

STRATEGIC REPORT

FM14-21

Czech Republic

Reporting period:

01 September 2019 - 31 August 2020

1. EXECUTIVE SUMMARY

The National Focal Point (NFP) submits its third Strategic Report of the EEA and Norway Grants 2014-2021 to the Financial Mechanism Committee and to the Norwegian Ministry of Foreign Affairs, in accordance with the Article 2.6 of the Regulations on the implementation of the EEA and Norwegian Financial Mechanisms 2014-2021.

Programme Agreements for all nine programmes have been signed by September 2019 and their implementation have already started.

The Management and Control Systems at the level of POs have been prepared and the last one (CZ-RESEARCH) should be audited by October 2020.

Almost all PDPs approved within the programmes (except of two) have been externally appraised and their implementation gradually starts.

Several open calls have been already launched: 1st and 2nd round of 4 calls under CZ-EDUCATION, 1 call in CZ-RESEARCH, 4 calls in CZ-CULTURE, 4 calls/SGSs in CZ-ENVIRONMENT, 2 calls in CZ-HEALTH, 2 calls in CZ-HUMAN RIGHTS. Some calls are already closed and projects are being evaluated. Projects have been already selected in CZ-EDUCATION and CZ-ENVIRONMENT. Other open calls and/or calls under small grant schemes are under preparation.

No major problems within programmes are reported so far, although the implementation is a bit delayed after a longer process of Programme Agreements signatures and preparation of the documents related to open calls than expected. The COVID-19 pandemic in the Czech Republic has had only limited effect on the preparation and implementation of the programmes so far as most projects have not been selected or have not started their implementation yet. The most affected is CZ-EDUCATION programme where all projects are bilateral including a number of mobility activities.

The Joint Committee for the Bilateral Funds (JCBF) established in 2017 is fully operational and actively involved in implementation of Bilateral Funds. The 3rd JCBF meeting was held in spring 2020 by written procedure in order to assess the results and experience from the 1st and 2nd open calls, to agree on modifications for the 3rd open call (subsequently launched in June 2020) and to update the Work Plan.

The bilateral ambitions within the programmes are being enhanced via open calls for bilateral initiatives and specific activities organized by the POs or within the approved PDPs.

Although the bilateral activities are mostly affected by the restrictions related to COVID-19 pandemic, the implementation of the Fund for Bilateral relations is considered very effective up to now. Despite the uncertain situation with travel and other restrictions, the interest in open calls is still very high.

So far, the commitment rate reaches 21 % of the allocation in total (CZ-BF and CZ-TA not included). The amount disbursed within all programmes by 30 June 2020 and certified by the CA by 15 September 2020 (incl. CZ-BF and CZ-TA) equals 5,45 MEUR (ca 3,11 % of the total

allocation including PRG co-fi). The amount of incurred expenditures is proportionate to the status of the implementation of EEA and Norway Grants in the Czech Republic.

In the publicity and promotion the National Focal Point focuses mainly on increasing awareness of general public on the EEA and Norway Grants. As there are only limited possibilities to organize public activities due to COVID-19 pandemic restrictions since March 2020, the publicity activities of the EEA and Norway Grants were narrowed down to communication via websites and social media (Facebook, Instagram and Twitter).

2. POLITICAL, ECONOMIC AND SOCIAL CONTEXT

During the last 12 month there have been no significant changes in political area that had or could have an impact on the implementation of the EEA and Norway Grants.

The global pandemic crises that affected the Czech Republic since March 2020 have negative influence on the economic development. Before the crises the economy of the Czech Republic continuously grow, but in last months the GDP has deeply dropped by approx. 7 %. Almost all economic areas are negatively affected. Although the unemployment rate has not started to increase yet, it is expected that the unemployment will grow in coming months when the state antivirus measures and help to companies will be finished. The inflation rate is above the upper edge of the tolerable level, the most significant was the increase of costs of housing. On the other hand the prices of fuel have significantly decreased copying the price of oil on world markets. It is expected that the economic recession will even deepen in the near future depending mostly on the development of the COVID-19 pandemic both in the Czech Republic and in the world.

As concerns the social area as well as civil society sector the underfinancing still continues and the situation will be even worse due to the negative economic development affected by the global pandemic. For that reason any grant schemes allocated to this area will be highly welcomed. Particularly non-governmental organizations who quite often substitute the role of the state in some parts of social area welcome the launch of open calls or small grant schemes in all possible programme areas financed by the EEA and Norway Grants.

On the other hand the COVID-19 pandemic in the Czech Republic has had only limited effect on the preparation and implementation of the EEA and Norway Grants 2014-2021 so far. Majority of programmes is implemented according to the schedule or with a slight delay only. The most affected sector is the area of education, especially CZ-EDUCATION programme where all projects are bilateral including a number of mobility activities. The project promoters and partners are schools and higher educational institutions which have been closed during the crisis for quite a long time. Also in the sectors of health and home affairs there have been some delays in the preparation of programmes during spring 2020 as the relevant ministries put the capacities and priorities to implementing measures against COVID-19 and running emergency status. Another affected area is the bilateral cooperation (across all programmes) where the restrictions related to traveling led to the postponement of some activities or the change of the character of the meetings (on-line conferences).

3. EFFECTS OF THE GRANTS

Implementation of the EEA and Norway Grants 2014-2021 in the Czech Republic concerned mainly preparation and launch of the calls for proposals in this reporting period. Also pre-defined projects have been gradually appraised and their implementation started. The overall aim of the Grants to reduce social and economic disparities and to strengthen bilateral relations with donor state entities was accented both in the call texts as well as PDPs. As the PDPs are only in a very early implementation stage and majority of calls for proposals has not been finalised, the contribution of the results is hardly measurable.

Steady progress towards strengthening bilateral relations is being monitored mainly within Fund for bilateral relations. The interest of stakeholders is still very high even during the COVID-19 pandemic times and according to information provided by the final beneficiaries of the bilateral initiatives, the satisfaction with partnerships is high.

4. STATUS OF PROGRAMMES

CZ-RESEARCH Research

Progress in developing and implementing programme:

On 22 July 2020, the PO asked the FMO for a PA modification. The statement on retaining some funds at the PO till the final settlement of projects shall be excluded as the financial flows are fully based on advance payments.

The open call for projects with allocation of 32.5 MEUR ran from 20 November 2019 till 27 February 2020. 163 applications were submitted. There are 96 SMEs involved, 24 of them based in donor states. 102 international entities took part, 84 of them from Norway, 8 from Iceland, 2 from Liechtenstein and 8 from third countries. There is sufficient quality applications in the CCS topic, so they will absorb the reserved 30% allocation of the Call.

The PO provided the formal control during the early spring – 154 applications passed the check. The quality assessment process finished in late summer 2020. Two draft-ranking lists (one for the CCS from Norway grants, the other for projects from EEA funds) are ready for discussion in the Selection Committee and approval of the Programme Committee in early September 2020. With respect to the allocation, about 30 projects in total can be supported.

The selection process within the open call is just before completion, no projects are under implementation yet.

Challenges related to implementation, absorption/disbursements, with suggested solutions:

During the period, the Programme underwent the final preparatory steps of its implementation, including completion of the PO MCS, development of documents to the Call, announcement of the Open Call and the selection process of projects. Some expected risks such as Lack of interest/capacity, Lack in CCS participation, Number of SMEs in projects etc. are now mitigated or in less intensity as presumed thanks to high number of applications submitted, to high participation of SMEs and sufficient interest for CCS (the capacity overlaps

the CCS allocation). Other defined risks remain at the same (low) intensity and shall be observed during next steps of implementation.

The COVID-19 pandemic does not affect the programme up to now. The research methods may be adjusted in the future, if necessary, and only bilateral or joint collaboration in projects may face some difficulties or delays because of restrictions.

Progress in strengthening bilateral relations with donor state entities, including the use of bilateral funds allocated to the programme:

The bilateral allocation in the Research programme is intended to support joint activities organized by the PO, no call is planned. On 25-26 November 2019, the PO organised a launch conference and a two-day seminar for applicants and donor project partners with matchmaking activities. This event greatly strengthened the bilateral relations within the programme and helped in development of contacts. In the reported period, no other joint bilateral activities were planned and with respect to the COVID-19 pandemic, there are no other ones expected in near future (2020/2021).

