

Iceland
Liechtenstein
Norway grants



Norway
grants



Ministry of
Development Funds
and Regional Policy

Strategic Report for Republic of Poland EEA and Norwegian Financial Mechanisms 2014-2021

Warsaw, 30 June 2021

Abbreviations glossary

AA - Audit Authority
ABW - Internal Security Agency
ACP – Association of Polish Cities, Poland
AIBA - National Agency of International Education Affairs, Lichtenstein
CA – Certifying Authority
ACN - Arts Council Norway
ACF – Active Citizens Fund
CN – Concept Note
COPE - European Projects Implementation Centre, Poland
CZSW - Central Board of the Prison Service, Poland
BFIA – Bilateral Fund Implementation Agreement
DA - Norwegian Courts Administration
DPP – Donor Programme Partner
DSB - Norwegian Directorate for Civil Protection
EEA FM – European Economy Area Financial Mechanism
FFI - Norwegian Defence Research Establishment
FMC – Financial Mechanism Committee
FMO – Financial Mechanism Office
FRSE - Foundation for the Development of the Education System, Poland
HDIR - Norwegian Directorate of Health
IA - Irregularities Authority
IFR – Interim Financial Report
IN - Innovation Norway
IPO – International Partner Organisation
JCBF – Joint Committee for Bilateral Funds
JD - Norwegian Ministry of Justice and Public Security
KDI - Directorate of Norwegian Correctional Service
KRS - National Council of the Judiciary of Poland
KS - Norwegian Association of Local and Regional Authorities
LGU – Local Government Unit
MCS – Management and Control System
MFiPR – Ministry of Development Funds and Regional Policy, Poland
MKDniS – Ministry of Culture, National Heritage and Sport, Poland
MoU – Memorandum of Understanding
MS – Ministry of Justice, Poland
MSWiA – Ministry of Interior and Administration, Poland
MZ – Ministry of Health, Poland
NCBiR – National Centre for Research and Development, Poland
NCN – National Science Centre, Poland
NEA – Norwegian Environment Agency
NVE – Norwegian Water Resources and Energy Directorate
OS - National Energy Authority of Iceland
NFM – Norwegian Financial Mechanism
NFOŚ - National Fund for Environmental Protection and Water Management, Poland
NFP – National Focal Point in Poland
NMFA – Norwegian Ministry of Foreign Affairs
NO Emb – Embassy of Kingdom of Norway in Poland
OECD – Organisation for Economic Cooperation and Development
PA – Programme Agreement
PARP – Polish Agency for Enterprise Development
PC – Programme Committee
PIA - Programme Implementation Agreement
PDP – predefined project
PO – Programme Operator
RA - Norwegian Directorate for Cultural Heritage
RANNIS - Icelandic Centre for Research
RCN - Research Council of Norway
SIU - Norwegian Centre for International Cooperation in Education

1. Executive summary

This Strategic Report is to inform about the recent developments as regards EEA and Norway grants in Poland, activities already undertaken and these still ahead of us, challenges and issues that have to be addressed.

With the *Justice Programme Agreement* signed on 13 July 2020, there are now **9 Polish programmes at the stage of implementation**. Programming stage is thus concluded.

16 predefined projects have already been notified and - depending on the activities foreseen - several are launched and progressing well.

End of June 2021 in Poland there are 37 launched open calls (29 concluded, 8 under assessment), **4 still to be announced**. They were preceded by huge number of information and matchmaking events. There are **3 330 applications submitted** and **1 348 of them (40%) bilateral**. Numbers show high demand for the Grants exceeding several times available allocation. The assessment workload on one hand and strict time frames on the other foreshow serious challenges to be faced by all stakeholders. Basing on the experience, we can assume that having 16 calls in the assessment phase and 4 ahead of us projects' contracting (including the assessment) takes at least one year from that time. **558 projects were awarded grant, 274¹ of them bilateral**.

Tight schedule of the EEA and Norway Grants programmes implementation worsened by **COVID -19 pandemic** makes it difficult for investment or other long-term projects (like in the research field) to make on time.

The NFP activities in 2020/2021 were focused on counteracting COVID-19, grant contracting and Mid Term Review of the Grants. MoU reserve (close to € 34 million) allocation proposal was submitted to the Donors early July 2020. General feedback was provided to NFP on 20 May 2021 and on 1 June 2021 an agreement on the allocation division was reached.

Total expenditures in this financing period amounted to over **€ 53 million** (PLN 236 million)² and increased comparing to the previous year (€ 14 million, PLN Mln 62). Growth of expenditures resulted from calls related activities that might have been undertaken after programmes' development.

2. Political, economic and social context

In 2020 Poland was ruled by a right-wing coalition government, formed by Law and Justice Party, and headed by Mateusz Morawiecki. 2020 was the year of presidential elections completed with a second round of voting on 12 July 2020. Poland's incumbent President Andrzej Duda was reelected after defeating Civic Platform vice-chairman and Mayor of Warsaw Rafał Trzaskowski.

The situation in Poland was strongly affected by the COVID-19 pandemic, having an impact not only on the dates of the presidential elections, but also forcing the government – like other governments of almost all countries – to operate in a context of uncertainty and to face the new health, economic and social challenges.

2020 was the year marked also by a heated debate on i.a. the negotiations on the EU budget for 2021-2027 and the works on the Polish recovery and resilience plan, which sets out the reforms and public

¹ *Local Development* bilateral projects not included, number shall be determined in due time.

² The amount includes expenditures certified in IFRs in March 2021 and amounts incurred by the PO in the first quarter of 2021 which are being verified.

investment projects that Poland plans to implement with the support of the Recovery and Resilience Facility (RRF).

Moreover, there was a reconstruction of the Polish government carried out and a reduction in the number of ministries (from 20 to 14) in September 2020. As a result, the Ministry of Development Funds and Regional Policy performing the role of the National Focal Point of the EEA and Norway Grants in Poland is managed by Tadeusz Kościński, who replaced Małgorzata Jarosińska-Jedynak and serves as the Minister of the Finance, Development Funds and Regional Policy. Furthermore, the Ministry of Climate and Environment was created by transforming the Ministry of Climate, the Programme Operator of the Environment, Energy and Climate Change Programme. Moreover, the Ministry of Culture and National Heritage, performing the role of the Culture Programme Operator was transformed into the Ministry of Culture, National Heritage and Sport. Two deputy prime ministers of the Council of Ministers have also joined the government – Deputy Prime Minister Jarosław Kaczyński and Deputy Prime Minister Jarosław Gowin.

In 2020 Polish foreign policy goals indicated in the ‘Polish Foreign Policy Strategy 2017-2021’ remained unchanged and were focused on three interlinked priorities: firstly security, understood as developing Poland’s own defence capabilities, strengthening Poland’s position in NATO and the EU and pursuing an active regional policy; secondly international endeavours to promote economic growth and social development; thirdly - shaping a positive image of Poland and bolstering its credibility in Europe and globally. The goals formulated in this way seem to be largely consistent with the general objective of the EEA and Norway Grants of reducing economic and social disparities in Europe, as well as the objectives set for the particular programmes.

Going into the economic and social context, it should be reminded that the overall objectives of the EEA and Norway Grants are to contribute to the reduction of economic and social disparities in the EEA (objective – cohesion) and to strengthen bilateral relations between the Donor States and the Beneficiary States.

The process of monitoring the cohesion objective progress uses macroeconomic and social indicators illustrating, among others, economic growth, unemployment, poverty and income inequalities. The purpose of annual reports is to present the progress made in these fields and the attempt to determine the impact of the above-mentioned grants on its achievement.

While analysing cohesion indicators, attention should be given to a few aspects, e.g. substantial differentiation of the initial situation which for the purposes of monitoring was established for 2005. The gap which existed between particular states at that time had a significant impact on the pace of convergence that should be the fundamental measure of achievements. The second important factor affecting the convergence level in the period of 2009-2019 was the global economic crisis which particularly severely influenced economies of some EU member states.

The developments of selected indicators monitoring the progress made in Poland in comparison to other beneficiary states as well as donor states in the period of 2005-2019 are presented below. 2008 is treated as the base year for the analysed 2009-2019 period of implementation of the discussed funds. The source data for analysis of monitoring indicators is the EUROSTAT data base.

Human Development Index (HDI), being a synthetic measure, describes the changes in social and economic development of individual countries and evaluates the countries on three planes: long and healthy life, knowledge and prosperous life standard. Since 2010, the following indicators have been used for measurement purposes: life expectancy, average number of years of education received by inhabitants aged 25 and older, expected number of years of education for children beginning the

education process and national income per capita in USD calculated according to purchasing power parity of a given currency.

Table 1. Human Development Index (HDI)

	2005	2009	2013	2014	2015	2016	2017	2018	2019	Change of the index in years 2009-2019
Bulgaria	0,75	0,77	0,78	0,78	0,79	0,81	0,81	0,81	0,82	0,05
Croatia	0,78	0,80	0,81	0,82	0,83	0,83	0,83	0,84	0,85	0,05
Cyprus	0,83	0,85	0,85	0,85	0,86	0,87	0,87	0,87	0,89	0,04
Czech Republic	0,84	0,85	0,86	0,87	0,88	0,89	0,89	0,89	0,90	0,05
Estonia	0,82	0,84	0,84	0,86	0,87	0,87	0,87	0,88	0,89	0,05
Greece	0,85	0,86	0,85	0,87	0,87	0,87	0,87	0,87	0,89	0,03
Hungary	0,81	0,82	0,82	0,83	0,84	0,84	0,84	0,84	0,85	0,03
Latvia	0,79	0,82	0,81	0,82	0,83	0,85	0,85	0,85	0,87	0,05
Lithuania	0,81	0,83	0,83	0,84	0,85	0,86	0,86	0,87	0,88	0,05
Malta	0,80	0,83	0,83	0,84	0,86	0,88	0,88	0,88	0,89	0,06
Poland	0,80	0,82	0,83	0,84	0,86	0,87	0,87	0,87	0,88	0,06
Portugal	0,79	0,81	0,82	0,83	0,84	0,85	0,85	0,85	0,86	0,05
Romania	0,75	0,80	0,78	0,79	0,80	0,81	0,81	0,82	0,83	0,03
Slowakia	0,80	0,82	0,83	0,84	0,85	0,86	0,86	0,86	0,86	0,04
Slowenia	0,85	0,88	0,87	0,88	0,89	0,90	0,90	0,90	0,92	0,04
Norway	0,93	0,94	0,95	0,95	0,95	0,95	0,95	0,95	0,96	0,02
Island	0,89	0,89	0,92	0,93	0,93	0,93	0,94	0,94	0,95	0,06
Lichtenstein	0,89	0,90	0,91	0,91	0,91	0,92	0,92	0,92	0,91	0,01

Source: UNDP

It should be noted that both the difference between the indicators for individual countries and the gap between Poland and Norway decreased. Norway, as a leader of the world ranking, may be treated as a reference point (benchmark) for evaluations of progress in implementation of sustainable development strategies. Therefore, the fundamental objective of cohesion policy which is contributing to the reduction of economic and social disparities within the European Economic Area is being implemented.

Another important indicator of economic cohesion is GDP per capita in relation to the EU average, including differences in purchasing power parity. In the group of the analysed countries, significant differences are visible. In 2009 the lowest economic development indicator – about 4 times lower than in the case of Norway – was recorded by Bulgaria (43% of the EU average) and Romania (51% of the EU average). In 2019 these differences substantially decreased – indicators for Bulgaria (53%) and Romania (70%) were about 3 times lower than for Norway (147%). However, they are still very high.

Table 2. GDP per capita (in PPS) in relation to the EU average (%).

	2005	2009	2013	2014	2015	2016	2017	2018	2019	Change in the years 2009-2019 [p.p.]
Bulgaria	37	43	45	47	47	48	50	51	53	10
Croatia	55	62	60	59	59	60	61	63	65	3
Cyprus	101	105	84	81	82	84	85	89	90	-15
Czech Republic	79	85	84	86	87	87	88	91	93	8
Estonia	60	63	75	77	76	77	79	82	84	21
Greece	93	94	72	71	70	68	68	68	67	-27
Hungary	62	64	67	68	68	67	68	71	73	9

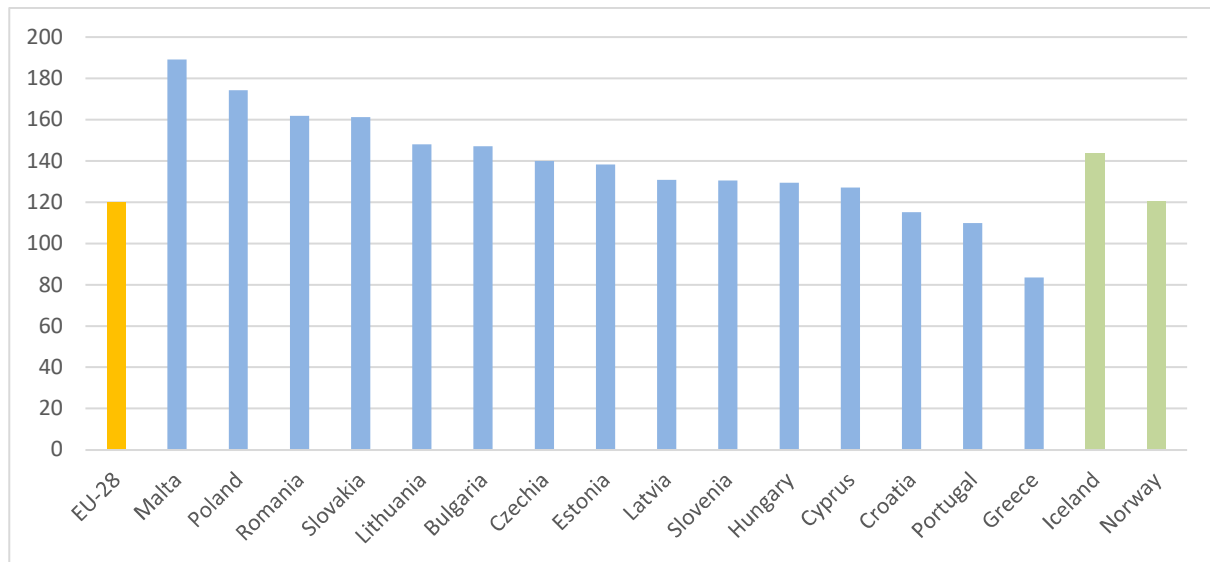
Latvia	50	52	62	63	64	65	67	69	69	17
Lithuania	53	56	73	75	75	76	79	80	84	28
Malta	81	81	85	88	93	94	95	98	100	19
Poland	50	59	67	67	68	68	70	70	73	14
Portugal	82	82	76	77	77	78	77	77	79	-3
Romania	35	51	54	55	56	58	62	65	70	19
Slowakia	60	71	76	77	77	77	77	73	70	-1
Slovenia	87	85	82	82	82	82	84	87	89	4
Norway	173	172	184	176	160	148	149	151	147	-25
Island	135	130	121	122	126	130	131	130	126	-4
Lichtenstein	NDA ³	NDA	NDA	NDA	NDA	NDA	NDA	NDA	NDA	NDA

Source: Eurostat

In the period from 2009, Poland – next to Lithuania, Estonia Malta, Romania and Latvia – belongs to the group of countries which made significant progress in economic convergence. In relation to the EU average, southern countries affected by economic recession as a result of the crisis (Greece, Cyprus, Portugal) and the most developed countries (including Norway), lost due to the lower pace of growth in comparison to the so called catching-up countries.

Cohesion in the economic sphere is conditioned mostly by the pace of economic growth. The figure below presents higher pace of GDP growth (cumulated, 2019 in comparison to 2005) in the majority of beneficiary states than in the case of Norway. It must be emphasized that the difference in terms of economic development (in the period of 2009-2019) between the group of beneficiary states and donor states significantly decreased.

Chart 1. The change in GDP in the analysed group of countries in 2019 in relation to 2005 (%).



Source: Eurostat

³ no data available

Differences between the countries are also visible in the change of situation on the labour market. In comparison to 2009, i.e. the pre-crisis situation, in 2019 vast majority of countries from the researched group recorded a significant increase in unemployment rate, provided that in Greece and Cyprus it was more than double. Poland – which in 2005 was the country with the highest rate of unemployment in the researched group of countries, recorded the greatest improvement of this indicator in relation to the period before the economic downturn. Furthermore, the gap between the level of the unemployment rate in Poland and Norway significantly decreased and in 2019 the rate reached similar value in both countries.

Table 3. Unemployment rate in total (BAEL, %)

	2005	2009	2013	2014	2015	2016	2017	2018	2019	change in 2009-2019 [p.p.]
EU-28	9,0	9,0	10,9	10,2	9,4	8,6	7,6	6,8	6,3	-2,7
Bulgaria	10,1	6,8	13,0	11,4	9,2	7,6	6,2	5,2	4,2	-2,6
Croatia	13,0	9,3	17,4	17,2	16,1	13,4	11,0	8,4	6,6	-2,7
Cyprus	5,3	5,4	15,9	16,1	15,0	13,0	11,1	8,4	7,1	1,7
Czech Republic	7,9	6,7	7,0	6,1	5,1	4,0	2,9	2,2	2,0	-4,7
Estonia	8,0	13,5	8,6	7,4	6,2	6,8	5,8	5,4	4,4	-9,1
Greece	10,0	9,6	27,5	26,5	24,9	23,6	21,5	19,3	17,3	7,7
Hungary	7,2	10,0	10,2	7,7	6,8	5,1	4,2	3,7	3,4	-6,6
Latvia	10,0	17,5	11,9	10,8	9,9	9,6	8,7	7,4	6,3	-11,2
Lithuania	8,3	13,8	11,8	10,7	9,1	7,9	7,1	6,2	6,3	-7,5
Malta	6,9	6,9	6,1	5,7	5,4	4,7	4,0	3,7	3,6	-3,3
Poland	17,9	8,1	10,3	9,0	7,5	6,2	4,9	3,9	3,3	-4,8
Portugal	8,8	10,7	16,4	14,1	12,6	11,2	9,0	7,0	6,5	-4,2
Romania	7,1	6,5	7,1	6,8	6,8	5,9	4,9	4,2	3,9	-2,6
Slowakia	16,4	12,1	14,2	13,2	11,5	9,7	8,1	6,5	5,8	-6,3
Slowenia	6,5	5,9	10,1	9,7	9,0	8,0	6,6	5,1	4,5	-1,4
Norway	2,6	7,2	5,4	5,0	4,0	3,0	2,8	2,7	3,5	-3,7
Island	4,5	3,3	3,5	3,5	4,4	4,7	4,2	3,9	3,7	0,4
Lichtenstein	NDA	NDA	NDA	NDA	NDA	NDA	NDA	NDA	NDA	NDA

Source: Eurostat

When analysing the risk of poverty and social exclusion, substantial diversification of individual countries in this regard as well as divergent course of processes taking place in 2009-2019 must be indicated. In some countries, situation in this regard was deteriorating, e.g. in Greece. In this respect, Poland stands out positively, recording the noticeable – similarly as in Hungary, Romania and Latvia - improvement by nearly 10 p.p. (from the level of nearly 28% in 2009 to little more than 18% in 2019). Thereby, Poland shifted from the group of countries with the highest risk of poverty and exclusion to the group countries with the indicator below the EU average.

