

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

## **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  
MKDNIŚ – 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 presents the recent development of EEA and Norway Funds in Poland in the period of great changes and challenges. The Report describes the activities undertaken at the current stage of implementation, the planned tasks, the risks identified and the propositions to mitigate the risks.

In general, the project contracting phase is being finalised. Within 39 calls completed in the programmes managed by the Polish side, more than 3,5 thousands applications were received, which is quite an impressive result. Last 2 calls in *Justice* and 1 in *Business Development* programme are at the assessment phase. Till the end of August 2022 there were **848 projects awarded a grant, 548 among them were bilateral**.

Tight schedule of the EEA and Norway Grants programmes implementation is main challenge. COVID-19 pandemic and the war in Ukraine crisis make it difficult for huge investment (like in environment, local development and justice sector) or other long-term projects (like in the research field) to make on time. In general, the funds are contracted, however the implementation and reaching the set goals is a difficult task. PL side is approaching the Donors constantly on mitigation measures, including more flexibility in the decision making process, reducing the scope and it's impact on the indicators, as well as eligibility period extension. Because of non-extension decision taken by Donors, the discussion on next steps is on-going.

The NFP activities in 2021/2022 were focused on grant contracting and the attempts to mitigate the risks, including counteracting COVID-19. After the outbreak of war in Ukraine and the influx of refugees NFP initiated the allocation of funds from Bilateral Fund into projects aimed at meeting the needs of Ukrainian refugees in Poland.

Total expenditures in this financing period amounted to over € 168<sup>1</sup> million. Slow growth of expenditures is noticeable and results from launching of advance payment process to project promoters in many programs. Nevertheless incurred amount (grant) constitutes only 21% of the allocation and it confirms delays comparing to the previous perspective of FMs.

## 2. Political, economic and social context

In 2021 Poland was ruled by a right-wing coalition government, formed by the Law and Justice party and headed by Mateusz Morawiecki. Although the Agreement – party led by a former Deputy Prime Minister

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<sup>1</sup> Total amount includes expenditure till June 2022 reported in FRO by POs. FRO have not been accepted by NFP yet.

Jarosław Gowin – left the alliance in August 2021, a part of its members had founded earlier the Republicans (led by Adam Bielan), which supports the coalition government.

As a result of a reconstruction of the Polish government carried out in October 2021, the Ministry of Development Funds and Regional Policy – performing the rule of the NFP of the EEA and Norway Grants – is managed by Grzegorz Puda, who replaced Tadeusz Kościński. Furthermore, a few new Ministers were nominated, including the Minister of Climate and Environment (the PO of the Environment, Energy and Climate Change Programme).

The epidemic spread in 2021 was still putting a significant strain on the economy and the healthcare system in Poland. Due to the gradual stabilization of the situation however, from March 28th, 2022 most of the restrictions related to COVID-19 have been lifted.

2021 and the first months of 2022 were still marked by a heated debate on i.a. the negotiations between the Polish government and the European Commission (EC) on the Polish recovery and resilience plan, which sets out the reforms and public investment projects that Poland plans to implement with the support of the Recovery and Resilience Facility (RRF). The talks with the EC within that scope were finalized in June 2022. In the same month, the negotiations with the EC of the Partnership Agreement – the most important document defining how Poland will invest the European Funds 2021-2027 – were officially ended.

In 2021 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 defense capabilities, strengthening Poland’s position in NATO and the EU and pursuing an active regional policy; secondly international endeavors 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.

The goals of Polish foreign policy in 2022 set at the beginning of the year covers i.a. supporting socio-economic development as part of reducing the effects of the crisis caused by the COVID-19 pandemic and promotion of the domestic enterprises on foreign markets. What deserves a special attention is Poland's Chairmanship of the Organization for Security and Co-operation in Europe (OSCE) in 2022, which intends to promote and advance the rational, smart and flexible use of the OSCE's unique tools and negotiation formats. Moreover, Poland has engaged actively in establishing the NATO’s new Strategic Concept (which was adopted at the 2022 Madrid Summit). This has become pivotal, in particular, in the context of the Russian brutal aggression against Ukraine, started on 24 February, 2022.