Bilateral partnership in a project was the condition, at least one donor project partner shall be involved in each project. Within the 163 project proposals submitted, 94 donor entities are involved: 84 from Norway, 8 from Iceland, 2 from Liechtenstein. The bilateral relations in the research community are of high quality and potential, they were established mainly in previous periods and now coming to the realization in joint projects.

How MoU special concerns and/or conditions set in the PA have been addressed, especially Roma inclusion concerns:

As to the condition to simplify all additional provisions and to involve the DPP in preparation of documents/project contracts, the DPP was closely involved in order to advise the PO on suitable approach to international project partners. The final results (documents, rules) shall be confirmed by the Programme Committee in September 2020.

The condition to stream approximately 30% of allocation of Norway grants to CCS projects was fulfilled - in the Call, 5.2 MEUR (from 17.3 MEUR) are aimed at CCS projects.

The programme supports capacity building in applied research, including supporting the SMEs, social sciences, humanities and arts research, and careers of female researchers and early-stage researchers. During the evaluation, in the case of project proposals with the same point score near the limit of the relevant call budget, the Programme Committee will decide the final order by taking into consideration aspects related to the objective of the programme in this order: 1. potential impact, 2. female leadership, 3. scientific and/or technical excellence.

The CZ-RESEARCH programme is not focused on Roma inclusion and no measures are adopted on the issue.

CZ-ENVIRONMENT Environment, Ecosystem and Climate Change

Progress in developing and implementing programme:

The Addendum No. 1 to The Programme Agreement was signed on 3 January 2020 (amendment of Annex II). The amendment consisted in the modification of eligible expenditures for selected SGS in justified cases and in the specification of advance payments for public entities not associated with state budget.

Four out of eleven open calls or SGS have been launched in the respective period.

The SGS-3 „Oslo“ (Outcome 4) was launched on 12 December 2019, 30 projects (out of 50) were recommended by the Selection Committee for support and subsequently approved. The evaluation and selection process for the projects was verified in 08/2020. Total support from Norwegian Funds amounts to 1 013 000 EUR.

The Call 2a “Tromsø” (Outcome 2) was launched on 15 June 2020. Grant applications are accepted till 30 September 2020. Total allocation amounts to 2 500 000 EUR.

The Call 4a “Bergen” (Outcome 4) was launched on 15 July 2020. Grant applications are accepted till 30 October 2020. Total allocation amounts to 4 000 000 EUR.

The SGS-1 “Rondane” (Outcome 1) – was launched on 18 August 2020. Grant applications are accepted till 30 November 2020. Total allocation amounts to 3 000 000 EUR.

There are no PDPs within this programme.

Challenges related to implementation, absorption/disbursements, with suggested solutions:

No substantial challenges have been noticed within the respective period with the exception of the COVID-19. However, it has had very minor effect on reaching the overall programme objectives, reflected in a slight delay in the discussion on the draft calls and other related operations as well (e.g. assessment of applications submitted to the closed call “Oslo” and extension of the deadline for formal completion of applications by applicants).

Challenges already mentioned in the previous Strategic report/Annual report (slower development and setup of the internal information system of the PO, complexity of PO internal processes) have been successfully tackled.

Progress in strengthening bilateral relations with donor state entities, including the use of bilateral funds allocated to the programme:

Reported period was characterized, in particular, by the ongoing call within Bilateral Ambitions announced in 07/2019. The so-called partner database was created and it has proved very useful (<https://bf.sfzp.cz/>). There are currently 65 institutions registered in the database, which have already established cooperation or may establish cooperation in the future.

A support for bilateral initiatives has enabled many applicants to fund meetings and to gain contacts and new experiences that, for example, would not be possible without the financial

support from Norway Grants. Several applicants submitted applications within the Bilateral Ambitions call with the intention to follow up with the submission of application to individual open calls of the Programme.

As the ongoing intensive bilateral cooperation was affected by restrictions related to COVID-19 pandemic, applicants were advised, at the outset of these restrictions, to implement their partnership through alternative, especially online ways. Applicants were informed about the alternatives through reports published on relevant partner websites (<https://bf.sfzp.cz/recommendations-for-all-beneficiaries/>) but also i.e. through social networks.

Partnership in projects within open calls and SGS is recommended, but not mandatory. Projects including partnership with donor state institutions are given a point advantage opposite to projects with no partnership or with another international partner or with a national institution or company.

The first announced call for a SGS-3 “Oslo”, which focused on the creation and implementation of adaptation and mitigation strategies, recorded 18 partner projects within the framework of 50 applications received. As in several cases the partner institutions are repeated across applications and some of the applicants have more than one partner, there are 4 partners in total from the donor country, 23 partners from the Czech Republic and 5 partners from another countries. Fifteen applications with bilateral partnership were supported.

How MoU special concerns and/or conditions set in the PA have been addressed, especially Roma inclusion concerns:

Special conditions set out in the programme agreement related to ownership, insurance and maintenance of buildings are fulfilled continuously within projects approval and setting conditions for grant acceptance and within changes approval.

The CZ-ENVIRONMENT programme is not focused on Roma inclusion and no measures are adopted on the issue.

CZ-HUMANRIGHTS Human Rights, Roma Inclusion and Domestic and Gender-based Violence

Progress in developing and implementing programme:

The Addendum No. 1 to the Programme Agreement was signed on 3 January 2020. The amendment consisted in amendment of the Output 3.6 indicators, shifts in total grant amounts among Outcomes and PDPs as a result of the withdrawal of Council of Europe from PDP 9, shifts of the appropriate outcomes and key activities from PDP9 to PDP6 and PDP8, timing of launch of Calls 1A, 1B and 3 and adding The European Union Agency for Fundamental Rights as a project partner for PDP5.

The Addendum No. 2 to the Programme Agreement was approved in 07/2020 via IS GrACE. The modification consisted in adding a mandatory partnership of two NGOs within the Call 1A, provision of 100% grant to NGOs as a reaction to COVID-19, adding the fact, that the mandatory partnership within the Call 1B (Roma advisors), should be with NGO as a necessary prerequisite for the success of the project activities, change of the Project Promoter in PDP 4, adding baseline values for Outcome 3 indicators.

Two out of eight calls including SGS have been launched in the respective period. 2 calls within Outcome 1 – Call 1A “Support for Roma platforms at local and regional level” and Call 1B “Capacity building of Roma advisors” were launched on 23 June 2020. Grant applications are accepted till 30 November 2020. Total allocation amounts to 880 000 EUR, respectively 1 320 000 EUR.

Call 2 targeting to the support for involvement and participation of Roma children in mainstream leisure programmes and supporting activities providing extracurricular education for Roma children (Outcome 1), is expected to be launched in autumn 2020.

Call 3 targeting to the establishment of new specialised services for victims of gender-based violence (Outcome 3) and SGS call - Component A supporting the ability of research and educational institutions to address new human rights topics and challenges and to find practical solutions contributing to the raised awareness and improved national implementation of human rights standards (Outcome 2), shall be announced in autumn 2020.

The remaining three SGS Components (B, C, D) related to Outcome 3 are expected to be announced by the end of 2020, or very early 2021 at the latest.

All 8 pre-defined projects were contracted and the implementation contracts were issued from December 2019 to July 2020. PDPs are in early stage of implementation and so far no major changes or necessary modifications have been realised. Activities are running according to plans with exception of those related to respective bilateral ones that were postponed due to COVID-19.

Challenges related to implementation, absorption/disbursements, with suggested solutions:

The Open calls launch have been just a bit delayed due to personnel changes and general lack of administrative capacity on the side of the PO, which was finally mitigated by hiring new staff and procuring external services.

A new risk occurred within PDP3 (Public Defender of Human Rights). A draft law on the Defender of Children’s Rights (effective as of mid-2021) was submitted for comments within interdepartmental comment procedure. The Ministry of Finance – as the central government body gave a dissenting opinion to the draft law. The law would partially affect the implementation of the project. The PO and NFP will further monitor the situation and take necessary measures.

Withdrawal of CoE from PDP9 caused necessary amendments and shifts in programme. Proper adjustments of PA mitigated risk of non-fulfilment of set outcomes and outputs.

The PDPs' implementation has not been seriously affected by COVID-19 so far, but some bilateral activities within PDPs had to be postponed.

