

Summary

Financial progress in implementation

The recorded financial progress reflected the implementation strategy that the Managing Authority had adopted - the implementation of projects submitted based on the announced calls for proposals had to be completed by the end of the year 2018. By 31 December 2017, 74 applications were approved in the total approved non-reimbursable financial contribution amount of 107 532 074.65 Euros, of which 32 were applications for a non-reimbursable financial contribution approved in 2017, amounting to 9 533 825.36 Euros. Most of the financial needs of the applicants eligible within Operational Programme Technical Assistance to ensure smooth and efficient implementation of ESIF in the programming period 2014-2020 were addressed through projects submitted before 2017. For this reason, in 2017 almost 45% of all applications for a non-reimbursable financial contribution within the OP TA were approved, however, the financial volume did not exceed 9% of the volume of the approved assistance sum.

Of the 74 approved applications for a non-reimbursable financial contribution, 56 had a contract concluded and they were being implemented. Other 5 projects were early completed, 4 projects were duly completed and 9 were approved, but no Contract for the Provision of a Non-Reimbursable Financial Contribution was signed in the monitored period. As of 31 December 2017, a total amount of 105 329 318.93 Euros was contracted for projects. The EU funds amounted to 86 433 239.11 Euros, the state budget resources amounted to 15 162 329.22 Euros, and the pro rata value amounted to 3 633 861.51 Euros. As of 31 December 2017, the contracted EU funds represented 54.33% of the EU resource allocation for the entire Operational Programme.

From the point of view of financial progress in the priority axes of the programme, 153 applications for payment were paid for the projects of Priority Axis 1 from EU resources, amounting to 22 989 894.92 Euros (20.09% of the allocation), and 12 applications for payment were paid for the projects of Priority Axis 2 from EU resources, amounting to 5 905 002.28 Euros (13.21% of the allocation). After taking into consideration irregularities and returns, the level of drawing reached 18.16% as of 31 December 2017. The progress made in the financial implementation of the OP TA as of 31 December 2017 does correspond with the implementation phase and does not represent a direct risk as far as the meeting of the $n + 3$ rule is concerned. The 2014 annual financial commitment was set at 19 745 876 Euros. By the end of 2017, when the 2014 commitment was supposed to be used up, the commitment was fully met, moreover, a larger portion of the annual financial commitment for 2015 was also spent. By the end of 2018, it was necessary to draw the remaining amount of 564 856 Euros in order to use up the total commitment of 20 730 141 Euros. As of 31 December 2017, drawing on the EC for the Operational Programme Technical Assistance reached 13.24% of the programme allocation by declaring the total amount of EU funds in the amount of 21 066 705.44 Euros.

The risk is related to the uneven distribution of funds drawn between priority axes and allocations for specific objectives. The contract development prognosis suggests that, at the end of the Programming Period, funding for activities related to wage-reimbursement, training, and job-creation may be threatened by a lack of resources. Another risk is perceived in the low rate at which allocation under Priority Axis 1, Specific Objective 2 is being used up, which achieved only 18.42% of the allocation for the specific objective. In this respect, it is desirable to reinforce awareness raising activities or consider

a reallocation of financial resources. Priority Axis 2 reached a level of drawing of 13.21%, which is low considering the nature of eligible activities. Most of the approved projects are related to the development and operation of ITMS 2014+. So far, no projects have been submitted for other information systems of the Ministry of Finance of the Slovak Republic, which primarily serve to communicate with the EU and to secure financial operations under the responsibility of the Ministry of Finance of the Slovak Republic in connection with the implementation of EU financial instruments.

Physical progress in implementation

Physical progress is monitored on the basis of a precisely defined system of measurable indicators, which includes two types of indicators - output and result indicators - at programme level. Overall, thirteen output indicators and seven result indicators are defined for the Operational Programme Technical Assistance. The said indicators are linked to the specific objectives of the programme (always at least one result and one output indicator for every specific objective).

In connection with the assessment of the ongoing performance of individual output indicators, we can state that most of the output indicators are clearly defined and appropriately set, but for some indicators it would be appropriate to specify their definition or the method of calculating their value. Significant progress has been observed in meeting the target values for all output indicators - in three cases the target value has already been achieved and in the other three cases the target value has even been exceeded, thus requiring a new definition of its value. Based on the assessment of the risk of not meeting the target values of the individual output indicators, it is clear from the results of the interim evaluation that the risk of not meeting the target values of the output indicators is low and therefore the risk of not meeting the specific objectives of the programme is low as well.

The assessment and evaluation of the ongoing performance of individual result indicators shows that almost all of the programme's result indicators are clearly defined and appropriately set. In some cases, however, there is a need to clarify their definition, or the method of calculating their value. In the case of five result indicators, out of the total number of seven, the ongoing performance is in line with the planned target, and based on the development observed so far, there is a high presumption of meeting the target values of the given indicators and thus meeting the set specific objectives of the programme. Based on the assessment of the risk of not meeting the target values of individual result indicators, we can conclude that in the case of six indicators the risk of not meeting the target values is low. As for one indicator ("Level of Awareness of ESIF Support Opportunities"), the risk of not meeting the target value cannot be relevantly assessed (the indicator is evaluated at 3-year intervals and only the first value of this measurable indicator was measured for 2017).

Implementation phases

In the framework of analysing the main implementation phases, particular consideration was given to assessing the time-intensity associated with the implementation of the Operational Programme Technical Assistance 2014-2020. In terms of the ESIF Management System, deadlines are set for the implementation processes on days that the Managing Authority takes into account in their Internal

Procedures Manual. Compliance with the aforementioned deadlines by the Managing Authority was analyzed in the framework of the OP TA's interim evaluation.

When performing the analysis in accordance with the programme documentation, the first of the main implementation phases – the processing of the application for a non-reimbursable financial contribution - was divided into several successive steps: verification and registration of the application for a non-reimbursable financial contribution, administrative verification, expert evaluation, selection/approval and the issuance of the decision. As for the said processes, several deviations from the set deadlines were identified in the reference period evaluation.

In the process of “Concluding a Contract for the Provision of a Non-Reimbursable Financial Contribution for OP TA Projects”, a major problem was identified in complying with the set deadlines. As of the monitored date of 31 December 2017, 65 projects had a concluded Contract for the Provision of a Non-Reimbursable Financial Contribution. The average duration of the contracting process was 56.69 days, which is a significant delay when compared to the set deadlines (the optimum deadline is set to comprise 10 days, the deadline is extended to 14 days if any comments are received from the beneficiary). The set deadline was met only in case of those applications for a non-reimbursable financial contribution, where the Applicant was the same entity as the OP TA Managing Authority.

When evaluating the implementation phase of "Processing the Application for Payment", the evaluator focused on both sub-processes (except for the administration) of which it is composed. This involves carrying out the mandatory administrative financial inspection and making an on-site financial inspection, if needed. In order to assess the meeting of the deadlines for these processes by the Managing Authority of the OP TA, the meeting of two key deadlines - the duration of the shift from the "Imported" to the "Issued Inspection Report" status and the duration of the shift from the "Imported" to the "Paid" status - was evaluated. On the basis of the carried-out analysis, it can be concluded that only 4 submitted applications for payment during the period under review exceeded the set deadline of 90 days for making the payment. The entire process - from receiving the application to making the payment took 136 calendar days at the maximum and 2 calendar days at the minimum.

In the case of 224 applications for payment, an on-site inspection was performed, the output of which is the issuance of the Inspection Report. The set 25-day period was exceeded in the case of 75 applications for payment.