommended to procure again.

It should be noted that these 76 cases concern serious violations of the Public Procurement Act. Procedural and administrative errors are subject to reservation only if examined prior to a contract with a supplier, or to the modification of documentation, if examined prior to the call for public procurement.

Of these 76 cases, 40 were suspected of collusive behaviour, which represents approximately 13% of the sample examined. Among the evidence of collusive behaviour of enterprises in the procurement we can mention indexation of prices, identical applicants in several different contracts, bid similarities, and

personal or financial connections. The supervision of public procurement exercised by the Office of the Government of the Slovak Republic specialises in anti-competitive agreements, which may be one of the reasons why the number of suspicious instances in public procurement was relatively high. The number is high, despite the fact that the beneficiaries received letters in which they were said to concentrate mainly on the detection of collusion in public procurement. Moreover, in cooperation with the Anti-Monopoly Office of the Slovak Republic, the beneficiaries were trained to recognise the traces of anti-competitive behaviour.

The analysed sample proved that the main problem consists in the participation of so-called facilitators, i.e. companies or individuals that connect applicants with public procurements in various projects. A practical demonstration is as follows:

- 1. In six different projects in the ACC03 call, 18 public procurement instances were analysed. In all procurement realized by means of the market research only three companies were contacted. Hypothetically, the total number of addressed companies would be 54, but the analysis proved that the procurement would be interesting only for 16 different companies. In addition, when taking into account the relation of undertakings, which can be demonstrated on the example of publicly available sources, only 8 solitaires, i.e. unrelated companies, were interested in the contract. Considering the capabilities of the forensic audit, it is reasonable to assume that once conducted, the total number of solitaires would be even lower.*
- 2. Group A as a group of related undertaking, in which most recorded interconnections were recorded, won 12 out of 18 contracts. In this context it should be noted again that we deal only with relations that can be identified on the basis of publicly available sources.*
- 3. Differences concerning the winning bid and the estimated value of the contract were not significant in any public procurement, which implies the collusive behaviour of candidates. Moreover, the basic philosophy underlying public procurement (i.e. to compete for contracts) was not complied with.*
- 4. In all cases (18 of 18), the offers proposed by the second and the third applicants exceeded the estimated contract value. Such behaviour was classified as the main indicator of collusive behaviour.*
- 5. In each of the 18 contracts, the applicants - both successful and unsuccessful – were part of Group A.*

Since there is no key that would surely make a company win the contract, there is no obvious indexation of prices and since winners and applicants of the tender varied, it is reasonable to assume that contracting authorities were not aware of these procedures. Taking into account the aforementioned as well as the fact that these conditions had been uncovered prior to the use of the grant, the irregularities were not classified as having a financial impact. The mere suspicion of collusive behaviour is sufficient reason to impose rectifications. All recipients were notified that no expenditure related to public procurement which they would claim, would be recognised as eligible by the Programme Operator.

It is important to mention that suspicions of collusion show no sectorial restrictions. Such cases were identified when a contract was procured by a non-governmental organisation, community, school, religious organisation, or business entity. Outside of exceptional cases, such contracts never exceeded EUR 20,000, when the audit was carried out after the evaluation of the tenders, but before the conclusion of the contract with the supplier. So-called market surveys with three bids were concerned. Here, the risk of collusion is significantly higher than in the case of public procurement offers published in the journal.

It is encouraging that 50 bidding applicants decided to participate in 16 analysed instances of procurement with an estimated contract value amounting to more than EUR 20,000, which represents an average of 3.13 bids per procurement. This number is above the Slovak average (2.6)⁴⁰ recorded in

⁴⁰Source: <http://www.transparency.sk/sk/v-tendroch-sa-menej-sutazi-trvaju-dlhšie-a-klesli-aj-uspory/>

2013. Public procurement notices are published on the sites www.eeagrants.sk and www.norwaygrants.sk, which could increase their attractiveness.

However, the analysis showed that it is necessary to continue the supervision of public procurement and promote the basic philosophy and principles of public procurement in the Financial Mechanism of the European Economic Area and the Norwegian Financial Mechanism. This area is one of the priorities of the National Focal Point. Even though no society-wide change will probably be achieved in the short term, the approach to the cancellation and repeating of public procurement adopted by the National Focal Point guarantees that such practices are not tolerated in these financial mechanisms.

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 2015
- 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** The recommendations of the roundtable discussion on *The Importance of the Leisure and Extra-Curricular Activities to Achieve the Implementation of Inclusive Education Model within Schools with a Higher Proportion of Students from the SDE as a Tool and Mode of Support for Students from SDE in Their Transition to Secondary Schools and the Successful Completion of Upper Secondary Education* held in November 2014.
- Annex 11** List of abbreviations