Progress in strengthening bilateral relations with donor state entities, including the use of bilateral funds allocated to the programme:

Programme Operator in cooperation with the Norwegian Ministry of Justice and Public Security realized one bilateral initiative "*The fourth meeting of Synergy Network Platform against Domestic and Gender-based Violence*" in October 2019 in Prague. Other six pre-defined bilateral initiatives were successfully implemented already in previous period.

PO actively encouraged establishment of donor partnership projects during preparation of PDPs. As a result, four PDPs (PDP2, PDP3, PDP4, PDP8) are being implemented in cooperation with Norwegian partners and one project (PDP5) with International Partner Organisation - Fundamental Rights Agency. With regard to the worldwide COVID-19 pandemic project promoters had to postpone some joint bilateral activities such as e.g. workshops. All Open Calls texts encourage partnerships with Norwegian entities. In most of calls (depending on its nature), the application with the donor project partner will be awarded extra points within the project evaluation.

How MoU special concerns and/or conditions set in the PA have been addressed, especially Roma inclusion concerns:

Conditions related to ownership, insurance and maintenance of buildings are fulfilled continuously within projects approval and setting conditions for grant acceptance and within changes approval.

The condition related to maximum level of funding available for infrastructure (hard measures) in programme area "Roma Inclusion and Empowerment" - 20% - is observed continuously during setting of calls, projects and changes approval. In PDP2 it reaches 62.7 %, Open Call 1A, 1B – no investments planned, open call 2 – 10-20% of investments of a grant may be considered to be set.

The condition related to maximum level of funding available for infrastructure (hard measures) in programme area "Domestic and Gender-based Violence" - 17% - will be observed within calls setting, projects and changes. There is a limit for total investments set within Open Call 3 in the amount of 1 000 700 EUR.

For Outcome 2 indicator "Share of young persons with concern for human rights and equality," where the baseline value is "to be determined" (TBD), the setting of baseline value, together with a description of the data collection method used is in process, solved with the Final Beneficiary of PDP4. It is to be completed by mid-January 2021 (Legal Act issued on 21 July 2020).

For the Outcome 3 indicators “Annual number of cases of domestic and gender-based violence officially reported (in the target regions)” and “Level of satisfaction (by the Committee for the Prevention of DGBV) with the quality of services provided to victims of domestic and gender-based violence”, where the baseline value was “to be determined” (TBD), the PO fulfilled the condition on 17 June 2020 (sent to FMO, approved by FMO on 22 July 2020; a part of the second amendment of the Programme Agreement).

The National Focal Point shall report on the overall progress made towards addressing the mainstream concern on Roma inclusion on a yearly basis as described in the specific concerns of the Memorandum of Understanding – the condition is fulfilled continuously within preparation of calls and implementation of respective PDPs. Roma concern is primarily covered by all modalities (open calls, PDPs) within the Programme Area “Roma inclusion and Empowerment”. In programme area “Domestic and Gender-based Violence” Roma women are one of the target group of the open call 3.

The condition related to the PDP5 on partnership agreement between the Ministry of Justice of the Czech Republic as the project promoter and the European Union Agency for Fundamental Rights (FRA) as a project partner was fulfilled and PDP is in realization.

CZ-JUSTICE Justice

Progress in developing and implementing programme:

Addendum No. 1 to the Programme Agreement was signed on 3 December 2019. The amendment consisted in the change of the Output indicator 3.2 (Annex I), incorporation of a new condition to point 2.1 Eligible applicants (Annex II) regarding non-governmental organisation, prolongation of appeal period from 5 to 15 days within selection procedure (point 4.2, Annex II).

Addendum No. 2 to the Programme Agreement was submitted to the FMO and approved via IS GrACE in July 2020. The modification consisted in the conversion of the Open Call 1a to a Small Grant Scheme “Support of reintegration of persons conditionally released and released from prison” (Annex II), incorporation of the possibility to waive the 10% co-financing for the NGOs (Annex II), change of baseline values and sources of verification within selected Bilateral indicators (Annex I).

The call for proposal and SGS (Outcome 2) are still being prepared. There is a slight delay due to the complexity of the programme, many participating parties involved and due to COVID-19 as well. The text of the open call and SGS will be sent to DPP, IPO and FMO during 9-10/2020. Announcement of the both open call and SGS is expected in 4Q 2020. Process of the evaluation and project selection usually takes up to 6 months. In general, the projects shall start in 2Q 2021.

All three PDPs grant applications were officially submitted to the Programme Operator and positively appraised by the external company and they are now in implementation phase.

PDP1 “Common Education System” (Outcome 1) started implementation on 1 August 2020. No delays are expected due to the COVID-19 so far.

The PDP2 “Strengthening the rehabilitation of prisoners through treatment” (Outcome 2) started implementation on 1 March 2020; however due to the COVID-19 there are slight delays in some activities including bilateral partners (launch conference, study visits and job shadowing) and there will be time shift in their realisation.

The PDP3 “Back to life” (Outcome 3) started implementation on 1 May 2020. Establishment of the probation house should not be affected by COVID-19 and everything is going according to the plan. Establishment of programme centres is delayed by the COVID-19 by approx. 3 months.

Challenges related to implementation, absorption/disbursements, with suggested solutions:

In PDP 2 PO noticed less feedback from donor partners regarding the Partnership Agreements between the project promoter (Prison Services of the CR) and project partners (KRUS, Bastoy Prison, Ila Prison, Norwegian Correctional Service – Region South). Nevertheless, it was agreed on the last Cooperation Committee held in June 2020 that the representative of The Directorate of Norwegian Correctional Services (DPP) will be the key person for communication and will ensure smooth cooperation between parties for future.

The implementation is not seriously affected by COVID-19, but some bilateral initiatives within PDPs have to be postponed.

Progress in strengthening bilateral relations with donor state entities, including the use of bilateral funds allocated to the programme:

Programme Operator in cooperation with the Programme Partner and the Norwegian Correctional Service successfully realized two roundtables. All participants found it very useful and important as a good and important starting point for their further bilateral cooperation. Other five pre-defined bilateral initiative were successfully implemented in the years 2018 – 2019.

All bilateral initiatives were also discussed and approved with the Norwegian Correctional Service as well as with the Council of Europe. This cooperation between the Programme Operator – Programme Partner – the Norwegian Correctional Service – the Council of Europe is considered as mutually beneficial to all partners and will certainly contribute to further establishing and deepening bilateral cooperation within the programme.

All three PDPs are being implemented in cooperation with Norwegian partners. However, all projects are in their early stage of implementation. With regard to the worldwide COVID-19 pandemic, project promoters had to postpone some joint bilateral activities such as launch conference, workshops etc.. New dates of the bilateral activities are still in the process of negotiation.

Call for proposals and SGS are still being prepared and bilateral cooperation with donor partners are supported. The bilateral partnerships are optional; however the partnerships will be favoured by extra points in the evaluation process. Number of projects in bilateral cooperation will be known after the selection procedure.

How MoU special concerns and/or conditions set in the PA have been addressed, especially Roma inclusion concerns:

Conditions related to ownership, insurance and maintenance of buildings – fulfilled continuously within projects approval and setting conditions for grant acceptance and within changes approval. Condition related to the maximum level of funding for infrastructure (hard measures) – 30 % is fulfilled continuously within projects approval and changes.

For PDP1, the appraisal process was externalised and carried out by a legal entity independent of and unrelated to the Programme Operator and Programme Partner. The condition was fulfilled, PDP1 has already been approved for financing.

The CZ-JUSTICE programme is not focused on Roma inclusion and no measures are adopted on the issue.

CZ-HOMEAFFAIRS Home Affairs

Progress in developing and implementing programme:

Addendum no. 2 to the PA was submitted to the FMO for approval on 10 June 2020. Following the latest developments in the field, the request contained amendments concerning integration of two smaller SGS into one call and corresponding changes in estimated timing and financial parameters. The target group remained the general public, namely children and young people of up to 18 years of age and seniors. Missing outcome indicator no. 3 reflecting two existing output indicators 3.3 was added. The Addendum by the FMO is expected at the beginning of September 2020.