It should be mentioned that in June 2022, the World Urban Forum 11 – global conference on sustainable urbanization – took place in the Polish city of Katowice, being an occasion to discuss urban growth challenges and solutions, noteworthy i.a. in the light of further implementation of the Local Development Programme, financed by the EEA and Norway Grants in Poland.

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), which seems to be of enormous value, especially in current circumstances. Sudden influx of several million of refugees to Poland and weakening of supply chains, put significant strain on social and economic situation. Poland's inflation is at its highest since over 20 years. All these factors may affect the implementation of the projects supported by the EEA and Norway Grants.

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 analyzing 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 2009-2020 was the global economic crisis and COVID-19 pandemic 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 2005-2020 are presented below. 2008 is treated as the base year for the analyzed 2009-2020 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. The table presents the most recent data available for 2019.

Table 1. Human Development Index (HDI)

	2005	2009	2013	2014	2015	2016	2017	2018	2019	Change of the index in years 2009-2019
<b>Bulgaria</b>	0,75	0,77	0,78	0,78	0,79	0,81	0,81	0,81	0,82	0,05
<b>Croatia</b>	0,78	0,80	0,81	0,82	0,83	0,83	0,83	0,84	0,85	0,05
<b>Cyprus</b>	0,83	0,85	0,85	0,85	0,86	0,87	0,87	0,87	0,89	0,04
<b>Czech Republic</b>	0,84	0,85	0,86	0,87	0,88	0,89	0,89	0,89	0,90	0,05
<b>Estonia</b>	0,82	0,84	0,84	0,86	0,87	0,87	0,87	0,88	0,89	0,05
<b>Greece</b>	0,85	0,86	0,85	0,87	0,87	0,87	0,87	0,87	0,89	0,03
<b>Hungary</b>	0,81	0,82	0,82	0,83	0,84	0,84	0,84	0,84	0,85	0,03
<b>Latvia</b>	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
Slovakia	0,80	0,82	0,83	0,84	0,85	0,86	0,86	0,86	0,86	0,04
Slovenia	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 analyzed 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 2020 these differences substantially decreased – indicators for Bulgaria (55%) and Romania (72%) were about 2 times lower than for Norway (140%).

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

	2005	2009	2013	2014	2015	2016	2017	2018	2019	2020	Change in years 2009-2020 [p.p.]
Bulgaria	37	43	45	47	47	48	50	51	53	55	12
Croatia	55	62	60	59	59	60	61	63	65	64	2
Cyprus	101	105	84	81	82	84	85	89	90	88	-17
Czech Republic	79	85	84	86	87	87	88	91	93	93	8
Estonia	60	63	75	77	76	77	79	82	84	84	21
Greece	93	94	72	71	70	68	68	68	67	62	-32
Hungary	62	64	67	68	68	67	68	71	73	74	10
Latvia	50	52	62	63	64	65	67	69	69	70	18
Lithuania	53	56	73	75	75	76	79	80	84	87	31
Malta	81	81	85	88	93	94	95	98	100	97	16
Poland	50	59	67	67	68	68	70	70	73	76	17
Portugal	82	82	76	77	77	78	77	77	79	76	-6
Romania	35	51	54	55	56	58	62	65	70	72	21
Slovakia	60	71	76	77	77	77	77	73	70	70	-1
Slovenia	87	85	82	82	82	82	84	87	89	89	4
Norway	173	172	184	176	160	148	149	151	147	140	-32
Island	135	130	121	122	126	130	131	130	126	120	-10