Table 4. The proportion of the population at risk of poverty and social exclusion (%)

	2005	2009	2013	2014	2015	2016	2017	2018	2019	change in 2009-2019 [p.p.]
UE-28	25,8	23,3	24,6	24,4	23,8	23,5	22,4	21,9	21,4	-1,9
Bulgaria	NDA	46,2	48,0	40,1	41,3	40,4	38,9	32,8	32,8	-13,4

Croatia	NDA	NDA	29,9	29,3	29,1	27,9	26,4	24,8	23,3	x
Cyprus	25,3	23,5	27,8	27,4	28,9	27,7	25,2	23,8	22,3	-1,2
Czech Republic	19,6	14,0	14,6	14,8	14,0	13,3	12,2	12,2	12,5	-1,5
Estonia	25,9	23,4	23,5	26,0	24,2	24,4	23,4	24,4	24,3	0,9
Greece	29,4	27,6	35,7	36,0	35,7	35,6	34,8	31,8	30,0	2,4
Hungary	32,1	29,6	34,8	31,8	28,2	26,3	25,6	19,6	18,9	-10,7
Latvia	46,3	37,9	35,1	32,7	30,9	28,5	28,2	28,4	27,3	-10,6
Lithuania	41,0	29,6	30,8	27,3	29,3	30,1	29,6	28,3	26,3	-3,3
Malta	20,5	20,3	24,0	23,8	22,4	20,1	19,2	19,0	20,1	-0,2
Poland	45,3	27,8	25,8	24,7	23,4	21,9	19,5	18,9	18,2	-9,6
Portugal	26,1	24,9	27,5	27,5	26,6	25,1	23,3	21,6	21,6	-3,3
Romania	NDA	43,0	41,9	40,3	37,4	38,8	35,7	32,5	31,2	-11,8
Slowakia	32,0	19,6	19,8	18,4	18,4	18,1	16,3	16,3	16,4	-3,2
Slowenia	18,5	17,1	20,4	20,4	19,2	18,4	17,1	16,2	14,4	-2,7
Norway	13,3	11,6	13	11,2	12,5	12,2	12,8	11,0	NDA	x
Island	16,2	15,2	14,1	13,5	15,0	15,3	16,0	16,2	16,1	0,9
Lichtenstein	NDA	NDA	NDA	NDA	NDA	NDA	NDA	NDA	NDA	NDA

Source: Eurostat

Income inequalities in the researched group of countries measured by Gini coefficient in 2019 ranged from nearly 22 in the case of Slovakia to above 40 for Bulgaria. In the period of 2009- 2019, these inequalities increased in many countries (e.g. in Hungary, Bulgaria). In eight countries from the analysed group - including Poland - income inequalities in 2019 were lower than in 2009. Gini coefficient for Poland decreased from the level of 31.4 in 2009 to 28.5 in 2019. Thus, the scale of improvement of the inequality issue was, in the case of Poland, almost the highest in the analysed group of countries. Currently, its level is below the EU average.

Table 5. Gini coefficient (%)

	2005	2009	2013	2014	2015	2016	2017	2018	2019	change in 2009-2019 [p.p.]
UE-28	NDA	NDA	30,5	31,0	31,0	30,8	30,7	30,9	30,7	x
Bulgaria	NDA	33,4	35,4	35,4	37,0	37,7	40,2	39,6	40,8	7,4
Croatia	NDA	NDA	30,9	30,2	30,4	29,8	29,9	29,7	29,2	x
Cyprus	28,7	29,5	32,4	34,8	33,6	32,1	30,8	29,1	31,1	1,6
Czech Republic	26,0	25,1	24,6	25,1	25,0	25,1	24,5	24,0	24,0	-1,1
Estonia	34,1	31,4	32,9	35,6	34,8	32,7	31,6	30,6	30,5	-0,9
Greece	33,2	33,1	34,4	34,5	34,2	34,3	33,4	32,3	31,0	-2,1
Hungary	27,6	24,7	28,3	28,6	28,2	28,2	28,1	28,7	28,0	3,3
Latvia	36,2	37,5	35,2	35,5	35,4	34,5	34,5	35,6	35,2	-2,3
Lithuania	36,3	35,9	34,6	35,0	37,9	37,0	37,6	36,9	35,4	-0,5
Malta	27,0	27,4	27,9	27,7	28,1	28,5	28,3	28,7	28,0	0,6
Poland	35,6	31,4	30,7	30,8	30,6	29,8	29,2	27,8	28,5	-2,9
Portugal	38,1	35,4	34,2	34,5	34,0	33,9	33,5	32,1	31,9	-3,5
Romania	b.d.	34,5	34,6	35,0	37,4	34,7	33,1	35,1	34,8	0,3
Slowakia	26,2	24,8	24,2	26,1	23,7	24,3	23,2	20,9	22,8	-2,0
Slowenia	23,8	22,7	24,4	25,0	24,5	24,4	23,7	23,4	23,9	1,2
Norway	25,1	29,6	24,0	22,7	24,7	24,1	NDA	NDA	NDA	x

Island	28,2	24,1	22,7	23,5	23,9	25,0	26,1	24,8	25,4	1,3
Lichtenstein	NDA	NDA	NDA	NDA	NDA	NDA	NDA	NDA	NDA	NDA

Source: Eurostat

The results of analysis of the selected monitoring indicators indicate the progress in the group of 15 beneficiary states of the EEA and Norway Grants in the scope of reducing economic and social disparities within the European Economic Area in the period of 2009-2019. In this regard Poland belongs to the leaders.

3. Effects of the Grants

EEA and Norway Grants in Poland are in case of most programmes fairly developed, with calls concluded, financing decisions issued and agreements signed or in progress. Projects implementation however was impeded by pandemic, activities postponed or limited, results are still meagre, what was reflected in the Annual Programme Reports. Bilateral initiatives under JCBF launched in 2020 are elaborated on in the Status of bilateral funds section.

The Social Dialogue – Decent Work programme, Civil Society, Fund for Regional Cooperation and Global Fund programmes, included in the allocation to Poland, are managed by FMO in accordance with Article 6.13 of the Regulation. Their status is presented below, in point 4.4 of the Report.

It is too early to present the visible results, as the projects in general are at the initial phase. They are to be reported in the next Strategic Reports, in due time.

4. Status of programmes

4.1 Overview

Poland is to receive € 809.3 million of a total contribution of € 2.8 billion that has been agreed for the period 2014-2021. It makes Poland the biggest beneficiary country consuming ca. 30% of the funds available.

Table 6. EEA and Norway grants 2014-2021 programmes in Poland (MoU)

FM	PA	programme	grant €	national contribution €	bilateral ambitions €	PO	DPP	IPO
NFM	Business Development, Innovation and SMEs	Business Development and Innovation	85,000,000	15,000,000	600,000	Polish Agency for Enterprise Development (PARP)	Innovation Norway	N/A
NFM /EEA FM	Research	Research	110,000,000	19,411,765	650,000	National Science Centre (NCN) with support from the National Centre for Research and Development	Research Council of Norway (RCN)	N/A
NFM	European Public Health Challenges	Health	20,000,000	3,529,412	300,000	Ministry of Health	Norwegian Directorate of Health (HDIR)	N/A
NMF /EEA FM	Local Development and Poverty Reduction, Good Governance, Accountable Institutions, Transparency	Local Development	100,000,000	17,647,058	400,000	Ministry of Development Funds and Regional Policy	Norwegian Association of Local and Regional Authorities (KS)	Organisation for Economic Cooperation and Development (OECD)

NMF	Correctional Services and Pre-trial Detention; Effectiveness and Efficiency of the Judicial System, Strengthening Rule of Law; Domestic and Gender-based Violence	Justice	70,000,000	12,352,941	400,000	Ministry of Justice	Norwegian Ministry of Justice and Public Security, Norwegian Courts Administration (DA), Directorate of Norwegian Correctional Service (KDI)	N/A
NMF	Strengthened rule of law	Home Affairs	20,000,000	3,529,412	250,000	Ministry of Interior and Administration with support from the European Projects Implementation Centre	Norwegian Ministry of Justice and Public Security, Norwegian Directorate for Civil Protection (DSB)	N/A
EEA FM	Education, Scholarships, Apprenticeships and Youth Entrepreneurship	Education	20,000,000	3,529,412	250,000	Foundation for the Development of the Education System	Norwegian Centre for International Cooperation in Education (SIU), National Agency of International Education Affairs (AIBA), Icelandic Centre for Research (RANNIS)	N/A
EEA FM	Renewable Energy, Energy Efficiency, Energy Security; Climate Change Mitigation and Adaptation; Environment and Ecosystems	Environment, Energy and Climate Change	140,000,000	24,705,882	900,000	Ministry of Climate with support from the National Fund for Environmental Protection and Water Management	Norwegian Environment Agency (NEA), Norwegian Water Resources and Energy Directorate (NVE), National Energy Authority of Iceland (OS)	N/A
EEA FM	Cultural Entrepreneurship, Cultural Heritage and Cultural Cooperation	Culture	75,000,000	13,235,294	600,000	Ministry of Culture, National Heritage and Sport	Arts Council Norway (ACN), Norwegian Directorate for Cultural Heritage (RA)	N/A
EEA FM	Civil Society	Civil Society	53,000,000	N/A	N/A	FMO in accordance with Article 6.13 of the Regulation	N/A	N/A
NMF	Social Dialogue – Decent Work	Social Dialogue - Decent Work	6,120,000	N/A	N/A	FMO in accordance with Article 6.13 of the Regulation. Innovation Norway is appointed Fund Operator in accordance with paragraph 4 of Article 6.13 of the Regulation	N/A	N/A

Annual Meeting took place in remote mode on 3 June 2020. Strategic Report submitted to Donors on 2 April 2020 was unanimously adopted. This report refers to the period March 2020 – June 2021, covering achievements and challenges in the pandemic.

*

With *Justice* Programme Agreement signed on 13 July 2020, programming in Poland has been completed. Delays in programmes' design and subsequent COVID-19 pandemic impeded greatly programmes development, but the report's ambition is to present how Polish entities tackled the challenges and emerged with ideas that allowed to overcome crisis we all have been through.

World Health Organization declared the outbreak a Public Health Emergency of International Concern on 30 January 2020, and a pandemic on 11 March 2020. Since then we have been experiencing shuts or slows down vast areas of global activity. March set the tone for a year characterized by uncertainty, confusion and anxiety. Precautions were more or less severe, depending on the pandemic dynamics but we all had to readjust activities and daily routine to the new circumstances. Impact of physical distancing and confinement on our work and everyday life is unprecedented, still there is a lot to appreciate in a way people are handling the obstacles, sometimes even forging them into advantage. Being forced to meet virtually only, POs reached more addressees than it would be possible in a direct contact. Polish entities engaged in Norwegian and EEA funds stay active - using remote working tools and technology and taking new approaches respond to the needs and musts resulting from their obligations and deadlines set in Regulation.

**

With letter of 2 April NFP presented the donors with analysis of the COVID-19 related crisis situation in Poland and propose instruments inevitable for the EEA and Norway Grants further implementation in Poland. There were several topics and proposals to proactively face the challenges under these extraordinary circumstances: extension of the eligibility period, use of the reserve allocation, unilateral PA modification, EEA and Norway Grants Regulations modifications, implementation rules update/ call texts revision/project contracts modifications. On 20 April 2020 FMC provided NFPs with letter referring to the COVID related risks mitigation. Polish NFP asked for additional guidance on several issues and received clarifications: regarding the delayed calls launching (PA modification of the estimated timing foreseen under section 4.1 of Annex II is not necessary - time specification in the PA is only indicative), calls extension (PO and the DPPs have to agree on the extension and the new timing, PO should also consult such extension with the programme manager and inform the FMO about the new deadlines), advance payment increase and extending project implementation period (if no PA modification is necessary, it is the PO's responsibility in cooperation with DPP to decide on), revision of project deliverables (once agreed upon, must not favour certain applicants over others or a circumvent any other aspect of the selection procedure), revision of projects budgets (must be based on the evaluation of proposals submitted by the project promoters; awarding of additional funds to already approved projects should proceed pursuant to article 7.4.8 of the Regulations and come from the same Financial Mechanism as the original grant), 100% financing for NGOs (waiver of co-financing requirements can - consulted with the DPPs - be applied to ongoing projects under the following conditions: no retroactive coverage of costs is permitted, a cut-off date needs to be introduced, PO needs to decide if the waiver shall apply to all projects or only to specific projects, PA modification), 100% in kind contribution for NGOs (basing on article 6.4.5 of the Regulations approval - responsibility of the PO to decide, DPPs shall be consulted, FMO has to be consulted as part of the PA modification process, procedure according to article 6.9 of the Regulations). The Regulations itself remain unchanged.

FMC promised to prioritise PA modifications resulting from pandemic impact mitigating measures, it occurred for example in *Education* programme with reference to calls merging. Another PA modifications were needed in case of Home Affairs (twice) and Innovation programmes.

NFP indicated some areas to improve/ease the burden in *Regulations*: allowing for the reimbursement of costs, borne by project promoter at his own risk, before the project granting decision; more flexibility in the catalogue of costs eligible, to resign from the obligation to deliver the draft of the partnership agreement, according to art. 7.7 Regulations needed before signing project contract, to resign from the 20% allocation limit to give more flexibility to the implementation of the smaller projects/initiatives. Both NFP and POs frequently voice a need for eligibility period extension. No decision of a modification of the Regulations has been taken yet. FMO addressed also NFP request of 19 August 2020 regarding the purchase of IT equipment – more details in the *Status of bilateral funds* part.

On 17 April 2020 FMO provided NFPs with position on not reaching programme final indicator targets set in the Programme Agreements. NFP constantly monitors POs (and project promoters) to make significant and sustained efforts to achieve the expected outcomes as set out in the PAs and make timely adjustments needed to maximise the achievement of results. As outcomes are not under the direct control of a programme/project and programmes and projects can only influence the achievement of outcomes via the outputs they deliver, in cases of over- or underachievement of outcome-level indicator targets, POs should analyse the reasons for this, draw lessons and provide their analysis in the Annual or Final Programme Report. FMO admitted that circumstances beyond the control of POs (or project promoters) can also hinder the achievement of the planned outputs and therefore prevent the achievement of output indicator targets. Hence, FMO does not endorse imposing financial corrections for not reaching final outcome indicator targets, as this is not in line with their approach to results-based management.

NFP and Polish POs participate in all workshops provided hitherto by the FMO. In 2021 there were already four training sessions regarding Annual Programme Reports (12 January 2021), programme modifications (12 May 2021) and evaluation (27 May 2021), data collecting and reporting (9 June 2021).

NFP joined also a Results & Evaluation Network for EEA and Norway Grants – an initiative resulting from FMO experience of working across 15 countries and approximately 100 programmes in different sectors. The aim of the network is to build results and evaluation capacity and exchange good practices among network members.

4.2 Calls for proposals

NFP assists POs in drafting the calls for proposals documentation, verifies it and once it fulfils the requirements set out in article 7.3.2 and all other obligations foreseen in the Legal Framework that might be relevant, submits the call text to the FMO pursuant to article 7.3.5. It was a standard for POs to share calls for proposals documentation drafts both with DPPs and FMO, discussing it on CC and ad-hoc appointments.

NFP followed the Regulations (Art 7.3.4 and 5) and submitted relevant call documentation to the FMO at least two weeks in advance of their announcement. Each call for proposals was/is published on the PO's in Polish and English. NFP's website also informs the audience of the calls and refers to the call announcements (<https://www.eog.gov.pl/en/site/news/calls-schedule-within-the-eea-and-norway-grants-2014-2021-as-of-may-6th-2021/>).

Call documentations have been consulted in the framework of CC meetings, despite of travel restrictions and majority of calls have been launched in that difficult period. Assessment procedures

were followed, modified if necessary, into remote mode. All the institutions are devoted to their tasks and many processes (call documentation preparing, assisting to the applicants during the call, applications assessment, predefined initiatives and bilateral funds management) are performed in parallel. Full overview of the calls for proposals foreseen in Poland is presented in the table below. Colours refer to the stage of development: calls closed and assessment concluded – in blue; calls closed and assessment in progress – in yellow; calls open – in green; calls still to be launched – in orange.