Based on continuous communication and consultations with experts (Security Policy Department of the MoI, expert on media literacy) and the NFP, the final version of the SGS Call and SGS Guidelines for Applicants were drafted, translated and submitted to the NFP for review in August 2020. It is expected that the PO will incorporate NFP's comments during September 2020. Subsequently, following the approval of the 2nd PA addendum, the SGS Call should be launched in 4Q 2020. In the meantime, guidelines for SGS Evaluators are under preparation, the call for SGS evaluators was published on PO's web pages as well as on the www.eeagrants.cz.

All four PDPs were approved. PDP1, PDP3 and PDP4 have started, plans of activities to be delivered by the end of 2020 within these PDPs were prepared and should be delivered without obstacles – if force majeure (COVID-19) circumstances will not occur.

PDP1 “Enhanced Police competence in preventing and combating crime, strengthening communication skills with public and awareness of human rights” was launched on 1 July

2020. Public procurements on accommodation, catering, training services and PR goods and others are under preparation. Working agreements for management are concluded. Agreements for trainers within activities to be delivered before the end of 2020 are under preparation.

PDP2 “Modernisation of Police Training Centre” was approved on 12 June 2020. Preparation of the public procurement for the construction works is about to start.

PDP3 “Improved utility of data within police information system” should start on 1 October 2020. Public procurement for accommodation, catering and PR goods is under preparation, as well as agreements concerning activities to be realized by the end of 2020 (adjustments of IS EVIN, technical specification of IS for psychologists, publicity of the project).

PDP4 “Cooperation between national Police, international entities and territorial self-government”- was launched on 1 July 2020. Due to the COVID-19 global pandemics, the bilateral cooperation was postponed and should be realized in the 2Q/2021. It was also necessary to cancel the International conference of the Association of European Police Colleges, it was postponed to 2023. Public procurement for accommodation, conference rooms for workshops and for PR goods are under preparation. The launch conference should take place in September or October 2020 if COVID-19 restrictions allow.

Challenges related to implementation, absorption/disbursements, with suggested solutions:

The global pandemic crisis has a large impact on capacities and priorities of the Ministry of the Interior and the Czech police. The implementation process inevitably slowed down and it is still necessary to cope with limitations caused by anti-COVID measures. Time schedule of PDP 4 had to be changed and another changes may appear in connection with future anti-COVID measures (e.g. regulation of number of participants). There is a noticeable delay of the launch of the SGS, but the most affected part of the programme is the Bilateral Ambitions.

So far, there are no fundamental changes affecting the overall aims or outcomes of the programme or its timeframe.

Progress in strengthening bilateral relations with donor state entities, including the use of bilateral funds allocated to the programme:

The implementation of bilateral initiatives was postponed due to COVID-19. Preparations concerning initiatives are ongoing (selection of participants, main topics, small scale procurements), however, it is necessary to take into account the potential anti-COVID measures.

PDP1 and PDP4 are implemented in partnership (e.g. joint exercises of the Rapid Response Unit of the Police of the Czech Republic with their Norwegian partner - Delta - the Emergency Response Unit of the Norwegian Police Service and Czech Anti-Conflict Team and NPOIU - Norwegian public order monitoring unit). Partnership agreements have been concluded. Joint activities are planned for the year 2021.

As concerns the SGS, grant applications may be submitted in partnership with relevant partner institutions from Norway and partnerships with Norwegian entities will be advantaged in the scoring of the grant application. At this moment, the number of partnerships within SGS is not yet known.

How MoU special concerns and/or conditions set in the PA have been addressed, especially Roma inclusion concerns:

Home Affairs Programme is not aimed at the Roma inclusion. Special conditions set out in PA are mostly fulfilled or are followed continuously.

Ex ante control of public procurement procedures and documentation within PDPs is carried out by the PO who is independent from the PP (Police of the CR). External evaluator (BDO Audits s. r. o.) was contracted for appraisals of all PDPs within the Programme. Maximum level of hard measures was taken into consideration during preparation of PDPS and the SGS Call. The PO contracted external body (Augur Consulting s. r. o.) to carry out a sociological survey under the Programme for reporting the relevant Outcome 1 indicators and will submit relevant information to the FMO within the set deadline.

Only one condition, related to Outcome 3 indicators remains open - PO shall submit to the FMO for approval the baseline value, together with a description of the data collection method used, no later than 6 months following the selection of municipalities. The updated baseline values shall be agreed upon through a modification of the programme agreement. The selection of municipalities has not yet been completed. It is assumed that the deadline will be met.

CZ-EDUCATION Education

Progress in developing and implementing programme:

There were no modifications of the PA.

The 2nd round of Calls was announced in 11/2019 (for all Outcomes 1, 2, 3, 4) with deadlines in 02-03/2020. Due to the COVID-19 issue, the Selection Committee took place per rollam. 38 projects were supported (9 in Outcome 1 – Institutional cooperation, 5 in Outcome 3 - VET, 2 in Outcome 4 - Inclusive education). As for the Outcome 2 - Mobility projects, 22 applications were supported but the real implementation shall be subject to further adjustments because of problems caused by the COVID-19 restrictions. Project contracts were signed in 7/2020.

19 projects approved in the 1st round of Calls in 2019 are running. Four of them ended in 08/2020. The other 15 projects will continue till autumn 2020 or July 2021. Especially the mobility projects and one VET project are affected by the spread of COVID-19. The mobilities, which were running in mid-March 2020, ended up as blended mobilities as all planned trips were cancelled or postponed. 9 projects were extended till autumn 2020. As the situation with COVID-19 got worse again in 08/2020, it would be difficult for those projects to complete the planned activities even if prolonged. Projects in Outcome 1 and 4 are able to replace the physical activities by virtual ones and still fulfil the planned achievements.

From the 2nd round of Calls, 38 projects started on 1 August 2020. Especially 22 mobility projects and 4 VET projects are compromised by the COVID-19 pandemic. It is expected that Norwegian and Icelandic educational institutions will not allow any mobility until the end of 2020. Therefore, the activities planned for autumn 2020 will probably be postponed to spring 2021. Some projects might have difficulties with the realization of all the activities within a short period in spring 2021 and it might be necessary to extend their project periods.

Challenges related to implementation, absorption/disbursements, with suggested solutions:

The main challenge consists in uncertain perspective of bilateral projects due to the COVID-19 situation. In line with the FMO recommendation, the PO has adopted and is applying an accommodating approach and provides a modification of projects incl. the prolongation of implementation deadlines (up to 3 months). Moreover, especially mobility projects were affected by the situation, most of them have been cancelled or – when possible – moved to later dates. In autumn 2020 the PO is awaiting more detailed specification of impacts/damage on the projects and shall summarize them, including the remedial measures and/or financial impacts (losses, recoveries).

Another issue is related to the absorption capacity within the Outcome 3 (VET). For the first time, a specific outcome for vocational education was introduced within the EEA Grants, which implies that more time is needed for schools to adapt to new opportunities. The low interest demonstrated already in the results of the 1st call (only 1 project was submitted and 5% of the allocation committed). The 2nd call 2020 confirmed the risk (5 projects submitted and 16% of allocation committed). The PO will develop a strategy in order to encourage interest or to transfer the allocation from the Outcome 3 to the other Outcomes via a PA amendment. The PO is also considering an announcement of the additional 4th Call for proposals.

Progress in strengthening bilateral relations with donor state entities, including the use of bilateral funds allocated to the programme:

To make it easier to find a suitable project partner, the PO organised the match-making seminar for potential project promoters and potential donor project partners in Prague in 10/2019. The seminar attended by around 40 participants from the Czech Republic and Norway resulted into the submission of 9 applications for projects in spring 2020, which should be considered a success.

In 11/2019, the PO launched the Call for preparatory visits, which is open till 10/2020. However, there was no interest from schools to apply for preparatory visit grants, because schools were closed in spring 2020 due to COVID-19 pandemic.

Up to now, the PO received and approved 3 applications for preparatory visits. All visits resulted in the submission of the grant applications for either the mobility or the VET projects.

All programme Outcomes are designed as bilateral. The Czech institutions often build on and deepen previous cooperation with their partners. Fifty-seven bilateral projects were selected

in the two rounds of Calls and the 3rd round of Calls is expected to be launched by the end of 2020.