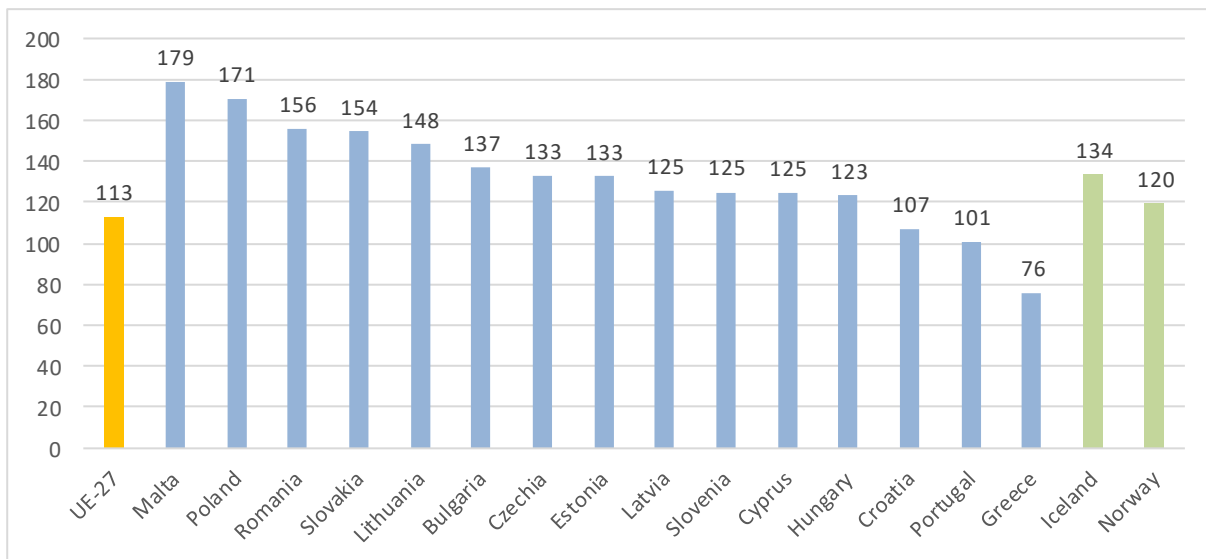
Lichtenstein	b.d.	b.d.	b.d.	b.d.	b.d.	b.d.	b.d.	b.d.	b.d.	b.d.	b.d.
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Source: Eurostat

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, 2020 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 2009-2020) between the group of beneficiary states and donor states significantly decreased.

Chart 1. The change in GDP in the analysed group of countries in 2020 in relation to 2005 (%)



Source: Eurostat

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 2020 vast majority of countries from the researched group recorded a significant increase in unemployment rate, e.g. Greece and Cyprus. 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 2020 the rate reached similar value in both countries.

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

	2005	2009	2013	2014	2015	2016	2017	2018	2019	2020	Change in years 2009-2020 [p.p.]
<b>EU-28</b>	9,0	9,0	10,9	10,2	9,4	8,6	7,6	6,8	6,3	7,2*	-1,8
<b>Bulgaria</b>	10,1	6,8	13,0	11,4	9,2	7,6	6,2	5,2	4,2	6,1	-0,7