Table 7. Calls for proposals – status overview

	2019			2020				2021				2022	
	II	III	IV	I	II	III	IV	I	II	III	IV	I	II
LOCAL DEVELOPMENT	1. stage			2. stage									
EDUCATION	component I												
	component II												
	component III												
	component IV												
									component I				
								component II					
								component III					
								component IV					
BASIC RESEARCH	GRIEG												
	IdealAB 1. stage	2. & 3.											
				SGS (POLS)									
APPLIED RESEARCH		POLNOR											
		POLNOR CCS											
			ILAB 1	2. & 3. stage									
						SGS							
BD & INNOVATION			blue growth										
			welfare technologies										
			green industry innovation										
			SGS										
HOME AFFAIRS			police cooper.										
						asylum & migr.							
CULTURE			infrastructure										
			cooperation 1.										
					cooperation 2.								
											cooperation 3.		
ENVIRONMENT					green-blue infr.								
					climate change								
					ecosystem man.								
					invasive alien sp.								
					energy efficiency								
					cogeneration								
					municipal heat.								
					SGS								
					hydropower								
					geothermal								
					biomass								
					circular								
HEALTH													
JUSTICE												SGS 1	
												SGS 2	

Among 26 calls overlapping the pandemic period, 8 were already announced and due to end in March (6 of them), May (1) or July (1). Eight calls in *Environment* programme were announced mid March, two more in May and the last one in October 2020. Mobility feature of *Education* programme made PO and programme partners to merge calls envisaged for consequent years and announce the call for four components in January 2021. *Culture* PO rescheduled remaining cooperation projects calls delaying them by several months with hope for more travel friendly circumstances.

Moreover, POs got pro-active and encouraged applicants to take part in the calls offering them support in webinars, Q&A sessions, info days, matchmaking seminars and other forms of interaction. Calls

overlapping the pandemic were in the vast majority prolonged - usually by several weeks - to allow potential beneficiaries to address requirements of the calls.

Table 8. Calls for proposals – application period extensions

	Call	call announced	initial call deadline	call closed	call prolonged by... weeks
APPLIED RESEARCH	IdeaLab (3rd stage)	28 February 2020	18 May 2020	8 June 2020	3
CULTURE	Call 1	26 November 2019	16 March 2020	30 March 2020	2
	Call 2	26 November 2019	16 March 2020	30 March 2020	2
Business Development and INNOVATION	Green industry innovation	19 November 2019	31 March 2020	14 May 2020	6
	Blue growth	19 November 2019	31 March 2020	14 May 2020	6
	Welfare technologies	19 November 2019	31 March 2020	14 May 2020	6
	SGS	19 November 2019	31 March 2020	14 May 2020	6
LOCAL DEVELOPMENT	Call 2nd stage	13 January 2020	31 July 2020	30 October 2020	13
ENVIRONMENT	Implementation of green-blue infrastructure investments in cities	13 March 2020	15 June 2020	17 August 2020	9
	Awareness raising activities on climate change mitigation and adaptation carried out by schools	13 March 2020	30 June 2020	31 August	9
	Implementation of ecosystem management plans	13 March 2020	3 June 2020	3 August 2020	8
	Increased protection against invasive alien species	13 March 2020	3 June 2020	3 August 2020	8
	SGS - protection of the environment and ecosystems carried out by the NGOs	13 March 2020	3 June 2020	3 August 2020	8
	Improved energy efficiency in school buildings	13 March 2020	15 July 2020	14 September 2020	9
	Development of high-efficiency industrial and professional cogeneration	13 March 2020	30 June 2020	31 August 2020	9
	Construction / modernization of municipal heating systems and elimination of individual heat sources	13 March 2020	30 June 2020	31 August 2020	9
	Construction of an installation for the production of fuel in the form of pellets	12 October 2020	8 January 2021	31 March 2021	11
	Construction of heat sources using geothermal energy (deep geothermy)	18 May 2020	30 October 2020	31 March 2021	21
	Increasing the efficiency of energy generation in existing small hydropower plants (up to 2 MW)	18 May 2020	30 October 2020	31 December 2020	9

Commitment of all entities engaged in the process made it possible to close 37 of 41 calls foreseen in the programmes PAs and thus achieving over 90% result. In 29 out of these 37 there are already decisions on the projects financing and grant decisions announced. Remaining 4 calls are foreseen under *Culture* (cooperation projects, 4th quarter 2021), *Health* (3rd/4th quarter 2022) and *Justice* (2 calls in the 1st/2nd quarter 2022).

Chart 2. Calls for proposals - state of play

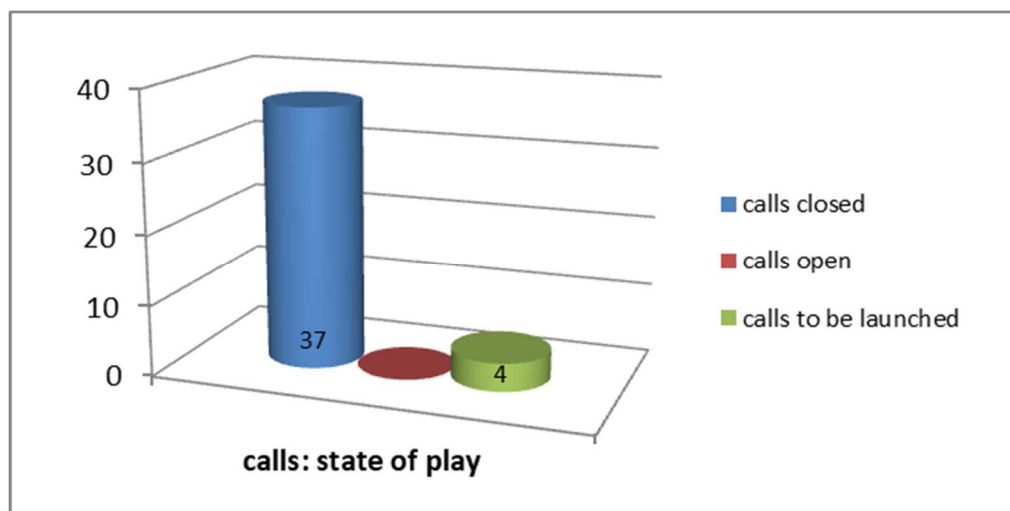
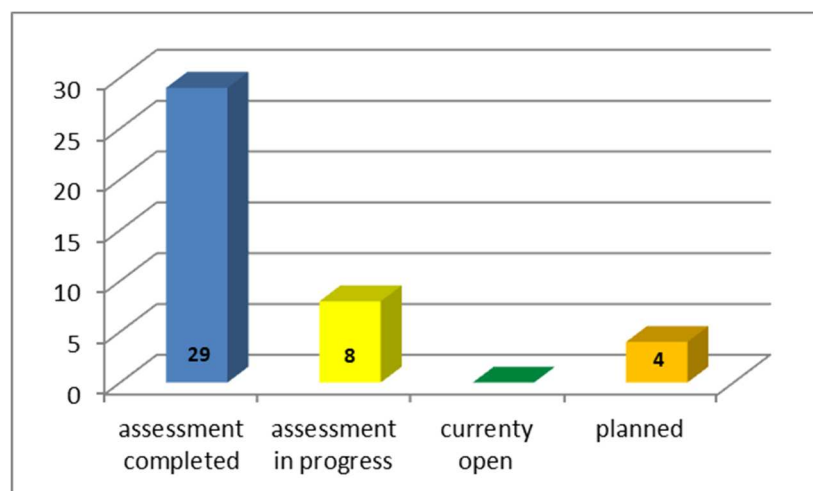


Chart 3. Calls for proposals – implementation stage breakdown



Calls launching and following the assessment procedures itself was challenging in the pandemic circumstances. Numbers of applications submitted by entities that also suffered from COVID-19 related crisis is worth analysing. Response to the calls was in general exceeding expectations. Value of applications exceeded many fold the allocation available. Marked in red are numbers that at least quadruple amount available in the call (13 calls) and additionally 4 among them in bold where demand was over 10 times bigger than allocation. Numbers show strong competition between the applicants and high level of interest in the funds.

Table 9. Calls for proposals – demand and success rate.

	Call	amount available €	amount requested €	requested /available	applications received	projects financed	success rate
EDUCATION	Professional Development of Staff	411 370	635 406	1,54	62	41	66,13%
	Mobility in Higher Education	1 371 178	2 931 859	2,14	21	21	100,00%
	Institutional cooperation: VET and vocational continuing	2 914 000	5 864 438	2,01	38	19	50,00%
	Institutional cooperation: other	2 504 709	9 273 174	3,70	62	17	27,42%
	Professional Development of Staff	822 740	852 296	1,04	73		
	Mobility in Higher Education	1 371 178	3 055 220	2,23	26		
	Institutional cooperation: VET and vocational continuing	6 513 589	10 569 946	1,62	60		
Institutional cooperation: other	5 673 589	23 407 841	4,13	144			
BASIC RESEARCH	Call 1 (GRIEG)	37 340 107	386 378 633	10,35	306	28	9,15%
	IdeaLab	4 434 011	5 011 690	1,13	8	3	37,50%
	SGS (POLS)	7 000 000	16 888 655	2,41	99	39	39,39%
APPLIED RESEARCH	Call 1 (POLNOR)	49 745 454	96 087 632	1,93	74	38	51,35%
	Call 2 (POLNOR CCS)	11 764 706	35 740 143	3,04	17	6	35,29%
	IdeaLab	6 651 016	11 121 428	1,67	9	3	33,33%
	SGS	5 000 000	55 543 167	11,11	335	27	8,06%
CULTURE	O.1 Culture infrastructure	60 170 588	437 728 479	7,27	224	21	9,38%
	O.2 Cooperation (1)	3 705 882	19 977 130	5,39	75	13	17,33%
	O.2 Cooperation (2)	4 941 177	30 554 466	6,18	95	17	17,89%
Business Development and INNOVATION	Green industry innovation	50 000 000	133 007 432	2,66	219	78	77,23%
	Blue growth	10 000 000	22 657 771	2,27	28	12	5,48%
	Welfare technologies	18 700 000	77 791 447	4,16	101	14	14%
	SGS for female enterprises	15 000 000	46 418 912	3,09	393	56	14,25%
LOCAL DEVELOPMENT	Open call	102 647 058	*		213	29	13,62%
HOME AFFAIRS	Organised crime counterfighting	4 701 069	24 740 824	5,26	34	8	23,53%
	Asylum and migration	3 172 000	15 581 006	4,91	26	5	19,23%
ENVIRONMENT	Implementation of green-blue infrastructure investments in cities	23 029 413	127 949 111	5,56	91	14	15,38%
	Awareness raising activities on climate change mitigation and adaptation	1 575 941	42 224 074	26,79	82	3	3,66%
	Strengthened implementation of Circular Economy	3 000 000	28 840 709	9,61	47		
	Implementation of ecosystem management plans	5 882 352	13 509 045	2,30	19	10	52,63%
	Increased protection against invasive alien species	3 583 576	4 217 047	1,18	8	5	62,50%
	SGS - protection of the environment and ecosystems carried out by the	2 804 720	7 327 095	2,61	45	14	31,11%
	Improved energy efficiency in school buildings	20 000 000	202 104 103	10,11	214		
	Development of high-efficiency industrial and professional cogeneration	40 000 000	138 641 733	3,47	49		
	Construction / modernization of municipal heating systems and elimination	37 988 705	52 104 078	1,37	19	14	73,68%
	Increasing the efficiency of energy generation in existing small hydropower	3 000 000	4 320 751	1,44	5	2	40,00%
	Construction of heat sources using geothermal energy (deep geothermy)	7 300 000	11 000 000	1,51	3	1	33,33%
	Construction of an installation for the production of fuel from wood and agro	3 000 000	3 000 000	1,00	6		
* applications not budgeted		463 965 964			3 330	558	

Considering calls where assessment is already concluded and grant decisions issued, in several cases success rate is extremely low (below 30% were marked in red). Similar effect is expected in the

Education component “Institutional cooperation for enhancement of quality and relevance of education at all levels and forms (excluding VET and vocational continuing education)”, *Culture* second call in the cooperation projects, green blue infrastructure projects and awareness activities calls under *Environment*.

3 330 applications hitherto received in the programmes managed by the Polish side is quite an impressive result. Till end May 2021 there are **558 projects awarded a grant**, 8 calls’ assessment in progress notwithstanding 4 more calls to be launched.

Huge number of applications is having an influence on the schedule of the assessment process (formal and content related evaluation) – hence the risk POs voiced earlier, materialized.

On one hand high demand allows to choose the most valuable projects, on the other however many good-quality initiatives are failing. The issue may be addressed with the MTR reserve allocation if undertaken asap, as there are already less than 3 years for the projects implementation.

Open call bilateral projects

Bilateral cooperation is easy to spot in each programme - significant is a number of submitted partnership project. In the letter of 20 April 2020 FMC admitted that retaining interest of and communication with bilateral partners during delays caused by lockdown will be a challenge. A table below presents however, how eager were project promoters to undertake additional effort to establish partnership and what is the number of actual partnership projects financed. 100% of bilateral cooperation projects in the number of projects financed means that partnership was obligatory. Even though and considering COVID-19 circumstances – number of application with required partnership was in our view surprisingly high. In the majority of calls encouraging partnerships (only SGS under Innovation and both *Research* programmes are excluded from that number), responsiveness is considerable and reflected in the financing decisions. Marked in red are calls with share of bilateral projects exceeding 30% of the total financed projects.

Table 10. Calls for proposals – bilateral projects.⁴

	Call	applications received	bilateral projects in that number	projects financed	bilateral projects in that number	% of bilateral in the projects financed	sum	PA % or number target
EDUCATION	I / Component 1	62	49	41	33	80,49%	81	270
	I / Component 2	21	21	21	21	100,00%		
	I / Component 3	38	19	19	12	63,16%		
	I / Component 4	62	39	17	15	88,24%		
BASIC RESEARCH	Call 1 (GRIEG)	306	306	28	28	100,00%	31	30
	Call 2 (IdeaLab)	4	4	3	3	100,00%		
APPLIED RESEARCH	Call 1 (POLNOR)	74	74	38	38	100,00%	47	50
	Call 2 (POLNOR CCS)	17	17	6	6	100,00%		
	Call 3 (IdeaLab)	6	6	3	3	100,00%		
CULTURE	Call 1 (infrastructural)	224	118	21	19	90,48%	49	55
	Call 2 (cooperation no.1)	75	75	13	13	100,00%		
	Call 3 (cooperation no.2)	95	95	17	17	100,00%		
Business Development and INNOVATION	Green industry innovation	219	43	78	24	30,77%	28%	≥ 30%
	Blue growth	28	7	12	3	25,00%		
	Welfare technologies	101	22	14	2	14,29%		
LOCAL DEVELOPMENT	Call 1 stage 2	54	n/a	29	tbd			7
HOME AFFAIRS	Organised crime counterfighting	34	3	8	1	12,50%	3	5
	Asylum and migration	26	2	5	2	40,00%		
ENVIRONMENT	Implementation of ecosystem management plans	19	8	10	6	60,00%	34	20
	Increased protection against invasive alien species ecosystems	45	12	14	7	50,00%		
	Implementation of green-blue infrastructure...	91	51	14	14	100,00%		
	Awareness raising activities on climate change mitigation... systems...	72	36	3	3	100,00%		
	Construction of heat sources using geothermal energy...	19	3	14	2	14,29%		
	Increasing the efficiency of (...) small hydropower plants...	3	0	1	0	0,00%		
		5	0	2	0	0,00%		
			436		274	62,84%		

While designing first and second call for proposals, PO for *Education* required having at least hosting institution from DS within Components I and II. Formal partnerships were mandatory within Institutional Cooperation and activities aimed at exchange of experience, bilateral activities etc. (Components IIIb and IVb).

In the first open call for *Culture* cooperation projects, where partnership is obligatory, 76 partnership applications were submitted: 101 partnerships with Norway, 22 partnerships with Iceland and 1 with Liechtenstein. One project could have involved more partners, therefore the number of partnerships is higher than the number of submitted applications. 13 projects were awarded grant and they involve partnerships with representatives of cultural and creative sectors from Norway (e.g. AMANDUS Lillehammer International Student Film Festival, Norwegian Theatre Academy / Østfold University College, Bergen International Film Festival, NORLA - Norwegian Literature Abroad, Bergen Offentlige Bibliotek, Senter for Griegforskning / Grieg Research Centre, University of Bergen). In the second call 77% of partners engaged in the projects' applications come from Norway, 21% from Iceland and 2% from Liechtenstein. Selection Committee in June 2021 indicated 17 projects for financing.

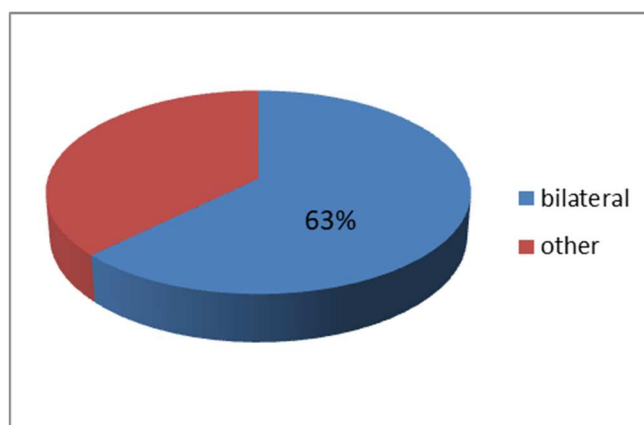
Under *Culture* infrastructure call partnership was encouraged (additional points in project assessment) and in the result 18 out of 20 recommended projects are designed in partnership. In 14 projects there is one partner from the Donor States, in 4 projects there are two partners from each of the Donor States,

⁴ Table does not refer to the SGS calls (*Innovation, Research*) and projects involved only in the IdeaLab calls 1st stage and *Local Development* call 1st stage.

The involvement of partners relates mainly to the implementation of the "soft" part of infrastructure projects, i.e. organization and implementation of cultural and educational activities and training during the implementation of investments.

In *Local Development* partnerships shall be forged on the agreements signing stage. On the occasion of information and promotional events preceding the call and during conferences on 13th January 2020 in Warsaw for 54 applicants selected for stage II of the call, both the PO, DPP and the Association of Polish Cities (ZMP) informed towns about the possibilities and principles establishing such partnerships. On 2 December 2020 in online conference organized by KS representatives of PO presented partnerships assumptions and Polish cities expectations on potential partnerships. KS declared to conclude matchmaking within 6 months from the Selection Committee, thus bilateral projects' number under *Local Development* programme can not be determined yet.

