



*Aid Coordination Unit*

**Minutes of the Sectoral Monitoring Sub-committee Meeting  
ECONOMIC AND SOCIAL COHESION**

1.	<b>Location:</b> Miestodržiteľský palác, Hlavné námestie 8, Bratislava
2.	<b>Date:</b> 4 May 2006
3.	<b>Participants:</b> Mr Kálmán Petőcz, Director, Aid Coordination Unit, Office of Government of the SR Ms Kornélia Čajková, Aid Coordination Unit, Office of Government of the SR Ms Denisa Smileková, Aid Coordination Unit, Office of Government of the SR Ms Soňa Gabčová, Aid Coordination Unit, Office of Government of the SR Mr Martin Orth, Aid Coordination Unit, Office of Government of the SR Ms Andrea Daubnerová, Head of Phare Unit, National Fund, Ministry of Finance of the SR Ms Silvia Rusznyáková, National Fund, Ministry of Finance of the SR Mr Ján Pobeha, National Fund, Ministry of Finance of the SR Ms Silvia Czuczorová, PAO, Central Finance and Contracting Unit, Ministry of Finance of the SR Ms Martina Galabová, Central Finance and Contracting Unit, Ministry of Finance of the SR Mr Miroslav Škvarka, Central Finance and Contracting Unit, Ministry of Finance of the SR Ms Mária Bobačicová, Regional Development Support Agency Ms Anna Reinerová, Regional Development Support Agency Mr Peter Škovran, Regional Development Support Agency Ms Anna Hrončáková, Ministry of Construction and Regional Development of the SR Mr Bystrík Berthoty, PAO, National Agency for Development Small and Medium Enterprises Ms Zuzana Kováčová, National Agency for Development of Small and Medium Enterprises Ms Veronika Orsavová, Deputy SPO, Ministry of Labour, Social Affairs and Family of the SR Ms Júlia Štěpánková, Deputy SPO, Ministry of Education of the SR Ms Zuzana Škublová, SPO, Ministry of Health of the SR Ms Júlia Špotáková, Section of Human Rights and Minorities, Office of Government of the SR Ms Dagmar Gombitová, Phare Interim Evaluation Cell, D&D Consulting Mr Pavel Tomasta, Transition Facility Interim Evaluation Cell, CEEN
4.	<b>Minutes taken by:</b> Aid Coordination Unit
5.	<b>Minutes approved by:</b> SMSC members by written procedure

**Agenda of the Meeting**

1. Sectoral Component Monitoring Reports
  - taking stock of the implementation of the projects covered by the SMSC
  - recommendations for improvement of the programmes/ projects' implementation
2. Proposals for project fiche modifications, reallocations and extensions
3. On-the-spot monitoring conducted by the European Commission
  - 3.1 European Commission's proposal for updating of project fiches after contract signature
  - 3.2 Monitoring of publicity and visibility requirements
4. Conclusions, suggestions for the Joint Monitoring Committee

The Sectoral Monitoring Sub-committee (SMSC) meeting was chaired by Mr Kálmán Petőcz, Aid Coordination Unit (ACU) Director on behalf of the National Aid Coordinator (NAC). He reminded the purpose of the SMSC meeting and informed about the upcoming Joint Monitoring Committee (JMC) meeting scheduled for 15 June 2006.

The above-mentioned agenda was adopted.

## **Ad 1) Sectoral Component Monitoring Reports**

Mr Petőcz introduced the Sectoral Component Monitoring Reports (MR) issued by the ACU covering the period from 31 August 2005 to 28 February 2006 (cut-off date).

### **Human Resources Development and Health Care**

Construction works within project *SR0103.02 Infrastructure for Roma Settlements* are completed. In some cases, related works such as grassing were not finished until the deadline (30 November 2005) due to unfavourable weather conditions. As regards the situation in Pečovská Nová Ves, the RDSA did not ask the Finance Ministry to transfer € 140,000 into its account in 2005, hence, the amount for rebuilding of destroyed infrastructure has to be allocated under a different expenses item of the NF. The addendum with the provider of works in Pečovská Nová Ves was signed, works should be completed in 2006.

