



REPUBLIC OF SLOVENIA
GOVERNMENT OFFICE FOR DEVELOPMENT
AND EUROPEAN COHESION POLICY

Iceland
Liechtenstein
Norway grants

EEA FINANCIAL MECHANISM 2014-2021 AND
NORWEGIAN FINANCIAL MECHANISM 2014-2021

4th ANNUAL MEETING

MINUTES

Ljubljana, April 2022

Date and time: 5 April 2022, 10:00 – 14:00

Location: Grand Hotel Union, Miklošičeva 1, SI-1000 Ljubljana

Participants:

- **Ministry of Foreign Affairs, Norway**
 - Torill Johansen, Deputy Director and Head of Donors Delegation
 - Anne Havnør, Senior Adviser

- **Embassy of the Kingdom of Norway in Hungary**
 - HE Trine Skymoen, Ambassador of Norway to Slovenia located in Budapest
 - Timea Ruzsbaczký, EEA and Norway Grants programme officer

- **Financial Mechanism Office (FMO)**
 - Borgar Thór Einarsson, Deputy Managing Director and Director of the Country and Bilateral Cooperation Department
 - Marius Fuglerud, Programme Manager and Sector Officer
 - Katrine Steinfeld, Country Officer
 - Steinar Ingi Matthiasson, Country Officer

- **Slovenian National Focal Point (NFP) – GODC**
 - Tanja Rener, Head of ETC and Financial Mechanisms Division appointed as Head of NFP
 - Boštjan Vilhar, Communication Officer
 - Gordana Stanišič, temporary operational assistance at the level of NFP

- **Ministry of Finance, Slovenia**
 - Robert Šircelj, Department for Management of EU Funds

- **Budget Supervision Office**
 - Mirjam Novakovič, Head of Sector for Auditing other Funds under Shared Management
 - Jure Mekinc, Sector for Auditing other Funds under Shared Management, Auditor

- **Ministry of Foreign Affairs, Slovenia**
 - Gregor Šuc, Head of Department for European Countries
 - Vanja Markočič, Department for European Countries

Programme Operators (POs)

- **Active Citizens Fund (ACF) – Fund Operator CNVOS**
 - Tina Divjak, Head of Advocacy

- **Climate Change Mitigation and Adaptation programme – Programme Operator (GODC)**
 - Aleksandra Šuster Močnik, Head of ETC and Financial Mechanisms Section appointed as Head of Programme Operator
 - Anton Pavlin, Contract Manager

- **Education programme – Programme Operator (GODC)**
 - Aleksandra Šuster Močnik, Head of ETC and Financial Mechanisms Section appointed as Head of Programme Operator
 - Silvija Jakopovič, Programme Manager
 - Maja Vodopivec Crkvenjaš, Contract Manager

- **Control Division, Control Unit – Objective 2 (GODC)**
 - Maja Martinšek, Head of Division
 - Darja Remsko, Controller

Proposed Agenda:

- Opening speech given by the State Secretary and approval of the agenda
- Combined Strategic and Annual Programme Report 2021 for approval
- Progress of programmes and risk assessment
- Bilateral Cooperation
- Management and control system issues
- Allocation of the EEA and Norway FMs reserve
- Publicity and communication
- Conclusions and closing remarks

1. Opening remarks and adoption of the agenda

Ms Renner, the chair and head of NFP, and Ms Johansen, co-chair on behalf of the Donors, welcomed all participants at the 4th Annual Meeting and gave brief opening remarks.

Ms Renner apologized on behalf of the State Secretary Ms Kirbiš Rojs and delivered her opening speech. She emphasized the progress made in the last weeks regarding the calls for proposals for both programmes.

Ms Johansen welcomed Ms Renner and Ms Šuster Močnik in their new roles as the head of the NFP and head of the PO. She expressed appreciation for the NFP's and the Programme Operator's good work and collaboration with the Donor Programme Partners. She also added the importance of respecting four principles of the Grants in this critical phase of the selection of projects under both programmes – good governance, transparency, equality and efficiency and zero-tolerance towards corruption.

After opening remarks, the agenda was introduced to all participants. Ms Renner presented slight modification of the agenda, that is the allocation of the reserve to be removed from the agenda as the discussion regarding this topic shall continue in the afternoon.

Conclusion: *The participants of the Annual Meeting adopted the modified agenda.*

2. Combined Strategic and Annual Programme Report 2021 for approval

National level (Tanja Renner, NFP)

Ms Renner started her presentation with basic facts regarding the Covid-19 pandemic which had a significant impact, consequently also on the implementation of the EEA and Norwegian Financial Mechanisms in Slovenia.

She also highlighted the forthcoming Parliamentary elections (24 April 2022) which might have an impact on the implementation of the EEA and Norwegian Financial Mechanisms in Slovenia as well. Ms Renner expressed hope the importance to maintain stability of the current staff will prevail to be able to execute all predicted tasks.