Chart 4. Bilateral projects in the overall number of financed projects.⁵



For now, there are **274 bilateral projects** with decision of financing, being close to 2/3 of the financed projects number (436)⁶ and the number presumably should grow of at least 20. A target value of bilateral output indicator set in the PA results framework is already achieved in case of *Basic Research* and *Environment*. It is highly probable in *Culture* and *Local Development*. If no additional projects shall be financed (from the programme savings or in the result of MTR procedure), one may already assess that *Applied Research, Innovation* and *Home Affairs* have not reached their target values. One should however take into consideration that majority of projects submitted in the calls had budgets close to the high limit set in the call documentation. This entailed lower number of the projects financed (exhausting available allocation) and, naturally, lower number of the partnership projects.

4.3 Predefined projects (PDPs)

According to the PAs, there are 16 predefined projects envisaged in 6 programmes. They are already positively appraised, verified and notified to the Donors.

⁵ *Local Development* bilateral projects not included, number shall be determined in due time.

⁶ Number refers to the calls where partnership was allowed (i.e. all calls beside SGS under *Innovation* and *Research* programmes). Considering all 558 projects financed, bilateral projects make share of 49%.

Table 11. PDP overview

programme		PDP title	maximum eligible costs/grant amount €	notification date
LOCAL DEVELOPMENT	1	Strengthening capacity of medium and small cities in Poland for implementing effective development policies	13 000 000	29.04.2019
ENVIRONMENT	1	Strengthening of atmospheric deposition assessment in Poland based on Norwegian experience	2 000 000	09.10.2020
	2	Services provided by main types of ecosystems in Poland – An Applied Approach	1 752 940	24.09.2020
	3	Capacity Building of Key Stakeholders in the Area of Geothermal Energy	900 000	16.10.2020
CULTURE	1	Jewish Cultural Heritage	10 000 000	02.03.2020
HEALTH	1	Tackling social inequalities in health with the use of e-health and telemedicine solutions	5 800 000	02.02.2020
	2	Healthy lifestyle of children and youth	5 000 000	20.01.2020
HOME AFFAIRS	1	Protect minors, including unaccompanied minor asylum seekers, from abuse	461 000	31.10.2019
	2	Improving the process of gathering, analysis and estimation of evidence in the area of fight against cross-border cybercrime with use of IT labs network of the Polish Police	4 424 625	14.10.2020
	3	Police and non-police international cooperation in the search for the most dangerous criminals in Europe	262 000	31.10.2019
	4	Documents – Safety and Control, including Tactical ID-control	776 629	31.10.2019
	5	Strengthening of the EU borders protection through the development of cynological training activities, infrastructure expansion, redevelopment and upgrading	535 030	31.10.2019
	6	The Process of Coordination and Standardisation in the Field of CBRNE as an Element of Prevention, Preparedness and Response	7 250 000	12.02.2020
JUSTICE	1	The pilot rehabilitation complexes for inmates	56 470 588	02.10.2020
	2	The Integrated System of Domestic Violence Prevention	2 000 000	11.09.2020
	3	Preventing violence against the elderly and people with disabilities	1 500 000	22.09.2020
	16		112 132 812	

7 of them were agreed upon in the pandemic circumstances, which makes quite an achievement considering that in each PDP many partners including Donor states entities. COVID-19 related restrictions marked also predefined projects implementation. Most of the PDPs are complex initiatives and were initially planned to be implemented till 2023 or 2024. They all envisage execution of activities in partnership, workshops and activities more efficient in direct contact. For that reason many activities were postponed till travel restrictions are lifted.

Justice PDPs make significant (53%) share of the PDP allocation. Considering the amount (€ Mln 60) and infrastructure character of one of them, risk of not implementing them shall affect the Grants considerably. It is another arguments advocating eligibility period extension.

Under *Home Affairs* PDP V "Strengthening of the EU borders protection through the development of cynological training activities, infrastructure expansion, redevelopment and upgrading" Commander of the Border Guard Centre for Specialized Training in cooperation with Cynological Centre of the State Border Guard Service of Ukraine in Velyki Mosty and State Border Guard Service of the Republic of Lithuania organised in April 2021 three day international kick-off conference on training for cynology instructors-selectors with aim to increase efficiency of patrol, guard, tracking and special tasks dogs. Practical use of the knowledge and experience exchange shall take place on site.

<https://www.oss.strazgraniczna.pl/oss/aktualnosci/41217,Miedzynarodowa-Konferencja-Kynologiczna-pt-Wzmocnienie-ochrony-granic-UE-poprzez.html>

4.4 Programmes implementation status

NFP analysed progress of each programme assessed their implementation phase in a one to three scale, where 1 means the least developed programme and probably most risky, 2 – progressing one and 3 - advanced programme.

Table 12. Programmes implementation phase.

	PA	programme phase assessment		
		least advanced (1)	progressing (2)	advanced (3)
EDUCATION	8 March 2019			
BASIC RESEARCH	7 Jun 2019			
APPLIED RESEARCH	7 Jun 2019			
CULTURE	12 Sep 2019			
BD&INNOVATION	12 Sep 2019			
LOCAL DEVELOPMENT	25 March 2019			
HOME AFFAIRS	12 Sep 2019			
ENVIRONMENT	7 Feb 2020			
HEALTH	12 Sep 2019			
JUSTICE	13 July 2020			

The analysis referred to the status of the calls (in 3 programmes there are still projects under assessment; there are still 4 calls in 3 programmes expected), projects’ contracts signing progress and PDP implementation phase. Another risk factor that was taken into consideration is the programme budget and projects’ maximum duration (allowed in the call documentation) vs. expenditures eligibility deadline. For the time being it seems there are 2 risky programmes and 6 where the progress is visible in spite of challenges. Research programmes are the most advanced, but their success is dependent on a tight schedule.

As the PO submitted their Annual Reports in February 2021, the information on the programmes below is in the nutshell. Nevertheless it is clear that it is too early to report on the results achieved as the most programmes are at the stage of the projects contracting.

Business Development and Innovation

Under the calls in the area of Green Industry Innovation, Blue Growth, Welfare Technologies and Small Grant Scheme for female enterprises PO received 740 applications and 157 of them in partnership with Norwegian entities. Delays in assessment resulted mainly from COVID-19 related extended procedure of selection of external experts for content-related appraisal (Innovation Norway is actively involved in evaluation of partnerships projects) and necessity for corrections at the stage of administrative and eligibility check of 90% of applications. Signing the projects contracts should be completed in second half of 2021. Information events in Polish cities were very popular (ca. 900 participants). Webinars - recorded and published on the programme website - were watched by 326 persons in the real time and more than 6,600 people later. The main challenge was to mobilize satisfactory number of Norwegian entities in the bilateral events. It should be stressed that the actual financial condition and ability of companies to finance the projects will be confirmed by the proof of co-financing, which is required just before signing the project contract (second half of 2021).

High quality level approach resulted in decision of a lower number of projects contracted than allocation allows in Welfare Technologies (€ 13 957 497,13 of grants vs. € 18 700 000 of call allocation) and Blue Growth (savings of over € 40 200) areas. There is however a significant number of reserve

projects feasible for financing under Green Industry Innovation. Under Small Grant Scheme 56 applications were financed, remaining call fund should be determined asap. PO intends to commence PA modification resulting in the budget shifts between the calls. The MTR additional funds are also taken into consideration.

Basic Research

There was a great demand for the grants: 306 Polish-Norwegian research projects applications have been submitted in all disciplines of basic science (GRIEG). 297 applications fulfilled formal criteria of which 28 projects have been recommended for funding. Signing project contracts is almost finished. 19 projects still on the recommended reserve ranking list. 39 out of 99 research projects led by incoming researchers of any nationality, including Polish nationals were provided a small grant under POLS scheme open mid March – mid June 2020. Agreements are being signed.

After the ground-breaking interdisciplinary research IdeaLab workshop, which took place at the beginning of March 2020 full project proposals were submitted. The deadline was extended by 3 weeks till 8th June 2020. 3 out of 6 were selected for funding of € Mln 5,3. IdeaLab project contracts has been signed. Having the annual reports assessed (external reviews) Programme Committee members (in separate voting for each project) during the meeting on 28th of May 2021 recommended all projects to be terminated.

Wide promotion of the call was channelled through programme website, social media, 2 info-days that were carried out in October 2020 in on-line formula.

The main challenge for 2021 is to use savings, as research projects require usually at least 3 years for implementation, thus schedule is extremely tight. The Programme Operator will also monitor an impact of the pandemic situation on implementation of projects as there are based on international cooperation between Polish and Norwegian entities. The MTR additional funds are also taken into consideration in due time.

Applied Research

74 applications were submitted (for the amount of € Mln 96) in the POLNOR 2019 - bilateral Polish and Norwegian research projects in the areas of welfare, health and care, digital and industry, energy, transport and climate, food and natural resources, social and economic development, unmanned vehicles. 38 applications were recommended for financing, 37 agreements have been signed. The last agreement is planned to be signed in June 2021. In the result of bilateral Polish – Norwegian research projects in the area of CCS capture and storage (POLNOR CCS 2019) 17 applications were submitted and 6 of them have been recommended for financing, agreements already signed.

IdeaLab workshop ‘Cities for the future: services and solutions’ took place at the beginning of March 2020. Full project proposals were to be submitted by 8 June 2020 (deadline was extended by 3 weeks). 3 out of 6 full projects proposals were selected for funding for € Mln 5,3 and agreements signed. € Mln 1,3 of allocation left.

Small Grant Scheme for female researchers in applied technical sciences was launched on 28 September 2020. Out of 335 applications submitted till 11 December 2020, 27 were recommended for financing. Agreements are on their way.

Wide promotion of the call was channeled through programme website, social media, 2 info-days that were carried out in October 2020 in on-line formula. Main challenge for 2021 is to use the remaining

savings from Idealab call. The Programme Operator will also monitor an impact of the pandemic situation on implementation of projects as there are based on international cooperation between Polish and Norwegian entities. The time schedule of the projects remains tight.

The MTR additional funds are also taken into consideration in due time.

Health

Call for proposals shall probably be commenced in October of 2021. The delay is caused by PDP1 which is expected to deliver models necessary for open call in June 2021, epidemiological restrictions and change of selection procedure for experts to develop models as well as unsuccessful tendering. Meanwhile, expert teams are working intensively on models in those areas where the tender has been accomplished: cardiology, geriatrics, psychiatry and chronic diseases. The tendering in relation to the other 3 domains: obstetrics, diabetics and palliative care is still pending, but PO is considering the development of the model by experts appointed within the Ministry of Health, with the participation of a national consultant in the field of palliative care - such solution gives an opportunity to develop the model by the end of June 2021.

As regards PDP2, Norwegian partners had met the deadlines for the preparation of good practice reports for the three modules. These reports were accepted and approved by the beneficiary and are currently being verified by the PO. The PO emphasized that the milestone for the second quarter of 2021 is signing contracts with contractors and setting up working groups.

Beneficiaries of the pre-defined bilateral initiatives (1 - inequalities in health, 2 - antimicrobial resistance and vaccination) submitted their initial applications by March 2021. Agreements will follow asap. Most realistic date for the webinar is early autumn 2021.

The time schedule for programme activities is very tight – taking into consideration the call for proposal still to be launched.

Local Development

The second stage of the call has ended. All 54 projects were delivered to the Programme Operator by 30 October 2020 (deadline extended), in accordance with modified terms of the call. After formal appraisal, 53 complete project proposals have been formally approved on 16 December 2020 and were subject to content-related assessment which lasted until 22 March. Each complete project proposal was evaluated by 3 independent experts (similar to the assessment of the project outlines).

At the Project Selection Committee meeting on 31 March 2021, PO submitted the proposal of extending the ranking list from about 15 to 29 co-financed projects which scored at least 60% of the points. The PO argued that the cities, especially those participating in the call, suffered a great deal from the pandemic, thus a better solution in the current circumstances would be to give an impulse for a larger number of cities than supporting only a narrow group of beneficiaries. Obviously, the possible co-financing would have to be lower than that requested by the cities. Co-financing at the requested level (€ 10 million) would be possible, if about 10 cities were taken into account. What is more, providing support for a narrow group of recipients in the current economic situation would lead to even greater disproportions among cities, that is something the whole programme was supposed to prevent in the first place. The FMO has questioned this proposal in a letter of 3 May 2021 providing its significance to the objectives and initial structure of the Programme. PO renewed the request for modification of the Programme in a letter of 13 May presenting a boarder justification of the proposed change. On 2 June

2021 FMC decided to follow NFP proposal.

Time remains a crucial risk factor for the programme, especially hampered with the pandemic at the local administration level. Assuming signing project contracts in second half of 2021, there are 2 years for their implementation. It could be challenging in case of investments to be dealt with.

The Association of Polish Cities (APC), operator of the predefined project, offered technical assistance to project teams in the cities working on the complete project proposals, but mainly through on-line mode. All the cities have successfully completed in-depth diagnosis of their situation indispensable for preparation Local Development Plans and Institutional Development Plans. APC provided in total 2734 advisory sessions, including: sessions on-site in cities (514), on-line session (1186), training workshop (520 of which 169 on-line). A total number of 3300 unique participants took part in the advisory process (on average 60 per city), including 1129 representatives of social partners. APC advisors reported contribution to 353 reports from analyses and surveys, as well as they have contributed to 249 planning documents. Lastly, 14 thematic seminars were carried out within the framework of Forum of Local Development gathering on-line 3250 representatives of Polish cities participated in these events (till XI 2020) – on average 270 persons for each seminar.

Justice

PA was signed on 13 July 2020. Within the *Justice* programme three predefined projects are implemented: PDP1 - Pilot rehabilitation complexes for inmates, PDP2 - Integrated System of Domestic Violence Prevention and PDP 3 - Preventing Violence Against the Elderly and People with Disabilities. Last of them was notified on 2 October 2020. Two small grant schemes are planned for March 2022 under Outcome 2 Improved domestic violence prevention system: SGS 1 - Pilot implementation of integrated prevention programmes (establishing family centres, linked to PDP2) and SGS 2 - Preventing violence against the elderly and people with disabilities (pilot implementation testing of the model for support in 24 municipalities, linked to PDP3).

The predefined project promoters initiated activities, launched public procurement procedures, which are especially important for the implementation of PDP1. They also work on procedures and issues connected to cooperation with their partners.

It should be emphasized that the project implementation plans are extremely tight as the PA was signed late. Timely implementation of the projects requires joint and intensified efforts and activities of all the involved parties. Time-related risk, especially in case of infrastructure part is increasing, thus eligibility period extension seems to be inevitable to achieve the set goals.

The MTR additional funds are also taken into consideration in due time.

Home Affairs

On July 1, 2020 the Selection Committee for the open call PA20 took place. The call was launched in November 2019 and lasted over 3 months. 8 out of 34 submitted projects have been approved for financing and additional 3 have been approved at reserve list. 6 project agreements were signed, remaining to be expected in the second half of 2021.

Two sessions of the Selection Committee for the open call PA18 took place (December 2020, January 2021). The call was launched in May 2020 and lasted over 3 months. 5 out of 26 submitted projects have been approved for financing and additional 2 have been approved at reserve list. 1 project agreement is already signed.

Within the programme 6 PDPs are foreseen to be implemented. All of them have been notified. For 5 of them the project agreement have been signed. The remaining one (PDP I) is in the preparation phase and the signing agreement is planned mid 2021. All projects suffer due to the COVID-19 restrictions. The conferences, meeting, study visits, trainings and other activities of similar nature are mainly planned within the projects. The beneficiaries informed that a lot of them have been postponed and could not take place in the time which was previously planned.

Education

The biggest challenge for the programme was the outbreak of COVID-19 pandemic. As a result projects from the first call needed to be prolonged and the project promoters, where possible, adjusted projects to the existing restriction, for example by replacing physical activities with online ones. Also plans for next calls were affected by the situation. Bearing in mind travel restrictions, it would be highly ineffective to announce call as planned in the spring 2020, as part of the programme is entirely dedicated to mobilities of students and staff, while in the other study visits or another bilateral initiatives connected with travels are important part of project. Hence the PO in cooperation with DPPs after the consultation with the FP and the FMO decided to change the plans for future calls.

According to the updated plan instead of the second call in 2020 and third call in 2021 the PO announced one call in January 2021 with combined allocation. Basing on experience from the first call, where the highest competition was in component III and IV, allocation for these will be, accordingly, € 6 513 589 and € 5 673 589 out of the total € 14 381 096. PO and DPPs also decided to strengthen the bilateral aspect of projects within this call through promoting criteria to be used in the appraisal process.

On the *Education* website PO provides applicants with step by step detailed guidance on applying, presenting requirements, good practices and internet platform in English which should help to facilitate partnership cooperation. Applicants may also confront their ideas with similar ones implemented under the programme previous edition.

<https://education.org.pl/en/strefa-beneficjenta/before-submission/>

Environment, Energy and Climate Change

There are 12 calls in the programme, all of them announced in 2020. Those in the area of circular economy and pellet are two stage calls. Second stage call for circular the economy have been announced in March 2021. In the area of pellet 1st stage selection took place end May: for the final call 7 beneficiaries were invited. On 20 May SC discussed calls under the outcome “Environmental status of ecosystems improved”(Outcome 2) and decided to recommend 10 projects under management of ecosystems, 5 projects under protection against invasive alien species and 14 projects under Small Grant Scheme. In the result of the recent Selection Committees projects received financing under green and blue infrastructure in cities (14), municipal heating systems (14), modernization of small hydropower plants (2) and geothermal energy (1). For other three calls (cogeneration, energy efficiency in schools, climate change awareness raising in schools) SC are planned after summer holiday . These calls noted large number of appeals, therefore assessment is prolonged.

Launching conference was held at the beginning of March 2020. PO carried out number of promotional activities: 2 matchmaking events for the potential partners (March and June 2020) and a number of

online trainings, workshops for potential beneficiaries. In 2021 online workshops in the area of pellet was provided to the potential beneficiaries.