The contract for the first (educational) part of project *2002/000.610.03 Further Integration of Roma Children in Educational Field and Improved Living Conditions* was extended until May 31, 2006. Materials are being finalized and the final presentation will take place on May 26, 2006 in Prešov. Activity 2 is completed and building permits (Activity 3) will be provided within the deadline (June 31, 2006).

*2003-004-995-01-05 Support to Integration of Roma in Education* proceeds in line with the contract. Educational materials should be approved by the MoEd SR during the next few days. The communication between the expert team and the project manager has improved.

The representatives of the MoH SR presented their satisfaction with the implementation of *2003-004-995-01-06 Improved Access to Health Care for the Roma Minority in the SR* so far, despite facing some technical problems. However, the representatives of the NF pointed out the low disbursement figures for this project. This is partly due to waiting for the approval of the request for extension of disbursement deadline submitted to the EC in February-March 2006. Slovak authorities expect to be advised of the EC's decision at the JMC meeting (June 15, 2006).

Implementation of all three components of *2002/000.610.15 Human Resources Development Grant Scheme* was successfully finished. Though, the Phare funds contracted for the component of the TA were not disbursed due to human error at the RDSA. The responsible employee of the RDSA was dismissed as of December 1, 2005. The financial amount needed to cover expenses for the TA experts and computer technique were paid out from the state budget.

As regards *2003-004-995-03-11 Grant Scheme on Equal Opportunities and Social Inclusion Support*, only minor problems have occurred so far and are being solved in cooperation with all involved institutions. In about 30 grant projects of the CoLSAF addenda to contracts were signed, mostly regarding changes of experts. Representatives of the ACU were reassured that these changes were inevitable due to serious reasons (e.g. illness) and would not have effect on quality of the services conducted within the grant contracts.

In *2003-004-995-0313 Create the Administrative Capacity for Implementing the Equal Initiative* project, the final financial report has not been submitted yet. The CFCU will solve the problem by requesting the report.

Regarding *2003-004-995-03-14 Preparing for ESF Project Management*, the Guidance Centres were established with two advisors working in each of them. The first part of the contract for TA

was extended by four months in order to manage printing of documents which would include new conception of financial management, as well as to carry out the publicity measures of the project.

Twinning project 2004/016.764.04.01 *Strengthening the Administrative Capacity in the Field of Gender Mainstreaming* is being realized in accordance with the Twinning Work Plan and without significant problems.

In project 2004/016-764-04.02 *Development of Regional Structures for the Implementation of the Antidiscrimination Acquis*, preparation of documents for public procurement is ongoing; tender to be launched in June 2006.

As regards 2005/017-464.05.01 *Creation of National Indicators in the Field of Poverty and Social Exclusion (the Tertiary Indicators)* project, the ToR is being prepared by the MoLSAF, the CFCU provides relevant consultations. Minor problems in communication with internal experts of the MoLSAF occurred.

In project 2003/004-995-01-04 *UIBF Strengthening of Human Resources and Implementation of the EU Methodology for Surveillance of Human Enteroviruses in the SR*, the inception report has not been approved yet mainly because of its poor technical quality. Despite this, activities are being realized with high level of services provided by the TWL partner. However, administrative skills in project cycle management of the final beneficiary should be improved in order to manage the project more effectively.

Regarding 2003-004-995-03-06 *Strengthening of Statistics Health Information System and its Harmonisation with EU Requirements*, implementation is successfully going on.

Problems in communication in project 2003-004-995-03-07 *Strengthening the Surveillance and Control of Communicable Diseases* have been overcome with the assignment of a new RTA. Currently, activities are slightly delayed because of unavailability of some Dutch experts, but this will not affect the overall time schedule. Savings in the budget (several months' absence of RTA) will be used on additional supporting activities; addendum will be prepared in this respect.

As regards Transition Facility project 2005/017-464.04.02 *Improvement of the Safety, Quality, Availability of Organs, Tissues and Cells for Transplantation in the SR*, the Twinning Work Plan (TWP) was not submitted to the CFCU by requested deadline. This is mainly due to late submission of background papers from the TW partner. The representatives of the CFCU informed that in case the final work plan (after the approval of the CFCU's Administrative Office) was submitted to the EC for binding opinion later than six months after the selection notification, no expenses incurred prior to signature of a contract would be paid out. The MoH will concentrate all its personal capacities on finalization of the TWP.