Croatia	13,0	9,3	17,4	17,2	16,1	13,4	11,0	8,4	6,6	7,5	-1,8
Cyprus	5,3	5,4	15,9	16,1	15,0	13,0	11,1	8,4	7,1	7,6	2,2
Czech Republic	7,9	6,7	7,0	6,1	5,1	4,0	2,9	2,2	2,0	2,6	-4,1
Estonia	8,0	13,5	8,6	7,4	6,2	6,8	5,8	5,4	4,4	6,9	-6,6
Greece	10,0	9,6	27,5	26,5	24,9	23,6	21,5	19,3	17,3	17,6	8,0
Hungary	7,2	10,0	10,2	7,7	6,8	5,1	4,2	3,7	3,4	4,1	-5,9
Latvia	10,0	17,5	11,9	10,8	9,9	9,6	8,7	7,4	6,3	8,1	-9,4
Lithuania	8,3	13,8	11,8	10,7	9,1	7,9	7,1	6,2	6,3	8,5	-5,3
Malta	6,9	6,9	6,1	5,7	5,4	4,7	4,0	3,7	3,6	4,4	-2,5
Poland	17,9	8,1	10,3	9,0	7,5	6,2	4,9	3,9	3,3	3,2	-4,9
Portugal	8,8	10,7	16,4	14,1	12,6	11,2	9,0	7,0	6,5	7,0	-3,7
Romania	7,1	6,5	7,1	6,8	6,8	5,9	4,9	4,2	3,9	6,1	-0,4
Slovakia	16,4	12,1	14,2	13,2	11,5	9,7	8,1	6,5	5,8	6,7	-5,4
Slovenia	6,5	5,9	10,1	9,7	9,0	8,0	6,6	5,1	4,5	5,0	-0,9
Norway	2,6	7,2	5,4	5,0	4,0	3,0	2,8	2,7	3,5	5,5	-1,7
Island	4,5	3,3	3,5	3,5	4,4	4,7	4,2	3,9	3,7	4,4	1,1
Lichtenstein	b.d.	b.d.	b.d.	b.d.	b.d.	b.d.	b.d.	b.d.	b.d.	b.d.	b.d.

Source: Eurostat

\*value for EU-27

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 2009-2020 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 up to over 17% in 2020). 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	2020	Change in years 2009-2020 [p.p.]
EU-28	25,8	23,3	24,6	24,4	23,8	23,5	22,4	21,9	21,4	21,6*	-1,7
Bulgaria	b.d.	46,2	48,0	40,1	41,3	40,4	38,9	32,8	32,8	32,1	-14,1
Croatia	b.d.	b.d.	29,9	29,3	29,1	27,9	26,4	24,8	23,3	23,2	x
Cyprus	25,3	23,5	27,8	27,4	28,9	27,7	25,2	23,8	22,3	21,3	-2,2
Czech Republic	19,6	14,0	14,6	14,8	14,0	13,3	12,2	12,2	12,5	11,9	-2,1
Estonia	25,9	23,4	23,5	26,0	24,2	24,4	23,4	24,4	24,3	23,3	-0,1
Greece	29,4	27,6	35,7	36,0	35,7	35,6	34,8	31,8	30,0	28,8	1,2
Hungary	32,1	29,6	34,8	31,8	28,2	26,3	25,6	19,6	18,9	17,8	-11,8
Latvia	46,3	37,9	35,1	32,7	30,9	28,5	28,2	28,4	27,3	26,0	-11,9
Lithuania	41,0	29,6	30,8	27,3	29,3	30,1	29,6	28,3	26,3	24,8	-4,8
Malta	20,5	20,3	24,0	23,8	22,4	20,1	19,2	19,0	20,1	19,0	-1,3
Poland	45,3	27,8	25,8	24,7	23,4	21,9	19,5	18,9	18,2	17,3	-10,5
Portugal	26,1	24,9	27,5	27,5	26,6	25,1	23,3	21,6	21,6	19,8	-5,1
Romania	b.d.	43,0	41,9	40,3	37,4	38,8	35,7	32,5	31,2	30,4	-12,6



Slovakia	32,0	19,6	19,8	18,4	18,4	18,1	16,3	16,3	16,4	14,8	-4,8
Slovenia	18,5	17,1	20,4	20,4	19,2	18,4	17,1	16,2	14,4	15,0	-2,1
Norway	13,3	11,6	13	11,2	12,5	12,2	12,8	11,0	b.d.	b.d.	x
Island	16,2	15,2	14,1	13,5	15,0	15,3	16,0	16,2	16,1	16,3	1,1
Lichtenstein	b.d.	b.d.	b.d.	b.d.	b.d.	b.d.	b.d.	b.d.	b.d.	b.d.	b.d.