Within the programme, 3 PDP are envisaged: strengthening the assessment of air pollution, description of services provided by ecosystems, building administrative capacity in the area of geothermal energy. They were assessed in the third quarter of 2020 and FMO notified. PDPs are being implemented.

Upcoming months are going to be extremely busy for the PO. Plans for the future are focused on the Selection Committees on the closed calls. Signing contracts shall be closed by the end of first quarter 2022, with exceptions for two-stage calls where the whole process may last slightly longer. The MTR additional funds are also taken into consideration in due time.

The time is main risk factor for the programme.

Culture

Calls for Outcome 1 (infrastructure) and Outcome 2 (the first of 3 foreseen in access to arts cooperation projects) were closed end March 2020 (prolonged by 2 weeks due to COVID-19 outbreak and cooperation disrupt). 20 infrastructural projects (out of 224 proposals submitted) were awarded grants and exhausted the amount available (€ 60,170,558) - 17 of them involve partnership with an entity from Norway and 1 with an entity from Iceland. Agreements were signed in Q1 and Q2 2021. 13 contracts (selected out of 76 applications) were signed in Outcome 2 for € 3,590,050. The second call for proposals for Outcome 2 was launched on 16 November 2020 and the applications were due till 22 January 2021. Surprisingly, though unfavourable circumstances for bilateral cooperation, demand for grants was even bigger than in case of the first call: 95 applications came and 79 (including 2 after appeal procedure) of them were evaluated by both Polish and Norwegian experts. On 22 June 2021 Selection Committee decided to finance 17 top list projects. There is still 3rd call in Outcome 2 expected to be launched in 4Q 2021.

The compliance with the non-discrimination rules of the EEA and Norway Grants was assessed in case of two projects: "The reconstruction of the historic Stefan Żeromski Theatre in Kielce for the needs of preserving cultural heritage and expanding its cultural and educational activity" submitted by The Stefan Żeromski Theatre in Kielce and "Establishment of the Museum of Wilamovian Culture in Wilamowice - Construction of Museum of Wilamovian Culture building" submitted by Wilamowice Commune. In case of Wilamowice the decision on payments suspension was undertaken by the Donors (letter of 29 January 2021). The issue of Teatr Żeromski is still with FMO.

Due to pandemic some of the PDP activities planned for 2020 by Museum of Polish Jews POLIN were postponed and a part of the lessons, activities and educational actions were implemented on-line or in the hybrid form. Savings were used to buy additional educational packages for children and youth as well as the computer equipment for providing in on-line or hybrid form the activities.

According to the 4th interim report on POLIN predefined project there are considerable outputs reflecting its progress in spite of restrictions that negatively affected museums and social gatherings in general. Till April 2021 there were 2.629 activities organized making 51% of the target value, 1.314.552 participants engaged in these activities (114% of the target value) and 2.096.417 sessions on the internet, which makes 42% of the target value.

* * *

There are 3 programmes implemented according to the Article 6.13 of the *Regulation*.

Decent Work

61 projects submitted within the first open call (2019) were shortlisted to 48. Finally 44 projects got granted, that gives 72% success rate. Second open call has been announced on 28 January 2020 and prolonged till 3 June due to pandemic. Within this call one additional project (out of 7 submitted) has been chosen for funding. The project objective is to improve the cooperation between the social partners and public authorities on labour market challenges by activities facilitating access to employment, including for young people through emphasis on importance of vocational training. Activities include research, awareness-raising, training and conferences.

Predefined project of Ministry of Family, Labour and Social Policy has been submitted for appraisal to the PO on the 6 April 2020. Assessment and signing the partnership agreement with Confederation of Norwegian Enterprises was prolonged due to pandemic breakout. Nevertheless the process has been successfully finalized and on 10 August 2020 PO obtain Grant Offer Letter.

Travel support offered by the PO – due to travel restrictions related to pandemic – cannot be use at present situation.

Civil Society

Under the Civil Society programme, with FMO as Programme Operator, in Poland allocation of € Mln 30 is dedicated to the Active Citizens Fund (ACF) National and € Mln 23 for the ACF Regional.

Stefan Batory Foundation, in consortium with Unit for Social Innovation and Research “Shipyard” and the Academy of Civic Organisations Foundation (FAOO) is a Fund Operator of ACF National and provide support for activities conducted by social organisations in four outcomes:

- 1: Increased citizen participation in civic activities, which includes environmental protection measures and measures to stop climate change (coordinated by the “Shipyard” Centre for Social Innovation and Research Foundation)
- 2: Increased support for human rights and antidiscrimination practices which includes measures to prevent gender-based violence (coordinated by the Stefan Batory Foundation)
- 3: Increased empowerment of vulnerable groups (coordinated by the Stefan Batory Foundation)
- 4: Enhanced capacity and sustainability of civil society organisations and the sector (coordinated by the Academy of Civic Organizations Foundation)

The organisations were invited to apply for funding for activities in the outcomes listed above in three calls for applications for grants: two for thematic projects (outcomes 1-3) and one for sectoral projects (outcome 4).

First thematic call projects outlines were due 10 February – 15 April 2020. Out of 1317 proposals 385 were invited for the full project proposal submitting 15 June – 10 August 2020. 223 out of 350 submitted projects were awarded grant.

Second thematic call projects outlines were due 7 December 2020 – 11 January 2021. Out of 1588 proposals 366 were invited for the full project proposal submitting 8 March – 19 April 2021. 332 projects were submitted, list of the projects funded shall be published on the fund website <https://aktywniobywatele.org.pl/en/> on 2 August 2021.

Project outlines under call for sectoral projects were expected from 6 May until 30 June 2020. 60 out of 388 detailed projects were submitted from 27 August till 26 October 2020 and 32 got financing requested.

Grant applications could be submitted under sectoral monitoring and advocacy call from 18 January till 15 March 2021. 65 projects were submitted, list of the 6 projects funded with over € 800 000 was published on the fund website on 31 May 2021.

On 1 September 2020, an agreement was signed for implementation of the Active Citizens Fund – Regional programme. The aim of the programme is to enable long-term enhancement of social welfare organisations in Poland (in particular those that operate in small towns) and develop the civil society, for which social diversity, equality, and dialogue are of particular value.

Consortium of the Foundation in Support of Local Democracy/Fundacja Rozwoju Demokracji Lokalnej (consortium leader), the Information Society Development Foundation/Fundacja Rozwoju Społeczeństwa Informacyjnego, the Education for Democracy Foundation/Fundacja Edukacja dla Demokracji provide support under the following areas:

1. Defending human rights (including gender equality issues).
2. Measures to further social diversity and empowerment of vulnerable groups.
3. Building a culture of democratic values and civil involvement at a local level (including environmental protection issues).
4. Providing support for the social welfare sector.

The first call was launched on 17 March 2021. Till 17 May 716 projects were submitted, content-related evaluation is due 30 September 2021, list of the projects funded shall be published on the fund website <https://aktywniobywatele-regionalny.org.pl/en/home/>.

In addition to the calls for projects, awareness-raising measures will also be conducted to improve the skills of persons connected with the social welfare sector.

Fund for Youth Employment

On 1 September 2020 a call was launched with € 11.5 million available for transnational projects with partners from the 15 beneficiary States (including Poland), as well as organisations in Ireland, Italy and Spain. The funding is reserved for initiatives seeking to ensure access to employment, education or training for:

- Young people not in employment, education or training (NEET) who are between 25 and 29 years old and live in small towns, suburbs or in rural areas;
- Young mothers not in employment, education or training (NEET) who are between 25 and 29 years old and
- Long-term unemployed people who are between 25 and 29 years old.

The deadline for submission of the proposals was scheduled for 5 January 2021. The applications are under assessment, funding decision is expected in June 2021.

Fund for Regional Cooperation

The Fund for Regional Cooperation supports projects addressing common European challenges through regional cross-border and transnational cooperation in the form of knowledge sharing, exchange of good practice and capacity building across within the following priority sectors:

- Innovation, Research, Education and Competitiveness;
- Social Inclusion, Youth Employment and Poverty Reduction;

- Environment, Energy, Climate Change and Low Carbon Economy;
- Culture, Civil Society, Good Governance and Fundamental Rights and Freedoms;
- Justice and Home Affairs.

The projects foreseen within the fund are regional cross-border or transnational in nature and involve partners from beneficiary countries, neighbouring countries and EEA EFTA countries.

The Fund operates on the basis of calls designed and launched by the EEA EFTA countries with support from their secretariat the FMO. The FMO implements the Fund with assistance of the fund operator, a consortium consisting of Ecorys Polska and JCP.

The total amount of the fund is € Mln 31.89, of which € Mln 15 was made available for the first call for proposals announced in January 2018. The 700 project proposals has been submitted in June 2018. After 10 months of assessment by the EEA EFTA states, 42 project consortia were invited to submit a full proposal for funding and 40 were submitted. 20 consortia projects have been selected by the Financial Mechanism Committee to receive funding. Among them 4 are led by the Polish entities. The implementation period is expected to start in the autumn.

The decision to cancel the grant award to project “Carpathian Route (...)” due to the non-compliance to the horizontal rules of EEA and Norway Grants by the Świętokrzyskie Voivodship (who adopted so called “against LGBT ideology resolution”) was undertaken solely by the Donors in September 2020.

4.5 Financing of the programmes - summary

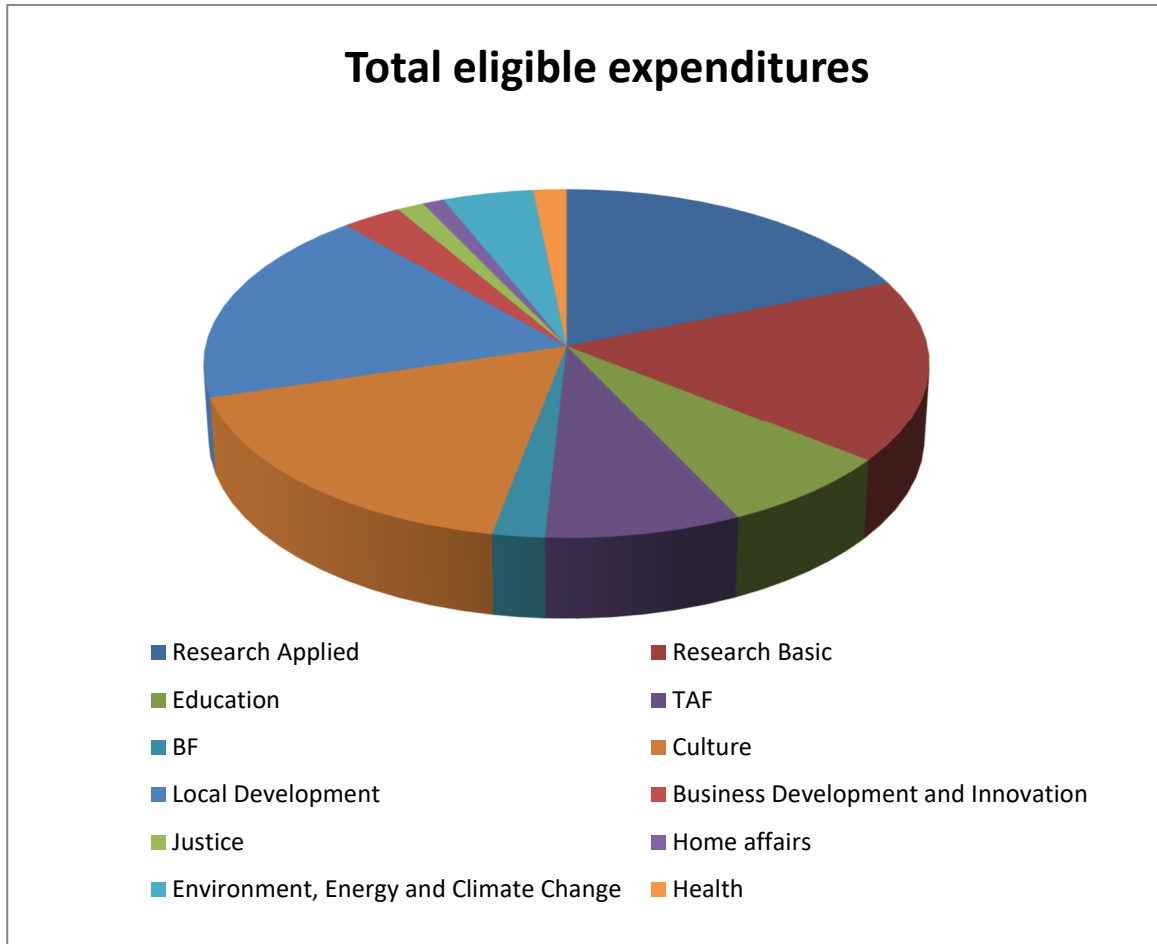
Total expenditures till the end of March 2021 amounted over € 53 million⁷ (PLN 236 million). Growth of expenditures resulted from higher number of activities that might have been undertaken after programmes approval and stepping into implementation phase. Nevertheless, incurred amount (grant) constitutes only 6% of the allocation. It clearly demonstrates that we struggled with delays in this perspective of FMs. Additionally, the outbreak of COVID-19 pandemic had and still has impact on the level of spending. Inconvenient and uncertain situation influenced not only the management costs incurred by the POs, but also had direct impact on prolonging the open calls/predefined projects and as a result, the spending of funds by project promoters.

The reported expenditures are mostly programme management costs incurred on tasks related to launching of programmes and promotional activities (which were mainly online), calls’ documentation preparation, as well as costs of first assessments process in more advanced programmes.

Generally similar spending level is noticeable in the majority of programmes, however the *Local Development* and research programmes have the highest share in the total expenditures. This is connected with the advance payment made for needs of the pre-defined project under *Local Development* and individual projects in case of both research programmes.

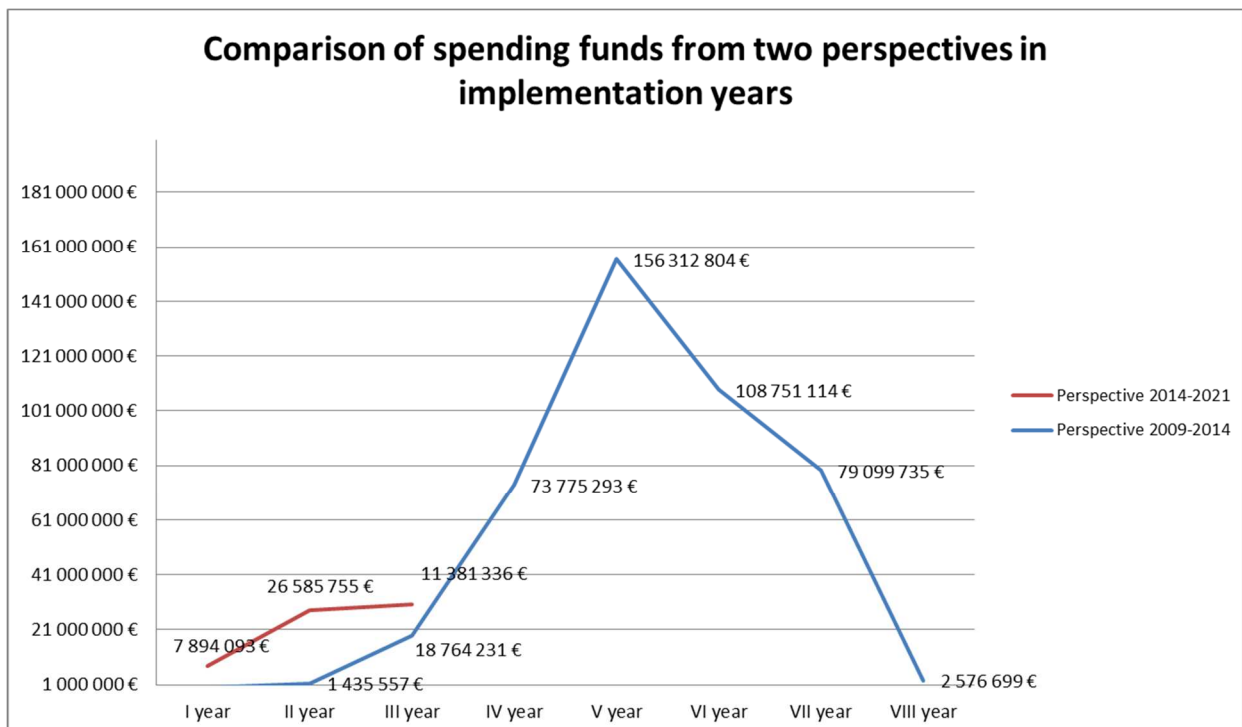
⁷ The amount includes expenditures certified in IFRs in March 2021 and amounts incurred by the PO in the first quarter of 2021 which are being verified.

Chart 5. Total eligible expenditure (till March 2021)



Comparing data from two perspectives demonstrates that the level of disbursement of funds in the current perspective is much slower than it was in the perspective of 2009-2014 and less dynamic.