How MoU special concerns and/or conditions set in the PA have been addressed, especially Roma inclusion concerns:

The general condition relates to overall progress made towards addressing the mainstream concern on Roma inclusion. The programme CZ-EDUCATION includes measures directly targeting the Roma inclusion. The PO informed potential project promoters about this priority topic during the information and propagation campaign. During the selection process, the project applications supporting Roma inclusion are prioritized and receive priority points. Moreover, the 2nd Call for proposals of the Outcome 4 was opened only for projects covering the Roma inclusion.

A project approved within the 1st Call of Outcome 4 plans to train 66 teachers/multipliers in the methodology of inclusive education and methodology contributing to the Roma inclusion. In 08/2020, two other projects focusing solely on the Roma inclusion started. Another 60 teachers/multipliers should be trained in the Roma inclusion. The benefit of the Outcome 4 is that the projects can take two years to complete and the promoters can work with the trained teachers for a longer period of time. They should train, monitor and support them continuously, so that the indicators and the impact can be evaluated only at these projects' conclusion.

First results shall be available by the end of 2020 when all the mobility projects (Outcome 2) approved in the 1st Call for proposals should end and the projects will report, if some Roma students participated in them.

CZ-HEALTH Health

Progress in developing and implementing programme:

There were two PA Amendments in the monitored period, both of them approved by the FMO.

The first addendum concerned the necessity to replace the Incredible Years Programme by the Triple P Programme, which is very similar, and thus no change of PDP1 outputs/outcomes was needed. As a consequence of the change, there were slight shifts within total budget of the Health Programme. The second PA amendment was only related to the adjustment of definition of eligible applicants within Open Calls mentioned in the Annex II of the PA.

Call 1 "Mental Health of Children" (Outcome 1) was launched in May 2020 and closed on 31 July 2020. In total 38 project applications were submitted with total requested grant 3 times higher than available allocation (as expected and reported previously, interest in this kind of projects considerably exceeded available resources). Noticeably, there is great interest and absorption capacity among NGOs active in children's mental health area. This fact should ensure that only high-quality project proposals will succeed in the Call. The evaluation of submitted applications is ongoing.

Call 2 “Prevention of communicable and non-communicable diseases” (Outcome 2) was launched on 24 July 2020 and the deadline for submission of proposals is 30 September 2020.

All three planned SGSs are under preparation. Their launch is expected in the 4th quarter of 2020.

PDP1 “Triple P Programme” is under preparation. The launch of implementation is expected in 09-10/2020. The delay is a result of the COVID-19 global pandemics and the high workload of Ministry of Health (project promoter) in recent months.

Implementation of the first activity within PDP2 “AMR prevention” was launched as planned (Elaboration, update and publicity of guidelines and recommendations, cooperation with professional entities of the Czech Medical Association of J. E. Purkyně). Discussion concerning activity no. 2 (Behavioural intervention to prevent inappropriate use of antibiotics) took place. Realization of activity no. 3 (information campaign) has not yet been launched (delayed public procurement caused by COVID-19). Works should start in September 2020.

PDP3 “The Patient Hub” - space for the future HUB was discussed with respective part of Prague municipality. The rental agreement should be signed in September 2020 (delay due to internal issues within municipality and anti-COVID measures). Web portal development was ongoing. Programme content of the HUB has not been sufficiently solved due to the vacant position of the Education Coordinator. The technical manager prepared only framework of the programme content and this framework will be further elaborated by the new Education Coordinator (to be hired approx. in September 2020).

Challenges related to implementation, absorption/disbursements, with suggested solutions:

No fundamental challenges are foreseen, however, the global pandemic crisis had large impact on capacities and priorities of the Ministry of Health and its partners, mainly the National Institute of Public Health, which – inevitably – have to put great emphasis on introduction of anti-COVID measures. The overload delayed official submission of the new Triple P Programme. The CZ-HEALTH Programme has a good absorption potential and a total grant amount applied for in some open calls and SGS calls is expected to be higher than available allocation.

Progress in strengthening bilateral relations with donor state entities, including the use of bilateral funds allocated to the programme:

All bilateral initiatives were discussed and approved with the DPP (Norwegian Institute of Public Health). This cooperation is considered as mutually beneficial to all partners and will certainly contribute to further establishing and deepening bilateral cooperation within the programme.

All three pre-defined projects are being implemented in cooperation with Norwegian partners. PDP2 and PDP3 are in their early stage of implementation. With regard to the worldwide COVID pandemic that arose at the beginning of 2020, project promoters had to

postpone some joint bilateral activities such as launch conference until later. So far, there have not been realized any bilateral activities within PDPs yet.

Call 1 and Call 2 aim at strengthening partnership between the Czech entities and entities from Donor States, therefore the bilateral cooperation with donor partners within the calls is welcomed. The bilateral partnerships are optional; however the partnerships will be favoured by extra points in the evaluation process. Number of projects in bilateral cooperation will be known after the selection procedure.

How MoU special concerns and/or conditions set in the PA have been addressed, especially Roma inclusion concerns:

MoU special concerns and conditions set in the PA are being addressed continuously, one of them is already fulfilled - no costs were eligible for PDP1 under Section 5.1 of Annex II to the PA before the detailed description and budget was submitted to the FMC on 24 October 2019 (within 6 months following the signature of the PA). As concerns the Roma inclusion, the Call 2 supporting projects focused on creating guidelines for general practitioners, strengthening secondary preventive measures of communicable and non-communicable diseases in socially excluded localities with particular focus on Roma will be concluded after cut-off date (30/9/2020) and thus it will be possible to evaluate the Roma issue in detail in the next report.

CZ-CULTURE Culture

Progress in developing and implementing programme:

Addendum No. 1 is valid from 06/2019. Addendum No.2 is expected in late 2020 and it shall relate to prolongation of deadline for the building permit within the PDP (currently 31/12/2020) and also transfers of unallocated funds between measures /calls might be relevant.

3 open calls within Outcome 2 – (CA1) Contemporary Arts, (ACC1) Art and Cultural Criticism, (CB1) Capacity Building of Umbrella Associations, Networks and Platforms were announced on 26/11/2019 (open till 15/4/2020). An open call within Outcome 1 - (CH1) Revitalization of movable and immovable cultural heritage was announced on 10/12/2019 (open till 30/4/2020). The evaluation and selection process carried out in strong cooperation with the Ministry of Culture and Arts and Theatre Institute comes (PPs) is in final phase. In total, 110 (74 + 13 + 23) applications under Outcome 2 and 135 under Outcome 1 were submitted, the interest exceeds the allocations. Results for Outcome 2 shall be announced in 10/2020 and for Outcome 1 in 11/2020. The start of projects is planned for 4Q/2020 2020 (Outcome 2) or early 2021 (Outcome 1).

The architectural competition within the PDP (Lety memorial) is delayed since the very beginning. The winner of the competition was announced in June 2020 and the application for the PDP shall be submitted in 1Q/2021; it is assumed that a PA modification will be necessary due to the fact that the deadline for all necessary building permits (31 December 2020) cannot be met. The permits might be obtained in 1-2Q/2021.

With respect to the status and progress of the open calls and the PDP, no projects have been under implementation yet. The start of the first ones is expected in Autumn 2020.

Challenges related to implementation, absorption/disbursements, with suggested solutions:

The previously identified risk of negative impact of the delayed development of the information system for administration of applications/projects at the PO/PP has been partly mitigated. The system for submission of applications is operational since mid-2020 and is utilized also for evaluation and the selection process.

As to the PDP, the risk of low political will has not been confirmed and realization of the Lety memorial enjoys support. As for the building permit deadline as set in the PA the PO will formulate a request for Addendum to the PA with request for prolongation.

After the first round of calls the risk of programme absorption capacity seems no more to be a serious threat as the interest and relevancy of applications submitted in all areas of both Outcomes are high. Similarly, the programme complexity is well under control, the schedule of calls is approved, updated and kept. The mutual communication between all stakeholders has been set flexible and the joint collaboration between the PO and the programme partners is very close.

As to the Covid-19 issue, the cultural sector as such has been affected quite a lot, however, the CZ-CULTURE programme does not suffer from the problems as it is in early stage of implementation and the project shall start at the turn of 2020 and 2021. In the future, there are some adjustments in projects foreseen to reflect replacing personal meetings or joint activities with distant forms, electronic media or remote cooperation.