Source: Eurostat

\*value for EU-27

Income inequalities in the researched group of countries measured by Gini coefficient in 2020 ranged from nearly 21 in the case of Slovakia to 40 for Bulgaria. In the period of 2009-2020, these inequalities increased in many countries (e.g. in Hungary, Bulgaria). In 10 countries from the analysed group - including Poland - income inequalities in 2020 were lower than in 2009. Gini coefficient for Poland decreased from the level of 31.4 in 2009 to 27.2 in 2020. 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.

Tab.5. Gini coefficient (%)

	2005	2009	2013	2014	2015	2016	2017	2018	2019	2020	Change in years 2009-2020 [p.p.]
EU-28	b.d.	b.d.	30,5	31,0	31,0	30,8	30,7	30,9	30,7	30,0*	x
Bulgaria	b.d.	33,4	35,4	35,4	37,0	37,7	40,2	39,6	40,8	40,0	6,6
Croatia	b.d.	b.d.	30,9	30,2	30,4	29,8	29,9	29,7	29,2	28,3	x
Cyprus	28,7	29,5	32,4	34,8	33,6	32,1	30,8	29,1	31,1	29,3	-0,2
Czech Republic	26,0	25,1	24,6	25,1	25,0	25,1	24,5	24,0	24,0	24,2	-0,9
Estonia	34,1	31,4	32,9	35,6	34,8	32,7	31,6	30,6	30,5	30,5	-0,9
Greece	33,2	33,1	34,4	34,5	34,2	34,3	33,4	32,3	31,0	31,4	-1,7
Hungary	27,6	24,7	28,3	28,6	28,2	28,2	28,1	28,7	28,0	28,0	3,3
Latvia	36,2	37,5	35,2	35,5	35,4	34,5	34,5	35,6	35,2	34,5	-3,0
Lithuania	36,3	35,9	34,6	35,0	37,9	37,0	37,6	36,9	35,4	35,1	-0,8
Malta	27,0	27,4	27,9	27,7	28,1	28,5	28,3	28,7	28,0	30,3	2,9
Poland	35,6	31,4	30,7	30,8	30,6	29,8	29,2	27,8	28,5	27,2	-4,2
Portugal	38,1	35,4	34,2	34,5	34,0	33,9	33,5	32,1	31,9	31,2	-4,2
Romania	b.d.	34,5	34,6	35,0	37,4	34,7	33,1	35,1	34,8	33,8	-0,7
Slovakia	26,2	24,8	24,2	26,1	23,7	24,3	23,2	20,9	22,8	20,9	-3,9
Slovenia	23,8	22,7	24,4	25,0	24,5	24,4	23,7	23,4	23,9	23,5	0,8
Norway	25,1	29,6	24,0	22,7	24,7	24,1	b.d.	b.d.	b.d.	b.d.	x
Island	28,2	24,1	22,7	23,5	23,9	25,0	26,1	24,8	25,4	25,3	1,2
Lichtenstein	b.d.	b.d.	b.d.	b.d.	b.d.	b.d.	b.d.	b.d.	b.d.	b.d.	b.d.

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 2009-2020. In this regard Poland belongs to the leaders.

### 3. Effects of the Grants

EEA and Norway Grants in Poland are implemented with delays caused among others by

COVID-19 and Ukraine war crisis. However, all the calls have already been launched, 3 of them are in assessment phase, most of the project contracts are signed. Projects implementation was first impeded by pandemic where activities were postponed or limited then hampered by the war in Ukraine and its consequences. Therefore the results are still meagre, what was reflected in the Annual Programme Reports. Despite the problems mentioned above some results are already reached for instance in Education programme (*Number of Polish managerial staff taking part in professional development activities, Number of school curricula redesigned for VET/ continuing education*) and Research programmes (*Number of donor states' researchers supported, Number of Polish researchers supported*).