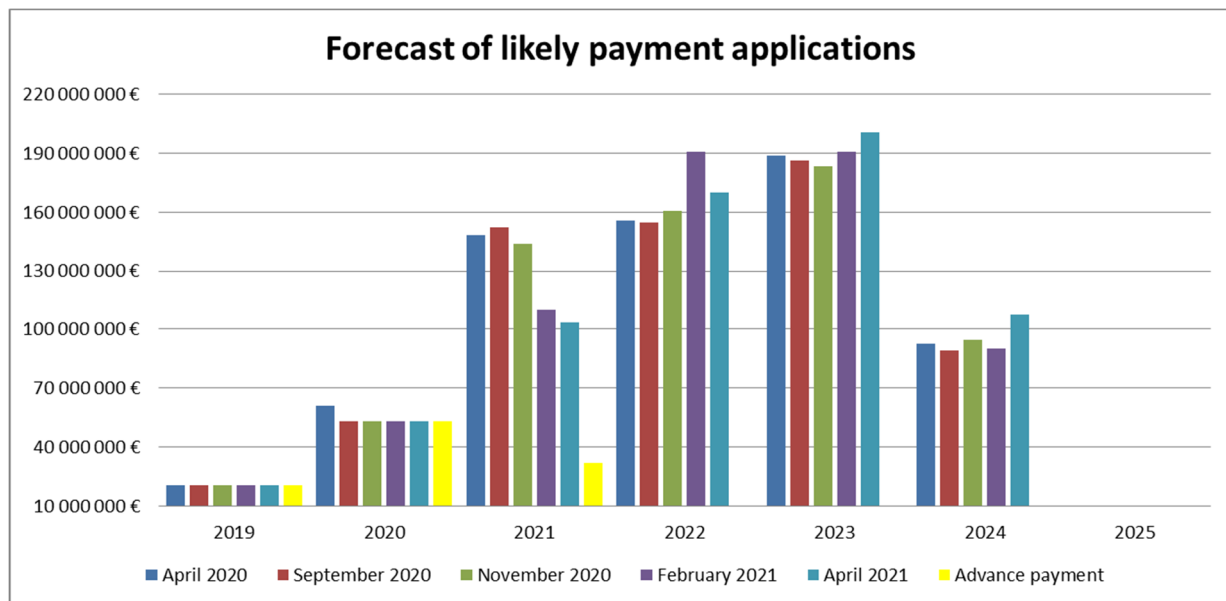
Chart 6. Two perspective expenditure comparison.



It probably results from the time consuming initial phase of the programmes preparation and the fact that programmes entered the implementation phase during the pandemic time.

Moreover, the slowdown in programme application for payments is also visible by comparing the amounts of payment forecasts provided by the POs. Although amounts indicated for 2020 remained at a similar level of approximately € 50 million, some deviations for the following years are observed. Uncertain global situation and factors independent from POs engagement hinder preparation of payment prognosis and make them rough. Taking into account forecast of likely payment applications submitted in April 2021 the amount for 2021 has been reduced by approx. € 6,6 mln and lower by ca. € 40,8 million than forecasted in November 2020.

Chart 7. Payment forecast.



Total FMO disbursement amounts to over € 105 million which is 15,8% of allocation (excluding reserve amount). Taking into account only the amount transferred by the FMO in March 2021 (€ 31,8 million), it represents 31% of the forecast of likely payments presented to the FMO in April 2021 for the year 2021 and the rest is aimed to be applied in September 2021 if activities planned by the POs will go as planned. The prognosis are analysed carefully by NFP and are prepared as accurate as possible in a given moment of preparation.

4.6 Programmes implementation – next steps

There are still 4 open calls under 3 programmes to be launched, which entails preparatory works, documentation development in cooperation with DPPs and FMO, assistance provided to applicants during the open call (info-days, match making events, workshops), selection procedure and contracting the grants. 11 calls are in various assessment phases, followed by selection and contracting. Having the projects granted, POs – in order to improve efficiency - are to provide the beneficiaries with workshops on project implementation and reporting and shall carry out monitoring to find potential disbursement flaws as soon as possible and address them in the most appropriate way.

At the horizontal level, MoU reserve allocation is still being managed. Having the agreement reached in June 2021, the MoUs need to be formally changed asap and relevant programmes PAs need modifications and POs charged with additional tasks according to the allocation purpose.

4.7 MoU special concerns and/or conditions set in the PAs

All requirements specified in the MoU (the special concerns) and conditions set in PA (where relevant) have been addressed adequately. Detailed reference in the table attached (MoU conditions marked in green).

In 2020/2021 the compliance of the EEA and Norway Grants implementation with the horizontal rules specified in the Art. 1.3 of the Regulations was stressed. The non-discrimination was confirmed by the Polish side. Referring to the adoption of the resolutions against so-called “LGBT ideology” by some of the self-government units in Poland, the Donors indicated when a violation of Art. 1.3.1 of the Regulations is to be stated (letter of 4th December 2020). NFP informed POs and declared all the issues are to be examined carefully.

4.8 Challenges faced related to absorption/disbursements, with implemented solutions

Though status of individual programmes differ, but in general they follow the same pattern, procedures and the whole time framework remain valid for all. NFP facilitates the process and tries to make it coherent, working closely with the Operators and FMO. The most challenging is to meet the schedule since the Programme Agreements were signed later than forecasted.

The greatest challenge since March 2020 was to address adequately and quickly COVID-10 related obstacles and minimize the economy crisis impact on the programmes activities. Most demanding was bilateral cooperation in the time of lockdown (social distancing, travel restrictions). General economy slowdown affected the infrastructural undertakings.

Project contracts conclusion shall be a major milestone for the POs. Operators are simultaneously assessing their savings and ways to use them without further delay. Expenditure eligibility deadline makes it extremely difficult for POs to achieve all targets and maximize disbursement. Even if all funds shall be successfully allocated, savings coming from overestimated or unsuccessful projects make the risk of underspending scenario come true. Time shortages force POs to proceed with various activities in parallel, straining their capacity. Most illustrative example for that strategy is PO for *Environment*, but also *Education* and *Innovation*.

Progress in most predefined projects needs acceleration. Implementation pace here is strictly dependent on partners and COVID-19 related restrictions. Several POs are expected to submit PA modification proposals with budgetary shifts resulting from necessary adjustments throughout the pandemic.

Schedules are usually tight and extremely sensitive to postponing activities that determine the next ones. There is no time reserve for the repetition of the calls. It is sensible to presume delays in investment process, connected with an increase in prices on the construction services market and the public procurement procedures (6-12 months). In case of large allocation predefined projects, like correctional services, there are no time reserve at the implementation stage already now. In case of projects implemented in the historical objects there is always a risk of delays in the investment process due to the necessity to carry out additional works, in agreement with a restorer.

PO's timetable is tight. There's no room left for the POs to extend the projects' duration even in case of justified delays, thus NFP frequently and on various occasions addresses the issue of eligibility period extension. NFP and POs perceive it as an effective risk management tool, inevitable to deal with the underspending and underachievement of projects.

Upcoming months appear to be just as intense as the period reported.

5. Status of bilateral funds

The Bilateral Fund – in total of 16 186 000 EUR is divided between the POs allocation part of 4 350 000 EUR and the part managed at the national level by NFP of 11 836 000 EUR.

Close to 1,2 million EUR is disbursed, which makes 7,38 % of the total BF allocation (13% of the POs part and 5,24% of the national level allocation). Numbers are obviously affected by travel restrictions and entry requirements of the countries over the pandemic. Respecting the necessary health precautions made it impossible for partners to meet in person and carry out activities that required direct contact or were most efficient once implemented in traditional, not remote, mode.

Three main strategies to manage the lockdown challenges and mitigate their negative impact were applied in Poland:

- to postpone the activities (initiatives' implementation period extension entailed),
- to go on-line (usually attracts more attendees and have broader reach),
- to modify the initiative, re-design or replicate the concept (reach a goal in a different way).

Examples of these strategies implementation and best practice cases shall be presented below.

a) Bilateral Fund part allocated to the programmes according to the MoU

Following numbers reflect the expenditure level incurred by the POs up to the end of March 2021 (column marked blue) in comparison to the expenditure reported in the previous Strategic Report.

Table 13. POs BF expenditure.

Programmes	Allocation	Recent SR: incurred expenditures €	Incurred expenditures €* €*	%
Applied Research	390 000	7 527	7 527	2%
Basic Research	260 000	9 463	9 463	4%
Education	250 000	21 320	53 575	21%
Local Development	400 000	126 888	126 888	32%
Environment, Energy and Climate Change	900 000	106 310	126 258	14%
Culture	600 000	7 051	144 358	24%
Business Development and Innovation	600 000	19 613	106 475	18%
Health	300 000	0	0	0%
Justice	400 000	0	0	0%
Home Affairs	250 000	0	0	0%
Total	4 350 000	298 172	574 545	13%

The table shows that *Local Development* has the highest level of spending of the bilateral funds, although still the same as previously reported. It means that for over a year there were no expenditures in BF in that programme. In case of *Environment*, second best previously, progress is rather scarce. On the other hand quite a progress is visible in Culture and Innovation programmes.

The programmes where no bilateral funds were disbursed are those where PAs have been signed at the later stage (*Justice*), call activities are still ahead (*Health*) or activities were postponed (*Home Affairs*).

It is expected that the use of the bilateral funds and in line with this - the pace of disbursement will be increasing in the next few years, as many activities has been rescheduled until restrictions are alleviated.

The Bilateral Funds managed by POs are used for different activities (described below). All of them are agreed with DPPs in the framework of Cooperation Committee or Programme Committee.

Pandemic induced strategies

The COVID-19 pandemic situation certainly affected the cooperation between programme and project partners, but soon they worked out remote tools to organize meetings and conduct efficient communication. There are several strategies to tackle the problem. Considering Bilateral Fund aim, postponing activities until more travel friendly circumstances seems reasonable. Many activities however moved on line, if they appeared efficient – CC meetings, matchmakings etc. Not only meetings, but many other activities switched online and were modified, accordingly. For instance, despite the social distancing requirements and other restrictions - a virtual tour for Polish experts among Norwegian institutions relevant for the implementation of telemedicine and e-health solutions in Norway under *Health* programme.

Cooperation Committees and Programme Committees – even if in remote mode - proved a platform for forging the programme and projects selection. The Cooperation Committee meetings are held regularly, usually up to 4 times in a year, but issues concerning the programme implementation were discussed on day-to-day basis. Working meetings (in *Health* programme even on a weekly basis) enable proper flow of information and exchange of experience.

Matchmaking meetings

Within the *Innovation* programme b2b and matchmaking meetings of Polish enterprises and potential mainly Norwegian partners were organized: in 2020 one event organized in Norway and one in Poland, followed by 6 online events, i.a. webinar and online b2b matchmaking on energy efficiency and energy-saving solutions for enterprises (25 February 2021) and business clusters and cooperation networks in the areas of "green" and "blue" technologies, as well as welfare technologies improving the quality of life (26 May 2021). An event dedicated to the “Environment and Climate Change” part of the Ministry of Climate programme (Outcomes 1 and 2) was held on the 3 March 2020 and one dedicated to “Energy” part of the Programme (Outcomes 3 and 4) was organised in turn as the online meeting on 25 June 2020. Polish applicants had a chance to meet their potential partners from Norway, Iceland and Liechtenstein. Within *Applied Research* on 27 May 2020 over 100 Norwegian participants (POLNOR 2019 and POLNOR CCS 2019 projects’ beneficiaries) participated in the event. In response to the pandemic situation, *Education* PO launched in October 2020 bilateral platform for education with 455 users from Poland, Norway, Iceland and Liechtenstein and on that basis organized 4 online bilateral workshops – 1 in 2020, 3 in 2021. The tool was established to facilitate cooperation between entities from Poland and Donor States. 3rd online bilateral workshop proved a joint success as it attracted many participants from all countries involved (Poland and Donor States) within 3 separate sectors: VET, HE and other.

Study visits

Most severely affected by the COVID-19 outbreak in Europe were naturally study visits. As foreseen originally, they were launched in *Culture*, *Education*, *Innovation* and *Local Development*. Out of 63 initiatives submitted under *Culture* programme (call deadline 1 March 2020) 54 were awarded grants up to the allocation available (EUR 205 000). Due to the restrictions resulting from the pandemic and lack of ability to implement foreseen activities, one of the project promoters terminated their 2 agreements, thus 52 financial agreements making for EUR 192 250 are currently being contracted. Understandably, only 4 visits were organised until the end of 2020. At the request of the PO, following

the decision of the Cooperation Committee, the time limit for the organisation of study visits was extended until the end of October 2021. The second call for study visits has been suspended. In *Local Development* study visits were conducted in 2020 for Polish local government officials in Norway, in order to establish contacts and learn about the specificity of the functioning of Norwegian local governments. Due to the pandemic situation, some of them moved however online. Under *Innovation* PO received almost 180 travel grant applications, 59 of them were considered responding to the requirements, 51 agreements were signed, but only in 37 cases grant disbursement took place. Another travel grants call in *Innovation* programme shall be launched in June 2021 to enhance bilateral activities implementation by supporting the mobility of Polish and Norwegian companies and entities. The grant should cover the cost of travel and admission fee to trade fairs and conferences, where bilateral events organised by PO with Innovation Norway are to be organised (more details below).

Due to pandemic, the interest in the *Education* call for preparatory visits was lower than expected. 16 applications were submitted and 12 recommended for financing. One initiative was completed successfully in August 2020 and the remaining planned for the first quarter of 2021 were held on line. The *Environment* PO has finalised the ranking list of the first call held within the Bilateral Fund - 7 projects met the criteria and were awarded grant.

Other activities

Other kind of bilateral cooperation is *Justice* PO involvement in the SYNERGY - an unique network of cooperation established by Norwegian Ministry of Justice and Public Security in the field of combating domestic and gender-based violence. The tool connects people from different countries and professions.

It's also worth mentioning that unique DiverCITY4 bilateral initiative continued under *Local Development* programme as a good practice of PL06 *Regional Programme* (EEA FM 2009-2014). Thematic workshops in 2020 were followed by the hybrid mode conference (Wroclaw Centennial Hall and online) in 22 September 2020. 270 people took part in the event (170 online, 100 on site) - 54 cities of LDP, cities involved in OECD cooperation, APC and City Advisors, cities of HSC and MRC competitions, Marshal Offices (revitalisation teams), MDFRP units related to local and urban policy and partners.

Under DiverCITY4 project was also conducted a workshop of Wroclaw University of Technology for 54 cities on tool stimulating low emission investments: 3 online meetings on 28 and 29 of September for 3 groups of ca. 18 cities each. The DiverCITY4 initiative is already completed.

POs plans for BF

Among foreseen initiative let us mention:

- two events scheduled in *Local Development* for June 2021: the OECD workshop with peer-reviewers, i.e. representatives of other OECD countries with practical experience related to similar challenges that are faced by Polish local self-government units and a summary conference launching the official version of the report to the wider public of Polish stakeholders at local, regional and national levels as well as to academia and NGOs;
- a study based on the British MQPL (Measuring the Quality of Prison Life) method, developed at the University of Cambridge on the quality of life of inmates and officers of the Prison Service. *Justice* PA19 area "Correctional Services and Pre-trial Detention", a joint initiative of the PO, DPP (KDI) and University College for Justice System (SWWS) including study visits to selected

prisons in Norway pilot project and adapting the tool to the Polish realities;

- number of seminars and business cooperation meetings for enterprises under *Innovation* programme: in the field of "blue growth" technologies at Baltexpo 2021 fair in Gdańsk (7 September 2021), Oslo Innovation Week 2021 (28 September 2021), in the field of "green" technologies at Bygg Reis Deg 2021 fair in Lillestrøm (21 October 2021), in the field of "green" and "blue" technologies at Envicon 2021 Congress in Warszawa or Poznań (October/November 2021) and the rescheduled events: seminar and business cooperation meetings for enterprises in the field of "blue" technologies at Nor-Shipping 2021 fair in Oslo (January 2022), in the field of welfare technologies at the Salmed 2022 fair in Poznań (24 March 2022);
- two day on line matchmaking seminar combined with open training for culture sector representatives in 2021 dedicated to the museum's sector and cultural management as well as audience development under *Culture* programme in October 2021; *Culture* PO three day study visit on creative industries and 2021 concerning the museum management with venue in Trondheim or/and in Bodø combined with the second CC meeting September / October 2021 in Norway;
- *Innovation* PO study visit to Norway with workshops on repayable financial instruments;
- developing a mechanism supporting the submission of applications to calls organized by the European Commission under Horizon Europe. The support mechanism is planned by *Applied Research* PO to be launched in 2021 and the disbursement of funds 2022-24;
- an on-line webinar under *Health* programme on vaccines in the pandemic time. The abovementioned webinar is to be held within the framework of the EEA and Norway grants' network for children and adolescent health established by the Norwegian Directorate of Health.

Still, because of the potential epidemic risk, all on site events will be implemented in remote mode (webinars and virtual matchmaking events) should the travel constriction be maintained or restored, trade fairs or conferences be cancelled or postponed.

Both postponing as well as shifting activities on line result in low disbursement (as presented above in the table) and greater risk of unspent funds. Although eligibility deadline set at April 2025 allows for cautious optimism, the issue needs to be raised.

b) Bilateral Fund part managed by NFP

The cooperation within the Joint Committee for Bilateral Fund continues. All the parties are engaged in the process and it goes smoothly. Following hitherto practice, NFP keeps JCBF informed on the BF status also via e-mail, like on 30 April 2020 - it was over a month since the COVID-19 outbreak in Europe and a hard lockdown, which affected BF deeply. Nevertheless, NFP tried to keep in touch with BF counterparts and be of assistance for the beneficiaries. Four initiative promoters decided to put off in time their eligibility deadlines, which resulted in the agreements modifications preceded with the new arrangements with the initiative partner(s) and payment reschedule.

With letter of 19 August 2020 to FMO NFP addressed also POs questions on IT equipment purchase within BF – the idea resulting from the need to move all activities on line. According to the feedback received, purchases of IT equipment that is specifically needed for bilateral initiatives (in other words: essential for activities specifically contributing to building bilateral relations) can be eligible pursuant to article 8.8.1 c) of the Regulations subject to the following conditions:

- purchase of the equipment must contribute directly to the bilateral objective,

- it must be necessary and proportionate.

Moreover, following article 8.2.4 of the *Regulations*, only the portion of the depreciation corresponding to the duration of the initiative is eligible (does not apply if the entire purchase price remains below the relevant depreciation threshold under national law). It was also confirmed that POs are to assess to which extent the equipment is essential for the implementation of the initiative implemented under their programmes since the rules of the call (confirming when the equipment is essential for the initiative) are accepted on the CC/PC meetings. NFP is to approve all IT expenditures, when they are financed within the predefined bilateral initiatives agreed on JCBF or under the calls (also agreed with JCBF).

The fact that, due to COVID-19, specific bilateral plans or already planned events would not be possible without the electronic equipment, its purchase appears to be an acceptable justification. This view was immediately shared with POs.

On 29 June 2020 on-line meeting with Norwegian Embassy and FMO representatives present, hitherto developments and current BF status were discussed.