Progress in strengthening bilateral relations with donor state entities, including the use of bilateral funds allocated to the programme:

All bilateral activities were organized as planned. 4 calls for bilateral meetings related to the 4 areas of support were simultaneously announced and running with sufficient time prior the launch of main open calls. In total, 54 bilateral meetings of potential partners in order to discuss future cooperation in planned projects took place thanks to these bilateral calls. The highest interest for bilateral cooperation was in the area of cultural heritage and contemporary arts (48 applications). Reason for that is presumably caused by the nature of the projects where partnerships with donor organizations through joint creative work and the exchange of information prove to be very enriching and helpful for both parties. Based on the interest in the open calls, more than 80% of these partnerships (forged in bilateral meetings) are among the submitted applications and if approved, they will continue. Bilateral cooperation with donor partners within open calls is optional, however the bilateral partnerships are being favoured by extra points in the evaluation process.

How MoU special concerns and/or conditions set in the PA have been addressed, especially Roma inclusion concerns:

The specific concerns and conditions set out in the PA were transposed in the 4 open calls announced in 4Q/2019 (mainly through eligible activities, selection criteria, set up of the allocations and infrastructure limitations) and will be continuously fulfilled within projects approval and setting conditions for grant acceptance and within changes approval.

Roma inclusion concerns were addressed in the announced open calls through extra points being assigned to projects that involve the cultural heritage of minorities, e.g. German, Jewish, Roma and other and if the project contributes to equality and integration of disadvantaged groups (mainly the Roma, but also other social, ethnical and cultural minorities).

Concrete measures for Roma inclusion are directly targeted in the pre-defined project “Building of a memorial to the victims of the Roma holocaust in Lety – Písek”, that is still in its preparatory phase.

CZ-GOVERNANCE Good Governance

Progress in developing and implementing programme:

No Programme Agreement amendments occurred by the cut-off date.

SGS Call is under preparation. Partnership with the donor state partner is mandatory within the SGS Call. Unfortunately, the match-making seminar (originally planned in spring 2020) had to be cancelled and could not be rescheduled yet due to the persisting anti-COVID measures (travel restrictions, etc). Launch of the call is expected in 2Q 2021.

There are four approved PDPs by the cut-off date.

PDP1 “Improvement of preconditions for decentralisation and availability of public administration in the territory” has been implemented since February 2020, all partnership agreements were signed. Due to COVID-19 pandemics the study visit to Norway (crucial for transfer of knowledge) had to be postponed until autumn 2020, in the meantime, activities proceed online. So far, Norwegian expert panel and Czech multidisciplinary task group have been established. Works on the geolocation data collection methodology and the procurement of geolocation dataset also started.

Implementation of PDP2 “Evaluation of the public administration performance in the Czech Republic and recommendations for further strategic development” has been temporarily suspended and next steps are being discussed between NFP, PO and Ministry of Interior (project promoter).

PDP3 Grant Application is under preparation.

PDP4 “Deepening of the professional qualification of the law enforcement authorities in the field of the fight against corruption, money laundering and terrorism financing” has begun at the end of May 2020. Works on methodological manuals for trainings started. Procurement of specialized virtual currencies investigation software and meetings with ARO and conference attendances could start in the autumn.

PDP5 “Strengthening the Fight against Corruption by Increasing General Awareness of the Public Sector Focusing on Judges, Prosecutors and Public Administration” was approved in July 2020. Implementation is in very early stage. Works on comparative studies on whistleblowing, corruption resilience of the justice system and conflict of interest (to be finished in early 2021) and methodologies of trainings on the same topics (to be finished at the end 2020) has already started.

Challenges related to implementation, absorption/disbursements, with suggested solutions:

Despite the policy context remaining consistent with no visible major changes in policy or priorities, the implementation of the Programme is still vulnerable to shifts in political commitment as identified and continuously monitored within the Programme Risk Management.

There are signs that the PDP2 might not be implemented as agreed due to the lack of support from the leadership at the project promoter (Ministry of Interior). The lack of support could result in abandonment of the project and need for major change in the PA. The issue is being dealt with by the PO and NFP. After the intervention of the NFP, the PO and the Norwegian Embassy, the PP has prepared and discussed with the NFP and the PO several options to resolve the situation. It was agreed that the PP would submit to the PO proposal for partial amendments of the project that would enable its continuation. The proposal shall be submitted by mid-September 2020.

Progress in strengthening bilateral relations with donor state entities, including the use of bilateral funds allocated to the programme:

So far, there has been only one bilateral initiative implemented. The initiative has contributed to intensification of CZ-NO cooperation as it helped to establish three working partnerships which formed the base for the cooperation within PDP1. Furthermore, shared partner database was created. The database gathers partner requests from the Czech Republic and donor states from all programme areas supported in the Czech Republic and thus we expect it to result in several bilateral projects. Further progress in bilateral relations has been unfortunately hindered by COVID-19 pandemics, due to which a match-making seminar and subsequent SGS call (with bilateral partnership mandatory) have been delayed.

Two PDPs are realized with donor partners. PDP1 is realized with three Norwegian organizations. Despite the COVID-19 pandemics, which hindered planned study visit in Norway crucial for know-how transfer, the cooperation so far is quite intensive and fruitful as it has been moved online. As for PDP2 the partner is OECD. Partnership agreement has not been signed yet as the project has on the Czech side encountered lack of political support and its implementation has been halted even before it started. Cooperation with OECD on the preparation phase at the working level has been satisfactory up to now.

How MoU special concerns and/or conditions set in the PA have been addressed, especially Roma inclusion concerns:

Concerning specific conditions, the externalization of the appraisal of the PDP3 will be dealt with during the PDP's verification process. As for the second condition - keeping FMC and the Royal Norwegian Embassy in Prague informed about content, development and planning of any international conference (part of the PDPs 3, 4 and 5) – it has not been relevant yet due to the very early stages of implementation of PDPs 4 and 5 (PDP3 has not been approved yet).

The CZ-GOVERNANCE programme is not focused on Roma inclusion and no measures are adopted on the issue.

5. STATUS OF BILATERAL FUNDS

The **3rd JCBF meeting** was – due to epidemic COVID-19 situation and limited possibilities of personal meetings – held via a written procedure and concluded on 11 June 2020. The 3rd Open Call text and framework together with the Guidelines for Applicants and Final Beneficiaries were the key issues of the meeting. The JCBF **Work Plan** was updated in terms of the 3rd JCBF meeting conclusions and adopted via written procedure on 3 June 2020.

The **3rd Open Call** with the allocation of 300 000 EUR has been launched on 18 June 2020. However, the allocation may be increased during the Open Call based on the decision of the JCBF, as stated in the Open Call text. The JCBF agreed to limit the eligibility of applicants to one Grant Application per entity (two in case of universities) and the eligibility of the Donor states' entities to Norway only with the possibility to add optional partnership with other Donor states entities (i.e. Icelandic and/or Liechtenstein). Management costs were restricted to max. 10 % of the initiative budget and maximum advance payment amount was limited to 90 %. Several other adjustments in the Call text as well as in rules had been done to reflect experience and best practice from the 1st and 2nd Call, also based on the Bilateral Fund Workshop with final beneficiaries aimed at best practice exchange and lessons learned which was held at the Ministry of Finance on 5 February 2020.

The evaluation of applications is on-going. By the end of August 2020, 24 applications were submitted and 15 initiatives were approved in total amount over 240 000 EUR. Disbursement of advance payments to approved initiatives has been provided since July 2020.

In line with the Work Plan, the **4th Open Call** shall be announced in 2021. The timing will depend on the commitment of the 3rd Open Call as well as actual pandemic situation.

As for the pre-defined initiatives (PDIs), the second round of bilateral exchange between the Matyas Lerch Gymnasium Brno (Czech Republic) and Landesgymnasium Vaduz (Liechtenstein) was implemented during this reporting period (Autumn 2019) as well as two PDIs of the CZ-LI Commission of Historians (i.e. publication of the Summary Report "Synthesebericht" and organizing the Liechtenstein History Days in CR) and the PDI on Reducing Gender Pay Gap in the Czech Republic.