Preparation of documentation for public procurement in TF 2005 projects of the MoH (2005/017-464.05.02 *Implementation of Directives 93/104/ES and 2003/88/EC in the Field of Working Time Organisation in the Health Sector*, 2005/017-464.04.01 *Strengthening the Administrative Capacity of the State Institute of Drug Control as regards Medicinal Products for Human Use*, 2005/017-464.04.03 *Strengthening of the Capacity of Forensic-Medical Chemistry and Toxicology in the SR* and TA part of project 2005/017-464.04.02) is delayed. Documents must be submitted to the CFCU as soon as possible to enable the CFCU to manage the public procurement until the deadline (December 15, 2007) and the MoH to implement the projects with a sufficient time available.

## **Regional Development (RDSA, CFCU, NADSME)**

*2003 Support to Local and Regional Project Development Grant Scheme* administrated by the RDSA: 130 grant contracts were signed on 30 November 2005 and all approved projects are being implemented. All grant contracts should be finished by the end of September 2006. No irregularities have been observed as far as all grantees have been only starting their main activities.

*2003 External Border Initiative* administered by the RDSA: the grant contracts were signed during October 2005 and all approved projects are being implemented. All grant contracts should be finished by the end of September 2006. No irregularities have been observed as the main activities have just started.

*2003 Strengthening Regional and Local Capacities for Managing and Implementing Structural Funds* administrated by the CFCU: the consultant for providing of TA services was selected and contract was signed on 29 November 2005. The Inception report is currently in the approval process. Within the project, two national conferences and four regional workshops were organized. Two outputs of the project were elaborated by the TA consultant and submitted to the MoCRD.

Implementation of the FM 2002 *Industry Development and Tourism Development Grant Schemes (GS)* administered by the NADSME can be evaluated as successful. The disbursement figures of about 88% from Phare allocation have been achieved. The NADSME was invited to inform ACU/ NAC in case there is an impact assessment of both 2002 GS available in the future.

As regards the implementation of NADSME's FM 2003 GS, the disbursement figures are very low for the time being.

The implementation of *SISME GS* is on-going; secondary public procurement was conducted by final beneficiaries and approved by the NADSME. No substantial problems have been observed so far. Some risk could arise during quality assurance of final reports which will be submitted to the NADSME by grant beneficiaries. The monitoring of awarded grants and advisory services (consultations) for grant beneficiaries as regard reporting skills are provided by the NADSME. In frame of the project implementation the state financial sources were awarded to the Seed Capital Company (newly renamed Fund of Funds – FF) and currently the project evaluation by FF is on-going.

The implementation of *TDGS* is problematic as the secondary public procurement conducted by the final beneficiaries has been delayed. Moreover, the works are delayed because of the bad weather conditions. Floods are the cause of implementation delay in some projects as well. The assumption for grant disbursement from the side of the NADSME to final beneficiaries is the submission of the house inspection together with request of payment. Obtaining the house inspection certificate takes some time and consequently there is more time needed for project finalisation. That is why the NADSME is going to request the EC, via NAC and NAO, for approval of extension of the disbursement period of this GS. The request should be prepared and submitted to the EC by the end of May 2006.

## **Cross-Border Cooperation (RDSA)**

### FM 2003

#### *Joint Small Projects Funds:*

SK/HU: projects are under implementation. The first and second interim reports were received from beneficiaries.

SK/A: implementation is ongoing. RDSA received first interim reports.

*Grant schemes:*

*Tourism SK/A:* grant contracts were signed with 14 beneficiaries. Implementation is ongoing for non-investment grant contracts. In case of investment contracts – the RDSA's Unit of Ex ante and Ongoing Control has already received public procurement documents to be checked according to the grant contracts from the majority of beneficiaries. Addenda to grant contracts are being prepared in these days.

*Environmental Protection and Nature Conservation SK/A:* 13 grant contracts were signed and implementation is ongoing. Regarding the investment grant contracts, the RDSA's Unit of Ex ante and Ongoing Control has already received public procurement documents to be checked according to the grant contracts from the majority of beneficiaries. Addenda to grant contracts are being prepared in these days. Regarding non-investment grant contracts, implementation is ongoing.