In September 2020 (in remote mode) JCBF was asked to address the Work Plan modification. "Solidarity" exhibition was then approved for financing.

On 10 December 2020 JCBF attended an on line meeting and NFP presented state of play in the Bilateral Fund implementation in Poland. NFP communicated conclusions of the audit carried out in relation to the Bilateral Fund initiatives, namely these implemented by Lewiatan, PRIO and Warsaw University and concluded end of November 2020: Audit Institution voiced no comments or recommendations, which proves the quality of the procedures used. JCBF agreed on two new initiatives (Holocaust research cooperation between Polish and Norwegian institutions and NFP's proposal of BeFORme initiative) and unanimously adopted the Work Plan modification as proposed.

Recent BF IFR in March 2021 gave full picture of the fund use, challenges and opportunities beneficiaries have to face, as well as financial progress. Meanwhile, NFP was in regular contact with Norwegian Embassy and Liechtenstein to provide technical and procedural support, discuss new ideas and develop most valuable proposals. The last meeting with NOR Embassy was held on March 16, 2021.

The issue that raises deep concern is a slow disbursement pace. JCBF discussed possibility to invest more in quality and outputs delivery and advertising initiatives already implemented, idea to disseminate their achievements was also highlighted.

As of 11 836 000 EUR in total, 2 959 229 EUR (25%) was by May 2021 allocated for 13 bilateral initiatives (previous Strategic Report - 8,7%).

With expenditures of almost € 274 000 in the pandemic period (i.e. since March 2020), in total € 620 500 has already been disbursed, which makes 21% of the amount contracted till May 2021. Three next interim payments were made for Warsaw University (March, May & December 2020), three interim payments for food processing initiative (March & August 2020 & March 2021), two payments for the House of Literature (advance payment in June 2020 and final payment in May 2021), an interim payment for MiDeShare in March 2021, National Police Headquarter in February 2021 and first tranche for Share contractor (NFP own initiative) in April 2021.

Table below shows the bilateral initiatives as in Work Plan in force. At the moment, there are 13 initiatives included: 5 of them already concluded and financially settled (EFNI, PRIO, Wergeland Centre, Buskers festival, House of Literature - marked in grey), another 5 are in progress (green), 2 at an advanced preparatory stage (orange) and 1 at the earliest stage – adjourned till pandemic alleviation

(blue). Expenditures borne in 2021 indicated below may slightly change once they shall be reported in due IFR.

Table 14. Work Plan initiatives overview.

	Initiative	Beneficiary and partners	2018	2019	2020	2021	disbursed (€)	budget
1	Events linked to the European Forum for New Ideas (EFNI)	Polish Confederation „Lewiatan”	150 000,00				150 000,00	150 000
2	Trust across borders: State institutions, families and child welfare services in Poland and Norway	Peace Research Institute Oslo (PRIO); University of Gdańsk	63 010,60	52 166,71			115 177,31	115 177
3	Exchange of best practices: make cultural experience accessible to the general public (buskers festivals)	Schlösslekker Foundation, Vaduz; „Dundun” Asociacion, Wroclaw		3 538,12			3 538,12	5 000
4	Workshop Utøya (1): Young and Engaged V4 Citizens against hate speech and extremism	European Wergeland Centre in cooperation with the Norwegian Embassy in Prague and the Ministry of Culture of the Czech Republic; Chance Association, Poland		5 110,33			5 110,33	6 694
5	Innovation, valorization and business creation of side streams of food production and food processing	Institute of Animal Reproduction and Food Research, Polish Academy of Sciences; Matis Ltd. - Icelandic Food and Biotech R&D, University of Iceland			41 813,29	14 749,89	56 563,17	150 000
6	MiDeShare. Migration and Development: Sharing knowledge between Norway and Poland	Polish Institute of International Affairs (PISM); Norwegian Institute of International Affairs (NUPI)		39 615,96	0,00	38 527,40	78 143,36	104 358
7	Independent living of disabled students and graduates of higher education institutions	Institute of Applied Social Science, University of Warsaw (ISNS UW); ULOBA – Independent Living, Drammen (ngo); Inland Norway University of Applied Sciences		33 218,61	62 702,72	17 523,11	113 444,44	145 000
8	Knowledge of issues of internal legal order of the partner country, exchange of information, knowledge and experience as the key to increasing the effectiveness of law enforcement agencies in combating organized drug crime	Polish National Police Headquarters; Capital Region Police Headquarters in Reykjavik				12 863,43	12 863,43	90 000
9	SHARE. Contest for youth	National Focal Point, Poland; Norwegian Agency for International Cooperation and Quality Enhancement in Higher Education (DIKU)				41 492,85	41 492,85	150 000
10	Pilot project on Polish-Norwegian Literature Events for Children	House of Literature, Oslo; NorwayPolsk lørdagsskole Oslo/ Polish School, Oslo			31 167,67	13 000,00	44 167,67	43 000
11	“Solidarity” exhibition update and presentation – Historical Centre “Zajezdnia”	History Centre Zajezdnia, Wroclaw					0,00	
12	BeFORme - open call for the local initiatives supporting inter-generation learning	National Focal Point in Poland (with support of tbd. in component 2)					0,00	2 000 000
13	Education strategy for the Auschwitz-Birkenau State Museum in Oświęcim, including the usage of innovative technologies: virtual reality and internet/mobile platforms	Auschwitz-Birkenau Foundation					0,00	
* as of May, 2021			213 010,60	133 649,73	135 683,68	138 156,67	620 500,68	2 959 229

During the Annual Meeting in June 2019 EFNI and PRIO initiatives were summarised, European Wergeland Centre initiative and **Buskers** festivals also were completed and reported on in the previous Strategic Report.

5. Side streams of food production and food processing is a scientific issue but also immersed in the practical aspects of food industry. Pandemic delayed the initiative and agreement needed modification resulting in the eligibility deadline extension till the end of 2021 (further extension still may be needed). In the reporting period only the online activities could be undertaken: some activities scheduled for the interactive internet course and preparation meeting to the summer camp. The summer camp originally planned for 2020 was postponed for the second part of the 2021, provided pandemic situation allows

safe travelling and gathering. The beneficiary still observes the difficulties and delays implementation of the initiative.

6. MiDeShare aims at improving our understanding of the relationship between migration and development in order to suggest more effective policies for addressing root causes of migration. The research group comprises of 4-6 researchers from PISM and NUPI. The project is divided into five thematic blocks. For each block there will be three kinds of output, which also serve as project indicators: seminars, field research, publications. The project will be concluded with a report on best practices identified in the course of work, published by a renowned international publishing house and presentation of findings in Oslo, Warsaw and possibly Brussels. Due to the pandemic of COVID-19 the initiative budget, outcome and outputs were revised – the budget was reduced, outputs updated and the implementation period extended to December 2021.

7. The initiative of Warsaw University in partnership with ULOBA, Inland Norway University of Applied Sciences and Medvind Assistance Holding SA, Norway on **independent living of disabled students and graduates of higher education institutions** is to develop a model to support the employment of the students and university graduates in Poland, taking into account Norway's good practices and experience. Within the initiative a research is being conducted on a deliberately selected sample of representatives of institutions in Poland and Norway who are responsible for implementing public policies in the field of vocational activation and employment of young people with disabilities. 2 articles in English have been prepared - disseminating partial results of the initiative. Research was conducted in Poland and Norway. A new partner from Norway (Medvind Assistance Holding SA) joined the project. Conceptual work on the preparation of the final publication is in progress. The initiative is to be concluded in February 2022.

8. The aim of this initiative is to increase the ability of the Police Central Bureau of Investigation (CBŚP) to **combat organized crime**, mainly drugs related, through identification and elimination of differences between the activities of Polish and Icelandic Police and law enforcement agencies of the Scandinavian countries, including the development of methods, instructions and tools to combat illegal laboratories drug. The Police Central Bureau of Investigation is cooperating with the Icelandic Police in a case concerning the neutralization of a criminal group operating in Iceland, Norway and other countries. Kick-off meeting was held 5-7 February 2020, but the 4-day training on general police issues in Iceland that was supposed to take place afterwards had to be postponed due to lockdown. The initiative requires interaction and study visits, thus project promoter in agreement with the partner decided to postpone main activities. With the agreement modification, eligibility deadline was in September 2020 extended till the end of 2021 and then – considering the recurrent pandemic waves – once more in December 2020 till the end of 2022 .

9. Core part of the **SHARE** initiative was a contest for Polish youth (ca. 17-19 years old) on Polish input in Donor states economic development, technologies, culture, science and way of life. NFP prepared tender documentation and on 3 September 2020 commenced a tender procedure for the contractor. On 7 December 2020 the bilateral contest for youth was launched: upper-primary schools pupils in Poland were encouraged to find interesting people, testimonies, facts and opinions that will create a picture of Polish citizens contribution to Donor states development. Despite Polish high schools have been working in remote mode from October 2020, 50 short movies that complied with requirements were submitted till deadline set at the end of February 2021. Their work has been a lesson of bilateral relations translated to everyday life. Young filmmakers had an opportunity to learn more on the Polish and Donor states history, culture, science, economy coexistence, contacts and/or cooperation between Poland and Donor states.

Mid March 2021 on the initiative webpage (<https://konkurszespoleni.pl/>) and Facebook (<https://www.facebook.com/konkurszespoleni/>) 4 winner teams and 3 honourable mention were announced, which was shared the same day with JCBF. Unfortunately, Møre og Romsdal Fylkeskommune (County), Norwegian partner school owner, has decided that no schools from the county are allowed to send students or teachers to other countries for the school-year 21/22. This forced NFP to cancel study trips that have been assumed as a second part of the initiative to be organised for the four best teams. Final payment is scheduled for June 2021. Due to the study visits (most expensive budget position) cancellation, expenditure shall be much lower than expected (about one third of the amount granted).

10. Polish-Norwegian Literature Events for Children initiative was completed in March 2021. It aimed at increasing knowledge of and interest for Polish culture, Polish children literature and the Polish language in Norway and vice versa. In order to engage the Polish community in Norway, beneficiary (House of Literature, Oslo) along with the partner (Polish School in Oslo) presented both Polish and Norwegian literature for children. Primary target group were children from the Polish diaspora living in Norway and their parents. Secondary target group were Norwegian children and their parents. During the initiative the House of Literature arranged 10 successful digital literary events for children. Due to the COVID-19 pandemic, initial plans had to be rearranged, the assumed targets however were significantly exceeded. Each event constituted a 20-30 minutes long film, that is pre-recorded to maintain the best possible quality, and subsequently published on you-tube and Facebook. All events are illustrated, either with original illustrations or by new illustrations created particularly for the event. All events were produced entirely by the House of Literature.

11. The aim of the History Centre Zajezdnia in Wrocław exhibition is to present the Polish Norwegian Solidarity cooperation in the 1980s to both nations open public. History Centre Zajezdnia prepared an exhibition for the 2016 Wrocław European Capital of Culture with support from the bilateral funds and it shall be updated for the occasion. The initiative was originally planned to be concluded at the end of 2021, but due to the pandemic the whole initiative was suspended.

12. BeFORme was approved in December 2020. Overall aim of the NFP initiative is to engage people in activities for the benefit of their local communities, to facilitate the cooperation, to enhance inter-generation knowledge transfer in both directions, to motivate elderly people to participate actively in local life and create a unique cultural and societal bond that stands as an example of solidarity and respect. Cooperation should help citizens' commitment to address local challenges, to use available resources, to preserve the traditions, to learn from each other. The initiative is to be carried out in 3 components:

1. Pilot phase – open call with allocation of 500 000 EUR.
2. Comparative analysis with allocation up to 50 000 EUR provided by the Donor State institution (tbd) delivering Donor states' best practice in the area of inter-generation cooperation and knowledge transfer, identifying most efficient tools and topics of cooperation, identifying potential partners.
3. Open call with allocation of at least 1 450 000 EUR – based on the experiences from the pilot phase as well as conclusions of the Donor State institution research.

The aim of the open call is to strengthen the bilateral cooperation in the area of building the social capital of local communities. Norwegian partner is foreseen to be involved in the second phase, i.e. comparative analysis. NOVA from Oslo Metropolitan University found the initiative interesting and relevant for the institute and offered to discuss the details. Call documentation is already prepared, JCBF shall be provided with it shortly.

13. Auschwitz-Birkenau Foundation (ABF) initiative is to develop a comprehensive *Education strategy* for the Auschwitz-Birkenau State Museum (ABSM), including the application of innovative technologies: virtual reality (VR) and internet/mobile platforms currently under development by ABF. This initiative will be implemented in partnership with SWPS University of Social Sciences and Humanities (Warsaw) and the Norwegian Centre for Holocaust and Minority. A comprehensive *Education strategy* should help to develop the scope of ABSM's influence, neutralize negative side-effects of the pandemic (limited visitor and school) and identify solutions allowing for the further use of the Museum's unique know-how and experience regardless of future circumstances. Education strategy development shall be preceded with a comparative analysis entailing benchmarking of leading international museum and research institutions applying modern technologies in their educational activities. The strategy shall be used for raising competences of ABSM employees (3 workshops for ABSM management and 3 workshops for ABSM employees). Application was being consulted with NFP and in the nearest future an agreement shall be signed.

Several new initiatives are on their way. Two proposals from Liechtenstein are now being prepared: with Polish Film Institute on the film exchange and research project on European integration to be carried out by Liechtenstein Institute and Opole University.

NFP is cooperating closely with Norwegian Embassy in Warsaw to design an initiative to produce and disseminate a series of short videos - showcase the everyday life of those who have decided to live abroad, how is the host country different from their homeland, what have been the challenges they had to face when moving to a new destination, what has brought them closer to their new surroundings, how have they managed with cultural, language, traditional differences or how they contributed to strengthening Polish - Norwegian bilateral relations.

Donors shared also the idea to engage young people in local decision-making on the occasion of Lublin being an Youth Capital of Europe in 2023.

All of these will be included in the Work Plan modification proposal (when more details are to be settled) and presented to JCBF for approval.

The expression of interest procedure is feasible under bilateral funds. NFP expects at least three:

- *Home Affairs* PO declared to apply for the funds at the disposal of JCBF for the initiative proposed by the Norwegian Directorate for Civil Protection under PA23 „Disaster Prevention and Preparedness”. In close cooperation with Polish Government Centre for Security (GCfS), PO and DPP plan to organize international conference on disaster risk prevention in Poland possibly in the second half of 2022;
- *Environment* PO is eager to apply after summer holidays 2021 for funds for the initiative dedicated to geothermal energy;
- electronic communication platform to support bilateral cooperation under the *Education* programme: easy-to-use (drag & drop, 1 click if possible, more complex tasks only for admins and moderators) digital environment for networking and effective communication at each stage of bilateral cooperation up to submission of the bilateral application form in the *Education* programme and, as a result development of cooperation in the field of education.

Initiatives are being developed, details (along with budgets) shall be shared in autumn 2021.

On the recent JCBF meeting in December 2020, JCBF initiated discussions on the new BF implementation period, i.e. till 2025 (currently the Work Plan is valid for 2018-2021). Hitherto experience shows clearly that Work Plan 2022-2025 should be flexible and user-friendly, also to address challenges of the pandemic times. Donors common priorities for the BF for the years 2022-2025 are as

follows:

1. Green transition and sustainable energy.
2. Rule of Law, democracy, and human rights, incl. gender equality.
3. Civil society development.
4. Other areas of common interest, such as cultural exchange, education and research.

Work Plan 2022-2025 modification addressing the above mentioned is in progress.

6. Management and implementation

a. Management and control systems (MCS)

The description of the management and control system (MCS) at national level in 2020 remained unchanged.

MCSs descriptions of for almost all programmes have been gradually submitted to the NFP for approval by the end of 2020. All of them were submitted within the deadlines set in the Regulation and received positive opinions of the Audit Authority. The MCS for the last programme Justice was accepted by the NFP and got positive AA opinion in March 2021 due to late signing of the Programme Agreement (July 2020).

Additionally, in 2020 Programme Operators have been involved in creating the necessary internal procedures, i.e. audit trails, templates of documents and reports for beneficiaries, documents for planned open calls.

b. Complaints

NFP received 17 complaints. The majority of complaints concerned issues related to open calls (deadline, technical problems, project evaluation). Two complaints were related to public procurements and were submitted by potential contractors. All complaints were examined by the NFP in cooperation with the POs and the complainants were informed about the manner in which the complaints had been dealt with.

c. Irregularities

In the line with chapter 12 of the Regulation, the Beneficiary State is obliged to report any determined irregularities in the course of implementation of the Financial Mechanism of the European Economic Area and Norwegian Financial Mechanism 2014-2021.

In 2020, the Irregularities Authority submitted via GRACE system 3 reports on new irregularities detected under the management costs of the following programmes: Education (IR-27), Culture (IR-31) and Health (IR-41) and 2 reports on new irregularities detected in the projects financed under the Financial Bilateral Relations (Culture): IR-42 and IR-43.

In the line with the above mentioned Regulations, all reports were submitted to the Donors in standard reporting mode (Article 12.5). These irregularities concerned the infringement of the provisions of the Public Procurement Law Act, Regulation on the implementation of the Norwegian Financial Mechanism 2014-2021 on the eligibility of expenses and agreements on the projects implementation concluded between the Programme Operator and beneficiary.

Moreover, in the course of the reporting year, the Irregularity Authority presented 2 reports on the progress with regard to previously reported irregularities under the programmes Education and Culture.

In accordance with the data included in the these reports submitted to the FMO in 2020, the total amount of imposed financial corrections amounted to ca. € 3,210 under the programmes and ca. € 6,243 under the Bilateral Fund. Simultaneously it shall be noted that all Programme Operators, in which irregularities were determined, settled the imposed financial corrections and the amounts were properly reported in the Interim Financial Reports.