Ms Renner presented changes in operational setup of GODC in October 2021. The previous Control Division – ETC and IFM Programmes under the European Territorial Cooperation and Financial Mechanisms Office is now organised as independent division named the Control Division and the Control Unit for the EEA and Norwegian Financial Mechanisms is set under the Objective 2 Control Section. The previous Financial Mechanisms Division was joined with the European Territorial Cooperation Division and reorganised as the European Territorial Cooperation and Financial Mechanisms Section (Ms Šuster Močnik as head of this section) under the European Territorial Cooperation and Financial Mechanisms Division (Ms Renner as head of this division). This has been proven as a good solution as new staff members have been reassigned to work on the understaffed EEA and Norwegian Financial Mechanisms which Ms Renner presented in more detail. The main priority under the new leadership of the GODC after the elections will be strengthening the NFP team with at least one new staff member.

Ms Renner also presented other priorities in the nearest future, such as selection and approval of the projects under the programme Education, allocation of the reserve funds and implementation of new initiatives under the Fund for Bilateral Relations on both, national and programme level.

Ms Renner highlighted the lessons learned in the last 6 months since the changes in operational setup of GODC have been made; regular communication is the key, especially with the Donors and the FMO colleagues on both, the NFP and the PO level. Also flexible working conditions, open-minded approach to new solutions, more strategic planning and motivation of staff are very important to optimize the implementation.

Further, Ms Renner continued with presentation of activities under the Fund for Bilateral Relations. Two meetings of JCBF were held in March and October 2021. Due to the Covid-19 situation only one bilateral initiative has been approved and implemented (study visit on artificial intelligence). Under both programmes no bilateral initiatives have been implemented. Consequently, the disbursement rate under the Fund is very low and there is still a significant amount of funds available for the implementation of bilateral initiatives. Ms Renner also presented possible solutions to stimulate bilateral cooperation: open call for proposals and finding good examples of bilateral initiatives from other beneficiary states.

Programme level (Aleksandra Šuster Močnik and Silvija Jakopovič, PO)

Ms Šuster Močnik presented the state of play regarding the calls for proposals of the programmes Climate Change Mitigation and Adaptation and Education, Scholarships, Apprenticeship and Youth Entrepreneurship in 2021 (launch and deadline of the calls, amount of funds available, workshop for applicants, submission and assessment of applications, applications with Donor Project Partners).

Ms Jakopovič presented the pre-defined projects Children's House/Barnahus and BlendVET in implementation under the Education programme and the proposal of the pre-defined project INFO-GEOTHERMAL on geothermal energy under the Climate Change programme.

Ms Johansen thanked the NFP for submitting the Combined Strategic and Annual Programme Report for 2021 on time. The report is well written and reflects the progress made in 2021. She emphasized how the little time there is left for implementation. The Donors will need all information and support from Slovenia to fulfil the programmes' and projects' ambitions. Also the monitoring of the implementation (administrative and on-site) will be crucial to achieve all planned results.

Ms Johansen also pointed out the Donors fully understand the priorities of Slovenia and praised the effort for more effective implementation of both programmes and bilateral initiatives. She encouraged the NFP and the PO to continue with good cooperation with the FMO since it has many examples of good practice to share with the beneficiary states.

Conclusion: *Combined Strategic and Annual Programme Report for 2021 is approved and will be published on the dedicated website (www.norwaygrants.si/ www.eegrants.si/).*

3. Progress of programmes and risk assessment

Programmes' overview (Aleksandra Šuster Močnik, PO)

Ms Šuster Močnik presented progress in the implementation of the programme Climate Change Mitigation and Adaptation, with an emphasis on the state of play of the selection of projects within the call for proposals, number of Donor Project Partners involved and commitment of funds. The Selection Committee meeting was held on 31 March 2022.

She also presented development in the field of bilateral cooperation. No bilateral initiatives within the programme were implemented in 2021. She mentioned the Municipality of Ljubljana will present two potential ideas for bilateral initiatives at the visit the next day, 6 April 2022.

Ms Šuster Močnik continued with the presentation of progress in the implementation of the Education programme, with an emphasis on the selection of projects within the call for proposals. Meeting of the Selection Committee has yet to take place.

She also presented development in the field of bilateral cooperation. No bilateral initiatives within the programme were implemented in 2021. There is a need to identify additional bilateral initiatives in the future.