*Business related infrastructure SK/PL:* 18 grant contracts were signed. Regarding the investment grant contracts, the RDSA's Unit of Ex ante and Ongoing Control has already received public procurement documents to be checked according to the grant contracts from the majority of beneficiaries. Addenda to grant contracts are being prepared in these days.

*Business sites and infrastructure SK/HU:* 12 grant contracts were signed between RDSA and beneficiaries. The project implementation is ongoing. RDSA received first interim reports from beneficiaries.

## **Ad 2) Proposals for project fiche modifications, reallocations and extensions**

*2003-004-995-01-06 Improved Access to Health Care for the Roma Minority* – implementation period of the project – component Terrain Health Workers – will be shortened in comparison with project fiche due to delays in public procurement process. Achievement of results is highly dependable on the time the terrain health workers will spend in selected areas with limited access of the Roma population to the health care. Against this background, a request for extension of disbursement period by five months, approved by the relevant Slovak authorities, was sent to the Commission in February 2006 including additional clarifications in March 2006. Decision of the Commission is being awaited.

*2003-004-995-03-10 Tourism Development Grant Scheme (TDGS)* – the project implementation is shorter than originally planned and adverse weather conditions (long winter, snow and heavy rains that caused postponement of ground works since the ground was too wet, heavy and sticky and machines could not start construction works) can jeopardise construction works to be done in a proper way. In order to finish all planned project activities by grants beneficiaries and perform financial management of the TDGS 2003 properly, to fulfil all grant scheme objectives, the NADSME, via NAC and NAO, is going to request the EC for an extension of disbursement deadline of this GS. The extension request will be submitted to the EC by the end of May 2006.

No need for extension was identified by the RDSA. However, its risk analysis is still ongoing and the RDSA should advise the NAC/ACU and NAO/NF of any need for extension request by the end of May 2006 at the latest.

### **Ad 3) On-the-spot Monitoring Conducted by the European Commission**

#### **Ad 3.1) European Commission's Proposal for Updating of Project Fiches after Contract Signature**

The ACU informed about the European Commission's proposal to update project fiches' objectively verifiable indicators (OVIs) after contract signature (after inception phase) as it is important for measuring the progress of individual projects. The SMSC members agreed that the current arrangements (project fiche modification before contract signature; update of project via the ToR/ TS and in particular the possibility to adjust the OVIs in the monitoring reports) are sufficient for conducting future monitoring as well as evaluation activities. The SMSC members also expressed their concern over transparency of such an approach. At the request of the SMSC, the Phare interim evaluators presented their opinion according to which no added value should be expected from PF modification, which is lengthy and increases the administrative burden because OVIs update has taken place without this procedure and has been recorded in the monitoring reports if the beneficiaries found it appropriate.

#### **Ad 3.2) Monitoring of Publicity and Visibility Requirements**

The ACU reminded the requirements for monitoring and publicity as given in Annex D of financing memoranda. The SMSC agreed that the publicity and visibility requirements were taken seriously to increase public awareness and transparency of EU actions and create a consistent image of EU-funded measures. The IA (CFCU, RDSA, NADSME) also focus on respecting publicity and visibility requirements during their on-the-spot monitoring visits (site checks). The CFCU will also send a reminder concerning publicity and visibility requirements to all contractors and beneficiaries and will include these requirements into General Conditions of the contracts.

### **Ad 4) Conclusions, suggestions for the Joint Monitoring Committee**

SMSC reminded to beneficiaries the necessity to submit DPFs, ToRs and TS within 6 months after the Commission's Financial Decision. This concerns mainly Transition Facility 2005 projects.

The NADSME will prepare a justified request for extension of disbursement period for 2003-004-995-03-10 Tourism Development Grant Scheme (TDGS).

Ms Gombitová together with the ACU pointed up missing documents from the MCRD/RDSA for interim evaluation of the ECS sector. The deadline for delivery of these documents has already elapsed. Ms Bobačicová promised to check the situation within the RDSA and provide any missing documents immediately.

Programming of Transition Facility 2006 is in its final phase. It is assumed that Slovakia will have 10 projects within this programme to be submitted for the approval of the Phare Management Committee at the end of June/ beginning of July 2006.

Mr Petőcz brought the meeting to a close by thanking all those who had attended for their active participation.