Furthermore, there were no irregularities identified during the reporting period that shall be reported to the Donors immediately.

d. Audit

In 2020, the Audit Authority conducted, based on the relevant sample, an audit of operations in order to verify the declared expenses under the management costs, projects and activities/initiatives implemented as a part of the following programmes and funds:

- Environment, Energy and Climate Change,
- Health,
- Local Development,
- Culture,
- Education,
- Business Development and Innovation,
- Home Affairs,
- Research Applied,
- Research Basic,
- Justice,
- Technical Assistance,
- Bilateral Fund.

The audit of operations involved in selecting a sample of 9 programmes (audit of operations under management costs) and 14 competition projects, to which 2 pre-defined project from Culture Programme (*Knowledge of Jewish cultural heritage increased*) and Local Development (*Strengthening capacity of medium and small cities in Poland for implementing effective development policies*) were added. Additionally, while selecting the sample for audit purpose Technical Assistance and 23 initiatives/activities implemented by the Programme Operators and NFP under the Bilateral Fund were included.

As a result of the audit of operations, no random financial errors were found and therefore no non-eligible expenditure were identified. Simultaneously, the Audit Authority did not detect any systemic errors during the audit of operations.

On the basis of the examination mentioned above, the Audit Authority expressed its opinion that the management and control system established for the programmes mentioned above worked effectively to provide justified assurance that the declarations of actually incurred expenditure presented to the Financial Mechanism Committee and the Norwegian Ministry of Foreign Affairs are correct, and thus a justified assurance that transactions constituting their basis are timely and lawful.

According to Article 5.5.1(e) of the Regulations, on February 2021 the Audit Authority submitted an annual report on audits conducted in the framework of the EEA Financial Mechanism and the Norwegian Financial Mechanism 2014-2021 to the Financial Mechanism Office.

Pandemic situation moved audits mainly online.

7. Communication

Having regard to the aim determined in the Communication Strategy i.e. raise awareness of the existence of the EEA and Norway Grants, their implementation and results, as well as their overall impact on the reduction of social and economic disparities, the NFP carried out a number of information and promotion activities in 2020. Given the stage of the EEA and Norway Grants implementation, the NFP focused on image related, horizontal activities and on informing the public about the calls for proposals.

Due to the Covid-19 pandemic the communication plan for 2020 had to be revised (modification of deadlines, transfer of some activities to the Internet, resignation from gathering events), this new reality however did not jeopardise the wide range of the NFP's ventures.

The list of the NFP's communication activities in 2020 covers:

Ceremony of signing a Programme Agreement

In February 2020 the solemn ceremony of signing of the Programme Agreement and the Programme Implementation Agreement of the 'Environment, Energy and Climate Change' Programme took place at the premises of the NFP. The event, accompanied by a briefing for journalists and dissemination of a press release, was also promoted via the NFP's online communication channels.

Media campaign

A nationwide 4-week media campaign under the slogan *Your future looks better with us*, aimed at promotion of the 3rd funding period of the EEA and Norway Grants in Poland, including in particular support for entrepreneurs and the public health system, took place in the second half of the year. The campaign was broadcasted on TV, radio, internet and press.

Selected indicators achieved in the campaign:

- 3 week TV campaign – 30'spot – 4 main TV stations
 - Target group: All 18-59
 - Reach 1+ 15 million
 - Reach 3+ 8,7 million
- 4 week internet campaign
 - You Tube, Facebook Video, VOD, economic and financial portals
 - 19,3 million views
- 3 week radio campaign 30'spot
 - Target group: 18-59 cities 100k+
 - Reach 1+ 4,7 million
 - Reach 3+ 3,6 million
- Press campaign - 6 sponsored articles in economic and financial press
 - Average circulation in September 2020:
 - Dziennik Gazeta Prawna 36 280 copies
 - Rzeczpospolita 50 000 copies

Radio podcasts 'Peer Gynt' based on Henrik Ibsen's drama, prepared in cooperation with the Polish Radio Theatre

The cooperation of the NFP and the Polish Radio S.A. enabled the production of the radio play 'Peer Gynt' based on an universal drama of the Norwegian play righter Henrik Ibsen, by the Polish Radio Theater. The radio play – created with participation of 80 outstanding actors and musicians – and the EEA and Norway Grants as a source of its financing were promoted via spot broadcasted in all the

stations of the Polish Radio. The podcasts, marked with the EEA and Norway Grants logotype, were made available at podcasty.polskieradio.pl and in the mobile application "Polskie Radio", as well as on the website Ninateka.pl.

Online lectures and workshop on the Norwegian art in the collection of the National Museum in Warsaw

A series of online events entitled 'The Art of the North at the National Museum in Warsaw', presenting connections between the art of the Nordic countries and Poland and mutual inspiration in the works, took place in 2020 thanks to the NFP's cooperation with the Museum. The events, widely promoted in the social media and on the website of the Museum, covered i.a. a meeting with the curators on the Museum's collection of graphics (including i.a. 'The Girl by the Window' by Edvard Munch).

Mural (graffiti) promoting the EEA and Norway Grants in the center of Warsaw

The aim of the mural was to promote the brand of the EEA and Norway Grants, their slogan and their environmental objectives. 59 litres of paints absorbing pollutants from the air were used for its creation. The graffiti was located in the direct neighbourhood of one of the busiest intersections in Warsaw: Jerozolimskie Avenue and Marszałkowska Street, close to the public transport stops: Centrum metro station, buses, trams.

Norwegian cinema section "Between fiords – films from Norway" during the 7th Kids Kino International Film Festival

The EEA and Norway Grants became the Main Partner of the 7th Kids Kino International Film Festival, the largest children's film festival in Poland. The Festival was held partly in cinemas, partly online and presented 9 films in the section 'Between fiords – films from Norway', ensuring the visibility of the EEA and Norway Grants in the whole visual setting of the festival, as well as in the spot broadcasted before the festival screenings. The section attracted attention of more than 2 500 spectators. As a part of this venture, there were also 4 online meetings with the Norwegian film directors organised.

Oslo / Reykjavik section at the 20th International New Horizons Film Festival

The Norwegian and Icelandic cinema section 'Oslo/Reykjavik 3' was a part of the 20th New Horizons International Film Festival. There were 7 Norwegian and Icelandic films presented in the section (with more than 6 600 spectators) and 3 online meetings with the artists organised. The event ensured the visibility of the logo and the slogan of the of the EEA and Norway Grants in the whole visual setting of the festival, as well as in the spot broadcasted before the festival screenings. It should be noted that 80 press releases/references about the Oslo / Reykjavik section reached about 500 000 recipients and estimated AVE amounted to PLN 180 000.

Puzzles promoting the EEA and Norway Grants projects

In order to encourage children to undertake safe activities in the pandemic the NFP prepared puzzles referring to projects implemented in the second funding period of the EEA and Norway Grants (2009-2014) and related to: a restoration of the 14th-century castle in Lidzbark Warmiński, traditional beekeeping and cooperation of the Polish and Norwegian police. The puzzles were the awards in the competition at the EEA and Norway Grants Facebook profile, but most of all were sent – within the CSR activity – to the child care homes all over Poland.

Competition for primary and secondary school students

In 2020, the works on the organisation of a competition for primary and secondary school students on art works made with the use of digital technology, referring to the EEA and Norway Grants and the

Donor States, were launched. The competition, to be finalised in 2021, is organised by the NFP in cooperation with the National Research Institute (NASK), with a honourable patronage of the Royal Norwegian Embassy and Ministry of Science and Higher Education.

Communication workshop for the Polish POs

The communication workshop for the Polish POs – on assuring accessibility for people with disabilities in communication activities – was held online, gathering 35 POs’ representatives. The meeting was an occasion i.a. to share best communication practices by the Operator of the Education Programme.

Internet

The NFP was running a website www.eeagrants.pl and www.norwaygrants.pl (in Polish and English). The layout of the website was revised in order to make it more transparent and thus more user friendly. Thanks to introducing a new functionality, information on the EEA and Norway Grants was also sent electronically via the newsletter to about 335 subscribers.

The Facebook profile: Fundusze norweskie i EOG with 183 posts in 2020 on diverse areas of EEA and Norway Grants support and with 4125 likes at the end of 2020, was used to organise 6 knowledge competitions (mostly on the Donor States). The latter activities – with awards including the puzzles created in 2020, vouchers for the Norwegian and Icelandic movies during the film festivals and other promotional materials – were aimed at stimulating the interest in the profile and the EEA and Norway Grants themselves.

Information point

Regardless of the aforementioned activities, in 2020 the NFP was performing its informational duties (via responding to e-mail and phone inquiries or parliamentary interpellations).

Communication Plan 2021

Given that most of the calls for proposals are closed, in 2021 the NFP would like to focus on promoting the brand of the EEA and Norway Grants, vast scope of their support and the first projected launched.

The key NFP’s communication activities in 2021 will cover in particular: (1) finalisation of a competition for primary and secondary school students on art works made with the use of digital technology; (2) adoption of a reindeer herd in the zoo in Wrocław by the EEA and Norway Grants; (3) a flash mob: an outdoor concert of Norwegian music - by a symphonic orchestra - in a city centre; (4) launching works on an outdoor exhibition on Norwegian-Polish / Icelandic-Polish relationships / the Donor States – in cooperation with the National Archives in Poland; (5) promoting the EEA and Norway Grants during the 21st New Horizons International Film Festival in Wrocław; (6) a workshop for the Polish POs on intellectual property law.

8. Monitoring and evaluation

a. Monitoring

In accordance with the provisions of the Description of the Management and Control System, the National Focal Point annually prepares a monitoring plan for programmes and/or projects being implemented under the Financial Mechanisms. At the beginning of 2020, based on the agreed methodology, a risk analysis was carried out in order to select programmes for monitoring plan in 2020. The risk analysis covered only those programmes where the Program Implementation Agreement was signed, therefore the Environment and Justice programmes were not included. It was decided to include the most advanced programmes with the highest level of risk assessment and thus the following programmes were included in the monitoring plan for 2020: Education, Business Development and

Innovation, Applied Research. Moreover, taking into consideration that one of the Programme Operators - the National Science Centre was not involved in the implementation of the previous perspectives of the Financial Mechanisms, also the Basic Research programme was included. Additionally, the monitoring plan for 2020 covered one initiative financed from the Bilateral Fund. Due to the fact that only one Project Implementation Agreement was signed (under the Local Development programme), monitoring of projects was not planned for 2020.

In 2020, due to the prolonged COVID-19 pandemic, it turned out to be justified to postpone the monitoring visits planned for 2020 to 2021. There were several arguments supporting this decision. First of all, monitoring visits could only cover a narrow part of the areas that are usually subject to verification, because the Programme Operators have adapted their schedules of activities to the current situation and most of the programmes were at a stage which would not allow the NFP to check the full scope of activities to which the Programme Operators are obliged. What was important, this verification could not include the supervision of projects by Programme Operators, because the start of projects was delayed. Also, due to the pandemic restrictions and the need to maintain the social distance, some of the Programme Operators' activities in the field of information and promotion were postponed, which also narrowed the verifiable scope. Additionally, in 2020 the NFP worked remotely and according to the internal regulations the employees were not directed to foreign and domestic business trips. Also Programme Operators worked remotely, so the monitoring visit with the verification of documents at the Programme Operator's place (or even electronically) could be very difficult or impossible to carry out.

Taking above into consideration, the monitoring visits planned for 2020 have been postponed to 2021. Due to the prolonged pandemic, monitoring is carried out in a changed formula. The National Focal Point, taking into account the necessity to conduct monitoring in 2021, has introduced the possibility of remote monitoring. One remote monitoring visit started in April 2021, two of them started in May 2021 and the next will be conducted in 2021 successively.

b. Evaluation

Since March till October 2020 FMO carried out the Programme Development Approach Assessment – an assignment to assess the efficiency and effectiveness of the programme development approach. Research findings proved the programme development approach is effective in producing programmes of high quality at entry. Nevertheless, the report emphasized also that programme development approach is not always efficient in terms of time taken or resources required. On average, programme development took 21 months, which exceeds the 12-month time scale specified in the Regulations for the Grants. Delays have considerably reduced the time for programme implementation, ultimately increasing the risk of underachievement.

In line with Article 11.1 of the Regulation on behalf of the FMO an external monitoring of the *Culture* programme was carried out in Q3 2020 (July-September) with aim to identify and help mitigate risks linked to the implementation of the programme. Overall assessment of the programme remains positive. In the consultants' opinion, the Outcome 1 call criteria contribute to efficiency of the evaluation, scope of the selection criteria is well designed and covers all the key elements as set in the call for applications. Findings proved also principles of good governance and of zero tolerance towards corruption are fulfilled/protected. Although indeed selection process in Outcome 1 was challenging for PO (extremely high number of infrastructure related applications), concerns about completing the selection procedure on time and in an incontestable quality did not materialise. As to the Outcome 3 consultants suggest a lot of flexibility in planning the next stages of implementation as well as creativity in designing new tools.

FMO commissioned also an external assessment of communications in the 2014-2021 Financial Mechanisms. The assignment will assess the current communication practices and analyse the coordination regarding communication-related aspects: between the FMO and the National Focal Points, and between the National Focal Points and the Programme Operators and Project Promoters. Additional in-depth analysis will be carried out i.a. in Poland.

The external FMO monitoring is also planned for the *Justice* programme, to be done in the second half of 2021.

9. Issues for the annual meeting

Risk management

The legal framework of EEA and Norway Grants needs to be revised to counteract the coronavirus world global crisis. The instruments and ways of facilitation of both programmes and project implementation needs to be discussed at AM. The issue of the extension of the eligibility period is here crucial.

The table below illustrates relation between the expected project duration in each programme and eligibility deadline. Red flag warning refers to lengthy research projects, bearing also in mind MoU reserve allocation still to be contracted. *Innovation* projects are also under that pressure, especially as significant savings are still to be consumed. *Local Development* projects shall be contracted in the following months and the process is correlated with KS forging the partnerships. Numerous calls, significant interest level and MoU reserve share allocation use are also risk factors in *Environment* programme.

	project duration maximum (m/y)	project contract signing deadline
EDUCATION	2 y	May 2022
BASIC RESEARCH	3 y for the project, 24m for SGS	May 2021
APPLIED RESEARCH	3 y for the project, 24m for SGS	May 2021
CULTURE	no limit (3 y) in case of infrastructure, 24m in case of cooperation projects	April 2022
BD&INNOVATION	no limit but having in mind infrastructure type of projects 2,5 -3 y should be ensured	May 2021-end 2021
LOCAL DEVELOPMENT	no limit but having in mind infrastructure type of project 2,5 -3 y should be ensured	May 2021-end 2021
HOME AFFAIRS	app. 26 m, max 36 m	February 2022
ENVIRONMENT	infrastructural projects will require 2,5 - 3 y for implementation	December 2021
HEALTH	1 y for the project	December 2022
JUSTICE	up to 1 y	December 2022

There are no time margins for possible delays in the implemented projects thus things have to happen simultaneously: POs are monitoring preparations for tenders and compliance with the schedule of agreed procurement plans even during the project approval phase. There is however a growing tension between overlap of activities and beneficiaries (and partners') capacity. There's no room left for the POs to react adequately and extend the projects' duration in case of justified delays.

MTR and the allocation of the reserve

According to the Regulation Art 1.11 Polish Focal Point is to submit to the Donor states a proposal on the allocation of the reserve set aside within the framework of the EEA Financial Mechanism 2014-2021. Polish proposal - along with MTR filled template - was submitted to FMO on 2 July 2020. On 16 February 2021 on the occasion of the technical on-line meeting, NFP presented the proposal more in-depth. With letter of 6 May 2021 NFP expressed concern about the mid-term review and the reserve allocation process (in accordance with the Art. 1.11 of the Regulations).

On 20 May 2021 on-line meeting Donors provided short general feedback as to the areas Donors have an interest in. A lot of effort was put into the identification of the needs to fit into the Polish reserve allocation proposal and finally on 1 June 2021 both sides agreed on the allocation reserve, as follows:

Table 15. MoU reserve allocation.

programme	area/activities to be supported	allocation €	
		EEA FM	NFM
Environment, Energy and Climate Change	open calls' reserve list projects	6 042 000	
Business Development and Innovation	<i>Blue growth and Green industry innovation</i> open calls' reserve list projects		10 000 000
Applied Research	IdeaLab reserve list 3 projects		3 183 666
Basic Research	GRIEG Arts, Humanities and Social Sciences open call reserve list 5 projects		7 510 282
Justice	secondment of judges - partnership with the Council of Europe (+ CE trainings, restorative justice)*		1 000 000
ACF national			3 200 000
ACF regional			3 000 000
* agreed conditionally		6 042 000	27 893 948
		33 935 948	

Justice allocation is conditional - NFP shall work closely with FMO on the *Justice* proposal with budget up to € 1 million, Donors are to decide on the project's implementation until 1 September 2021. In case the proposals do not gain Donors approval *Justice* reserve allocation shall enlarge Bilateral Fund.

Relevant POs were immediately informed of the additional allocation and works on MoU and PAs modification are needed to conclude the procedure and allow the beneficiaries to implement reserve list projects as soon as possible. Research projects usually demand 3 years of implementation, thus decision was crucial to be taken without further delay. There are also time consuming public tender procedures expected under *Environment* programme. Significant amount of the reserve, i.e. close to € Mln 34, provides great opportunity to improve the results within the Grants, but at the same time increases the risk of failure in disbursement and indicators increase when not used on time.

The cooperation

The Focal Point considers it good practice and highly recommends that common workshops for POs and Focal Point continue. It clarified many issues, gave valuable feedback on the outstanding ones to the Donors side and provided platform of cooperation.

The GRACE functionalities needs to be widened – an access for NFP to calls, PLIs and other reports to make the best use of the database. An access to documents in GRACE that are being processed at the moment by FMO (after submission by NFP) is much welcomed. From the Polish experience GRACE system should be made more friendly for the user from the Beneficiary States. A lot of data is collected via the system and sometimes it occurs that it is difficult to use them in a practical way (e.g. not possible to compare cumulative payments within each individual project with grant awarded or extract data which is in the database even in the form of Excel - expenditures in the local currency for non EUR countries).

Bilateral Fund

The JCBF meeting is planned ahead of Annual Meeting. The discussion will be continued, if needed.