Risk management (Anton Pavlin, PO)

Mr Pavlin presented the risk assessment. The main risks detected and plans for their mitigation are: shortage of staff and unforeseen institutional changes (recent employment of additional experienced staff will hopefully bring stability in the PO's team and lead to even more effective implementation of the programmes), late selection of projects and consequently limited time for implementation (face-to-face meetings of the PO with the selected Project Promoters will be held regarding the fulfilment of conditions and potential risks; since prolongation of projects is not an option, Project Promoters will have to provide detailed action plans and PO's monitoring will have to be regular) and problems with project reporting – reports not being prepared according to the rules (the Control Unit will organise workshops to present most frequent mistakes and contract managers will offer guidance and assistance).

Ms Johansen expressed satisfaction with the concluded selection of projects under the Climate Change Mitigation and Adaptation programme and the high number of Donor Project Partners cooperating in the selected projects. She asked for comment regarding the number of applications rejected in the phase of administrative compliance and eligibility check.

Ms Šuster Močnik explained the criteria for the administrative compliance and eligibility were set in the call for proposals. Some of them were quite strict and demanding, but the set criteria were approved by the Selection Committee. Obviously some applicants were not familiar with the preparation of the project application and project management.

Regarding the Education programme Ms Johansen expressed hope the selection of projects will be completed as soon as possible

Ms Johansen continued the Donors agree with the risk assessment and called for project contracts' signatures as soon as possible. The final date of the eligibility is 30 April 2024. Employment of additional staff is highly appreciated.

Ms Johansen also shared the experience from other programmes: due to the Covid-19 situation and the situation in Ukraine prices of building materials have increased substantially. This leads to more flexible approach in the project implementation – sometimes it is better to secure main activities of the project to be implemented in full, rather than implement more activities partially. PO's and FMO's cooperation is necessary in such cases. FMO can be of great assistance with its experience and possible solutions.

Ms Renner thanked for this suggestion and added the possible risks in this area are much higher in the Climate Change Mitigation and Adaptation programme, since more projects include investment. That is also one of the reasons the selection of projects within this programme was a precedence over the selection of projects within the Education programme.

Active Citizens Fund and horizontal funds (Borgar Thór Einarsson, FMO)

Mr Einarsson presented the implementation under the Active Citizens Fund in Slovenia. All (four) calls for proposals are closed and most projects are in the phase of implementation. The Donors are also pleased to see there were no delays in the implementation due to Covid-19. The ACF Slovenia is also the first Fund Operator that has launched the call under the new pilot scheme for organisational grants. The Donors are looking forward to seeing how this flexible funding model will benefit the five civil society's organisations supported under this programme. Mr Einarsson also emphasized the strong demand under the ACF calls the Donors take as an encouraging sign their support to the Slovenian civil society is well invested. Civil society is a key priority to the Donors.

Ms Divjak thanked the Donors and the FMO for their support and assistance. She added the ACF and this kind of fund support of the Donors is very important, especially in the last two years that have been very challenging for democracy in Slovenia. She also added the ACF, despite its good results, hard work and visibility, expected at least some funds of the reserve to be allocated for the ACF as this is an established practice in other beneficiary states.

Ms Renner took note on Ms Divjak's comments. The NFP will be looking for other solutions for additional funds for the ACF, possibly within the bilateral cooperation.

Mr Einarsson continued with presentation of the Social Dialogue – Decent Work programme. Slovenian entities are cooperating in two projects selected within two calls for proposals. Both projects include Norwegian project partners, are in the phase of implementation and have no specific related risks. All funds under this programme have been exhausted.

Mr Einarsson presented an overview of the Fund for Youth Employment. The Donors are satisfied with its implementation. 34 projects have been selected through two open calls for proposals. Seven projects include Slovenian entities, two of which in the role of lead partner.

Mr Einarsson presented also an overview of the Fund for Regional Cooperation. Five Slovenian entities cooperate in four projects. No future open calls are predicted, since almost all of the funds have been exhausted.

Ms Johansen and the Donors are aware of the ACF's good work. Regarding the programmes managed by the FMO, participation and cooperation of the Slovenian entities in the projects are among the highest.

4. Bilateral Cooperation (Tanja Renner, NFP)

Ms Renner reminded on the low absorption of funds under the Fund for Bilateral Relations. No bilateral initiatives were implemented on the programme level in 2021.

Ms Renner presented potential bilateral initiatives for 2022 and strategies for optimisation of the absorption of funds (e.g. pre-defined projects, pilot call for proposals and in 2024 call for proposals for savings and eventual pre-defined projects). Possible solutions will be discussed in more detail at the next JCBF meeting in the near future.

The NFP took into consideration the letter from the Chair of the FMC to search for possibilities for bilateral initiatives for Ukrainian refugees within the national Fund for Bilateral Cooperation. The NFP has already explored this possibility and the idea for bilateral initiative has already been made – bilateral initiative Basic integration assistance for the displaced persons from Ukraine with temporary protection in Slovenia (Government Office of the RS for the Support and Integration of Migrants). Ms Renner also presented main objectives of the bilateral initiative, timeline (2022), budget and the Slovenian legislation in the field.