The regular school exchange between Liechtenstein and the CR shall continue in 2021; the preparation of the exchange planned for 2020 was cancelled due to the epidemiological situation of COVID-19. Similarly, the exchange of good practices in the implementation of modern technologies Iceland - Czech Republic was postponed to 2021. As for 2020/2021, one

new pre-defined initiative aimed at Czech and Norwegian war history (My Father's Story) was confirmed by the JCBF, included into the Work Plan and related Grant Application has been in preparation.

At **programme level**, the bilateral ambitions are being enhanced via open calls for bilateral initiatives within respective programmes (CZ-HEALTH, CZ-CULTURE and CZ-ENVIRONMENT), calls for preparatory visits (CZ-EDUCATION) and specific activities organized by the POs. These are targeted mainly at ice-breaking, networking, match-making, information activities prior to the launch of Open Calls for project proposals, exchange of know-how, and/or preparation of projects in partnership with the donor state entities.

Match-making seminars have been organized in the programmes CZ-EDUCATION (October 2019) and CZ-RESEARCH (November 2019). Mutual visits of PO and the DPP and/or Local Authorities in order to establish working contacts and to agree upon strategies for future implementation took place in CZ-ENVIRONMENT (High-level meetings of PO and Local Authorities; November 2019) and in CZ-HOME AFFAIRS (the PO and the Norwegian Association of Local and Regional Authorities; October 2019). Some of the initiatives were realized as pre-defined projects such as the "The fourth meeting of Synergy Network Platform against Domestic and Gender-based Violence" (October 2019) within CZ-HUMAN RIGHTS.

The programmes composed of PDPs shall continue in bilateral activities via pre-defined initiatives within the particular PDP, such as mutual visits and meetings and working sessions, round tables etc. It is possible to depict "Meeting on the possible forms of the future cooperation between the DNCS and the representatives of the PDP2 and PDP3" (October 2019) within CZ-JUSTICE or "Sharing good practice between the State Police and territorial self-government" within CZ-HOME AFFAIRS.

To sum up, the majority of activities was realized up to February 2020. Since then no activities were implemented and they were either cancelled or postponed. There was almost no use of the Fund for Bilateral Ambitions, except for reimbursement of PO activities or remaining applications from calls from the previous period in the current monitoring period due to the restrictions adopted to prevent further spread of the COVID-19.

So far, **the NFP itself** has not implemented any bilateral initiative. In addition, no activities are planned in the following 12 months.

The overall balance of the bilateral funds is quite proportionate, relevant to the current stage of the programming period. From the allocation of 3 690 000 EUR the amount of 911 102 EUR has been spent (by 30/6/2020, IFR No. 4).

In the upcoming year utilization of bilateral funds is expected in similar extent as in 2020 depending on the development of the COVID-19 pandemic and related restrictions, especially in travelling. In case the preventive measures will be less restrictive the implementation of bilateral cooperation would be even more intensive to catch up the lost opportunities in 2020.

The text of this chapter was consulted and agreed on by the JCBF via written procedure and it was also agreed by the JCBF that there is currently no need to organize the 4th JCBF meeting in 2020.

6. MANAGEMENT AND IMPLEMENTATION

a. Management and control systems (MCS)

The **national level Management and Control System (MCS)** was officially acknowledged by the donors in December 2018. No changes to the MCS have been carried out since then and no changes are expected in the near future. The same applies to the setup of the national authorities. As concerns staffing, it is generally stable. There has been a temporary reduction in the number of employees of the Certifying Authority (maternity leaves), situation is being solved by recruitment of new employees.

The descriptions of **MCS at the level of POs (PO MCS)** have been drafted and gradually submitted to the NFP for approval during 2019 and 2020. The FMO was continuously informed on the latest developments and delays.

The **PO MCS of the Centre for International Cooperation in Education (CZ-EDUCATION)** was approved by the NFP in September 2019. The FMO was informed about the positive approval on 2 September 2019. There were 6 findings of the AA mentioned in the audit report with no effect upon the positive AA resolution. The PO has incorporated the AAs recommendations and the AA informed the NFP on acceptance of corrective measures on 7 January 2020.

The **PO MCS for programmes managed by the Ministry of Finance, i.e. CZ-Culture, CZ-Health, CZ-Governance, CZ-Human rights and CZ-Justice**, was drafted as one document. The PO MCS accompanied with the audit report and the opinion was submitted to the FMO in line with pre-payment condition set out in the respective Programme Agreements in November 2019. The FMO took note of submission of the PO MCS on 20 November 2020 and confirmed fulfilment of the pre-payment condition.

The **PO MCS of the Ministry of Interior (CZ-Home affairs)** was officially submitted to the NFP on 2 September 2019 after several rounds of preliminary consultations and adjustments. The NFP approved the description of the MCS and encouraged the PO to submit it to the Audit Authority on 18 December 2019. The AA issued the final Audit Report and the audit statement on 22 April 2020 with no findings and recommendations. The FMO was informed on 29 April 2020.

The **PO MCS of the State Environmental Fund (CZ-Environment)** was submitted to the NFP within the relevant deadline. After mutual consultations and several adjustments and improvements, the NFP approved the description of the management and control system on 22 October 2019. The PO submitted the MCS to the AA on 1 November 2019. The final Audit Report was issued by the AA on 12 March 2020 with no findings and recommendations. The FMO was informed on 18 March 2020.

The **PO MCS of Technology Agency (CZ-Research)** was submitted to the NFP within the deadline, on 20 December 2019. Even though the NFP has provided the MCS template and

continuous assistance, there were quite a lot of deficiencies mainly in the area of financial reporting and monitoring that had to be remedied. The delay in approval of the PO MCS was also negatively influenced by a COVID-19 outbreak in spring 2020 which complicated communication between the NFP and the PO. The NFP approved the description of the management and control system on 29 July 2020. PO submitted the MCS to the AA on 7 August 2020, the audit is being carried out (see chapter 6.d).

No changes to the Memoranda of Understanding have been carried out in the current reporting period.

b. Complaints

The complaint mechanism for EEA and Norway Grants 2014-2021 is established and procedures how to submit complaints are visible on the NFP website www.eeagrants.cz and www.norwaygrants.cz. The information is also included in the call texts of all programmes.

So far no complaints have been submitted, only some appeals have been submitted in relation to the selection process to the respective POs.

c. Irregularities

The first irregularities were discovered during certification of September 2019 IFRs. The irregularities till now were discovered in programmes CZ-BF (**IR-4**: closed/error in payment claim/amount reported in irregularity report - 24,70 EUR – only Grant part; **IR-3**: ongoing/error in payment claim/219,13 EUR - only Grant part; **IR-22**: ongoing/error in payment claim/125,94 EUR - only Grant part), CZ-HEALTH (**IR-7**: ongoing/error in payment claim/533,41 EUR – including PRG Co-financing), CZ-CULTURE (**IR-5**: ongoing/error in payment claim/131,06 EUR – including PRG Co-financing; **IR-6**: ongoing/error in payment claim/81,58 EUR – including PRG Co-financing) and CZ-JUSTICE (**IR-8**: ongoing/error in payment claim/20,86 EUR – including PRG Co-financing). The irregularity cases were reported to the FMO in November 2019 (3Q 2019 – IR-3, IR-4, IR-5, IR-6, IR-7, IR-8) and in February 2020 (4Q 2019 – IR-22).

d. Audit

The Audit Authority developed the Audit Strategy for the EEA/Norwegian Financial Mechanisms 2014-2021 implementation period. This Audit strategy covers the entire period until the closure of the programmes and will be updated annually or as necessary.

In 2020, the AA launched a system audit of the Fund for bilateral relations (CZ-BF) where the NFP is responsible for the use of the funds and that has delegated some of its tasks related to the management and control of the BF to individual Programme Operators. Furthermore, in 2020, the AA launched a system audit of the CZ-EDUCATION programme, which is operated by the Centre for International Cooperation in Education (DZS). Both system audits were selected mainly due to the fact that, unlike other programmes, projects are implemented and expenditure actually incurred. Thus, it is possible to carry out the system audits in scope of adequate key requirements evaluation, including an appropriate sample selection of projects for the MCS's functioning effectiveness evaluation.

Considering the state of implementation of EEA and Norway Grants in the Czech Republic the AA will not carry out any audits of operations in 2020. A sample of projects for audits of operations will be selected from the first reference period and audits of operations based on this sample will start in 2021.