Generally in most programmes, especially the investment ones, it is too early to present the visible results, as the projects in general are still at the initial or not fully developed phase. They are to be reported in the next Strategic Reports, in due time. Nevertheless some of the achievements can be pointed out here like: 4 registered applications for Intellectual Property Protection and 27 new products/technologies developed under Applied Research programme, thousands of professionals trained in various areas (justice, environment, research, education, health), awareness raising campaigns carried out in environment, culture, civil society sector or more than 1,5 million people attending supported cultural events. We expect more to come.

Bilateral initiatives under JCBF launched in 2021 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 very briefly in point 4.4 of the Report – to be supplemented by Donor side, if needed.

### 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**

FM	PA	programme	grant €	national contribution €	bilateral ambitions €	PO	DPP	IPO
NFM	Business Development, Innovation and SMEs	<b>Business Development and Innovation</b>	95,000,000	16,764,706	600,000	Polish Agency for Enterprise Development (PARP)	Innovation Norway	N/A
NFM /EEA FM	Applied Research	<b>Applied Research</b>	69,183,666	12,208,882	390,000	National Centre for Research and Development	Research Council of Norway (RCN)	N/A

NFM /EEA FM	Basic Research	<b>Basic Research</b>	5 1,510,282	9,090,050	260,000	National Science Centre (NCN)	Research Council of Norway (RCN)	N/A
NFM	European Public Health Challenges	<b>Health</b>	2 0,000,000	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	<b>Local Development</b>	1 00,000,000	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	<b>Justice</b>	5 8,221,052	10,450,774	400,000	Ministry of Justice	Norwegian Ministry of Justice and Public Security, Directorate of Norwegian Correctional Service (KDI)	N/A
NMF	Strengthened rule of law	<b>Home Affairs</b>	2 0,000,000	3,529,412	600 470	Ministry of Interior and Administration with support from the European Projects Implementation Centre	Norwegian Directorate for Civil Protection and Emergency Planning (DSB)	N/A
EEA FM	Education, Scholarships, Apprenticeships and Youth Entrepreneurship	<b>Education</b>	2 0,000,000	3,529,412	1 850 000	Foundation for the Development of the Education System	The Norwegian Agency for International Cooperation and Quality Enhancement in Higher Education (DIKU), the National Agency for International Education Affairs (AIBA) and the Icelandic Centre for Research (RANNIS)	N/A
EEA FM	Renewable Energy, Energy Efficiency, Energy Security; Climate Change Mitigation and Adaptation; Environment and Ecosystems	<b>Environment, Energy and Climate Change</b>	1 46,042,000	25,772,118	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	<b>Culture</b>	7 5,000,000	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	<b>Civil Society</b>	<b>59,200,000</b>	<b>N/A</b>	N/A	FMO in accordance with Article 6.13 of the Regulation	N/A	N/A
NMF	Social Dialogue – Decent Work	<b>Social Dialogue - Decent Work</b>	<b>5,120,000</b>	<b>N/A</b>	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 was postponed to 20 January 2022 due to COVID-19 perturbations. Strategic Report submitted to Donors on 15 July 2021 was unanimously adopted. This report refers to the period July 2021 – August 2022, covering achievements and challenges in this period.

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### Overall challenges

Implementation of EEA and Norway Grants in Poland entered in a new phase after launching the last 2 calls in Justice Programme in June 2022. Delays in programming phase and in launching the calls impeded greatly programmes development, but this report’s aim is to present how Polish entities tackled the challenges and emerged with ideas and point out the difficulties the beneficiaries are currently experiencing.

2021 was another year marked by the fight against the pandemic. The restrictions have been imposed and lifted several times, many sector of economy but also schools and cultural institutions have moved to on line activities. Since spring 2022 the limitations have been gradually lifted and thanks to the vaccinations it seems the worst is behind us. However, the public health institutions warned COVID-19 can again get out of control. The physical distancing and confinement at work, school and everyday life have still impact on people’s psychological condition. Specialists diagnose negative social consequences, especially among children and adolescents so it is important to take countermeasures. On the other side the spreading of remote meetings and transfer of activities to internet opened new possibilities, POs reached more addressees than it would be possible in a direct contact.