Later on, Ms Renner presented in more detail three ideas for possible pre-defined projects within the Fund for Bilateral Relations and possible bilateral initiatives by the Regional Development Agency of Ljubljana Urban Region, which will be presented during the visit of the Municipality of Ljubljana the next day. She also presented the idea of the pilot call for proposals and call for proposals for savings.

Ms Renner emphasized the advantages of the Fund as a funding instrument (simplicity and flexibility in procedure of bilateral initiatives selection process) and presented tentative timeline for the implementation. She also made a proposal for funds on the programme level to be reallocated on the national level of the Fund, as the period of eligibility is longer.

Ms Johansen thanked for presented ideas and proposals. She also praised the flexibility in Slovenian legislation which increases opportunities for support the Ukrainian refugees within the Fund. She added the deadline for possible reallocation of funds under the Fund for programmes is stipulated in the Regulations.

HE Ms Skymoene added the meetings of the JCBF are always well organised and also preparations for the next meeting have already been very thorough. Regular communication is very important and the use of social media is in place, to present the effort of both, Slovenia and the Donor States.

HE Ms Skymoene continued the ideas for bilateral initiatives by the Ljubljana's Regional Development Agency seem well put and in line with the context. The identification of Norwegian Donor Project Partners is needed and the Donors can offer assistance. HE Ms Skymoene also appreciated the presented 3 ideas for possible pre-defined projects within the Fund.

Ms Ruzsbaczký pointed out, although the JCBF is a flexible instrument, it is important to have as much information and details concerning the bilateral initiatives. This very much facilitates the consultation and making right decisions of the entities cooperating in the JCBF.

5. Management and control system issues (Tanja Renner, NFP and Jure Mekinc, BSO)

Ms Renner explained the day before the NFP sent official letter to the FMO regarding the amendment of the Memoranda of Understanding. After the MoUs modification also the modification of the Programme Agreement of the Climate Change Mitigation and Adaptation programme can proceed. She asked Mr Einarsson for indicative timeline of the procedures.

Mr Einarsson explained the amendment of the MoUs is the priority and should be processed in a few weeks or a month, not months.

Mr Mekinc presented the 4th Audit report in the reference period of July 2020 to June 2021.

The audit reports included audit of expenditures of the NFP (Technical Assistance and Fund for Bilateral Relations) and the PO (management of both programmes). System audit was performed by the FMO (external experts from KPMG) and the expert opinion was the management and control system are functioning in compliance with the Regulations.

In 2021 changes in operational setup of GODC led to changes in leadership of the NFP and the PO. The Audit Authority will assess the influence of these changes in management and control system in the system audit for the next reference period.

Mr Mekinc added the Audit Authority found no ineligible expenditure and no suspicion or fraud was detected and reported. The result of audits of expenditures gives assurance on the legality and regularity of the expenditure declared to the Donors.

Ms Johansen expressed pleasure the Audit Authority detected no irregularities. She pointed out the importance of forecasts on likely payments to be as realistic as possible.

6. Publicity and communication (Boštjan Vilhar, NFP and PO Communication Officer)

Mr Vilhar outlined the main activities in publicity and communication in 2021, challenges in this area and plans for 2022.

Due to the Covid-19 pandemic, the information and communication activities planned for 2021 took place online. Launching event of the EEA and Norway Grants took place on 16 June 2021, together with the workshop for potential applicants. Also other main activities in 2021 were related to the calls for proposals of both programmes (workshop for potential applicants, activities on social media, news on the website).

He also presented three main social media activities: project highlights of the Fund for Youth Employment and the Fund for Regional Cooperation, presenting projects that include Slovenia entities and advent calendar with daily posts presenting interesting facts about the Donor States.

The visual renovation of the website started in the second half of 2021 and the new website was launched at the beginning of 2022.

Ms Johansen praised the visual renovation of the website and the implementation of the main information and communication activities in 2021. She encouraged to use the project implementation phase for documenting the progress, not to wait until their finalisation.

7. Conclusions and closing remarks

Ms Renner thanked everyone for the very productive Annual Meeting. She especially thanked the Donors for their patience and the PO for extreme productivity in the last months to successfully conclude the selection of projects.

Ms Johansen expressed her gratitude for the well-organised Annual Meeting. She pointed out the critical timing for the implementation and the importance of focusing on the selection process and signing of project contracts as soon as possible. She also added in Brussels plans for the 4th FM period are starting to take place. She concluded with wishing the Slovenia all success in the implementation phase, underlining the importance of good cooperation and information sharing with all parties.

In line with the Regulations, the NFP will publish the minutes of the meeting on the dedicated website (www.norwaygrants.si/www.eeagrants.si).