Compliance audits of descriptions of management and control systems of individual programmes have been completed, the last compliance audit of the CZ-RESEARCH programme is ongoing, report and opinion is expected to be issued by the end of October 2020.

7. COMMUNICATION

As the main goal of the NFP Communication Strategy is to increase awareness of general public on the EEA and Norway Grants, the most of activities made and planned in past months were focused mainly on general public.

Due to COVID-19 pandemic many planned events had to be cancelled in 2020, including the Day of Europe and Colours of Ostrava. The publicity activities of the EEA and Norway Grants were narrowed down to communication via websites and social media (Facebook, Instagram and Twitter).

The overview of promotional activities made in September 2019 – August 2020:

- The NFP participated in the activity of the Royal Norwegian Embassy in Prague – **competition “Grants in Movie”** for high school and universities. The aim was to promote best supported projects from last two programming periods in short videos shared at the social media. The competition was launched on 9 September 2019. Winner was announced at the end of November 2019.
- **The article promoting 15 years of EEA and Norway Grants in the Czech Republic** and showing some examples of projects was published by the NFP in nationwide newspaper (Lidové noviny) on 2 November 2019.
- **The article promoting the launch of the 3rd open call within the Fund for bilateral relations** was published in nationwide newspapers (Lidové noviny) on 18 June 2020.
- **Informational leaflet** promoting the new period of the EEA and Norway Grants 2014-2021 was updated and published on the websites in July 2020. Leaflets will be further distributed mainly through activities of programmes and future events.
- **Promotional materials** are under preparation and will be used for different events and activities, incl. the Open Day of the Ministry of Finance.
- The **website** is continuously updated to be more user friendly and to provide relevant and actual information. The new section of approved projects was published.
- The NFP regularly uses **social media** such as Facebook, Twitter, Instagram and YouTube.

In the current situation affected by COVID-19 restrictions it is very difficult to plan activities for the public. On 28 September 2020 the Open Day of Ministry of Finance had been planned, where the participation of the EEA and Norway Grants was presumed (unfortunately it was

finally cancelled/postponed). The NFP also plans to prepare a **leaflet promoting examples of good practice**. It will provide overview of previous two periods and will promote interesting projects. Leaflet will be ready during autumn 2020.

In the coming months the NFP will continue in communication activities aimed at general public to increase awareness of the EEA and Norway Grants mainly through websites and social channels and in cooperation with the Royal Norwegian Embassy in Prague.

The NFP will also cooperate with Programme operators in promotion of the programmes' open calls. The NFP will focus mainly on promoting the launch of the open calls within all programmes and results of bilateral activities or first approved projects.

8. MONITORING AND EVALUATION

a. Monitoring

In line with the conditions set out in the Programme Agreements of CZ-CULTURE, CZ-HEALTH, CZ-JUSTICE, CZ-GOVERNANCE and CZ-HUMAN RIGHTS, the NFP responsibilities regarding continuous structured risk assessment and the regular monitoring of the Programmes shall be externalised and be carried out by a legal entity independent of and unrelated to the NFP.

As was negotiated on various occasions (mainly during the 2018 Annual Meeting), the intention of the NFP was not to completely externalise monitoring and risk management functions in order to remain in a close contact with POs, programme development and implementation. Therefore the NFP decided to combine supervisory and monitoring/risk management tasks of the external company. The approach was reflected in the national MCS which was acknowledged by the FMO on 17 December 2018.

In line with the contract which was concluded with Deloitte Advisory, Ltd. on 21 November 2019, the external assistance to NFP shall include following tasks:

- development of a detailed methodology, in cooperation with the NFP;
- supervision of NFP activities and responsibilities and verification of compliance with the set methodology and set conditions;
- on-the-spot verification of programmes and sample of projects.

Both supervision and on-the-spot verification are focused, among others, on risk assessment on the level of programmes as well as on the level of NFP.

The document *Methodology for Monitoring and Managing Risks of the EEA / Norway FM 2014-2021 Programmes* (hereinafter referred to as the "Methodology") was drafted taking into account the above described approach. That means that it does not cover only the monitoring and risk assessment tasks carried out by the NFP but also includes information and procedures for supervision of the NFP functions and on-the spot verification carried out by the external company. The aim was not only to formally fulfil conditions set out in the PAs but to draft a handy document that would include practical instructions and procedures (including various checklists and templates).

The Methodology was submitted to the FMO for review on 5 June 2020, the FMO comments were incorporated and the document was re-submitted on 17 July 2020. The FMO, on behalf of the Donors, has reviewed the document and considered the related conditions in the PAs on risk assessments and monitoring for the programmes CZ-CULTURE, CZ-HEALTH, CZ-JUSTICE, CZ-GOVERNANCE and CZ-HUMAN RIGHTS to be fulfilled. The NFP was informed on 19 August 2020.

During the reporting period (September 2019 – August 2020), the main formal regular monitoring tools of the NFP included organisation of Steering Committee meetings with POs (the first one in person in the end of 2019, the second one per rollam in summer 2020) and monitoring of the Bilateral ambitions on the basis of the written monitoring reports drafted by the POs. Besides that the NFP was in regular informal day-to-day contact with the POs which is considered essential for successful control and management of funds.

Supervision of NFP's functions shall have an on-going nature and it was officially commenced on 2 September 2020. First on-the-spot verification is planned for the end of 2020 and it shall focus on CZ-EDUCATION programme.

b. Evaluation

Taking into account slower process of programmes' preparation and implementation the evaluation has been postponed to 2021. The evaluation plan annexed to this Strategic Report has been slightly modified in this sense compared to the evaluation plan annexed to the last Strategic Report.

The evaluation plan will be further developed with the POs and PPs/DPPs. Key aspects such as timing of the evaluation with respect to programme developments or its main purpose (evaluation questions) shall be specified at a later stage.

9. ISSUES FOR THE ANNUAL MEETING

In accordance with the Article 1.11 of the Regulations on the implementation of the EEA and Norwegian Financial Mechanisms 2014-2021 the NFP after consultation with the respective POs **proposes the following reallocation of the reserve** included in the Memoranda of Understanding:

- The **reserve of 2 495 000 EUR** allocated in the MoU on the implementation of the EEA Financial Mechanism is proposed **to be allocated to the CZ-CULTURE programme** in the whole amount to support projects in the area of Contemporary Art and in the area of Capacity Building of Umbrella Associations, Platforms and Networks.
- The **reserve of 2 320 000 EUR** allocated in the Memorandum of Understanding on the implementation of the Norwegian Financial Mechanism is proposed **to be allocated to the CZ-ENVIRONMENT programme** in the whole amount to support projects in the area of Climate Change (both open call projects and small grant scheme projects on Adaptation and Mitigation Strategies/Plans) and in the area of Water Quality (focused on issue of residues of pharmaceuticals in surface waters).

Details are included in the Mid-term review submitted to the FMO on 14 September 2020.

The NFP expects that this proposal will be discussed during the Annual Meeting where final decision on the allocation of the reserve shall be taken.

Taking into account current situation related to COVID-19 epidemic, which has a major impact on realisation of partnerships, the NFP would like to discuss the possibility of **purchase of equipment (both HW and SW) for distant communication within all programmes**. This should be allowed as an exception even in such programmes/calls/projects/initiatives where purchase of equipment is generally not allowed or is restricted to non-investment equipment. The exception should apply also the level of investment costs as defined in PAs. We propose to clearly define the type of equipment that would be eligible for purchase including quantity/cost limits in order to ensure feasible and efficient use of funds. In case of running projects/bilateral initiatives, such purchase would be possible within the limits of already approved grant.

The NFP would like to point out also the issue of **unequal procedures related to proof of eligible expenditures within the CZ-RESEARCH as compared to general rules applicable to other programmes**. The NFP appreciates that the procedures within CZ-RESEARCH have been simplified. We are specifically referring to the individual financial statements declaring the eligible costs of individual project participants during project implementation. These statements are not issued by an independent entity (auditor or public officer) but by the participant him/herself. The report certifying the costs issued by an independent entity is required only within the final report. It is debatable why this approach does not apply generally in all programmes. In our opinion, there is no clear and justifiable reason not to apply the same approach to other programmes as well.

ANNEXES

- A. Risk assessment and management plan
- B. Cooperation with Donor Programme Partners and International Partner Organisations
- C. Evaluation plan
- D. Technical assistance report