The outbreak of war in February 2022 had a big impact on policy, economy and social life in Europe. Poland, as a neighbour, has close ties with Ukraine. A lot of Ukrainian men worked in Poland in transport and construction sector. Due to the war in Ukraine they came back to their country to fight against the aggressor. In consequence a lack of work force appeared a big problem at the Polish market. Simultaneously a few millions of Ukraine women and children escaped from the war looking for an asylum. Poland was one of the country the most experienced by the influx of refugees. Nowadays about 1,5 million of refugees from Ukraine stay in our country. It is a big challenge for Poland to support such a big group of people a small number of whom is able to work. The impact of war is visible also in economy. Russia and Ukraine are large producers and exporters of key food items, minerals and energy. The war has already resulted in sizeable economic and financial shocks, particularly in commodity markets, with the prices of oil, gas and wheat soaring. The rate of inflation quite high after the monetary easing policy during COVID-19 had risen up reaching the level of a dozen or so percent in Middle-Eastern Europe. The high level of prices is a big challenge because it exceeds the costs of projects estimated few years ago in different conditions. The challenges we are facing at the phase of implementation of funds demanding flexible approach.

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The NFP keeps informing FMC about the risks resulting from COVID-19 and the ongoing war and their consequences. With letter of 11 February 2022 NFP wrote about the situation in programmes and risks resulting from two years of fight with the pandemic through widespread isolation and quarantine (broken delivery chains and delayed market contracting procedures hindered investment projects, price increase causes shortages in budgets, shift in priorities to anti-crisis activities results in withdrawals or limited interest, hampered partnerships, rising inflation rate caused mainly by energy crisis). It was emphasised that tight schedule of implementation is the main risk factor and an extension of eligibility period request has been made as it is the most important tool to be used in risk management.

On 2 March 2022 NFP provided FMC with risks due to the outbreak of war in Ukraine – the lack of workforce in construction branch and the influx of refugees which demand comprehensive actions. NFP also requested for shifting of EEA and Norway funds for resolving the humanitarian crisis and for the eligibility period extension. With letter dated 11 March 2022 The Donors agreed on the allocation of funds from Bilateral Fund for projects aimed at refugees with no requirement of having a partner from EEA states. It was also agreed that the uncommitted funds from other sources (TA, programmes) could be relocated towards BF.

With letter of 11 May 2022 sent to FMC NFP pointed out the estimated amount of allocation at risk of non-performing activities, collected from POs, is at the level of 275 mln Euro. At the same time *Climate*, *Justice* and *Local Development* were pointed out as the red flag programmes. These are the Programmes with the biggest allocation and ambitious goals to be achieved. All of them are at the stage of public procurements. Taking into account the situation at the market, where the lack of workforce is noticeable and prices are rising, the short time of implementation of a given project (meaning a short investment period) causes even bigger increase of price of offers submitted by contractors, as the shorter time the work and the risks are valued higher by the contractors. It is also inevitable that some tenders fail as there will be no offers, no contractors ready to take up for the risks. The longer time of investment the more adequate prices and more offers are expected.

The discussion continued in June 2022 with more detailed information at project level risks within Climate programme. In this case, 14 projects (all under Outcome 3 - Energy efficiency) resigned from project implementation with the grant amounting to EUR 22.7 M and 25% of the target value of the CO2 emission reduction in the Programme that those projects were expected to deliver (more than 157 000 tonnes/year). For sure, there are newcomers from reserve list, but the tendency is going to be maintained and there is time shortage for the new projects promoters to step in.

The Donors' decision on non-extension of the eligibility period was communicated to NFP with letter of 6 September 2022. The NFP will follow up the consequences of the decision.

## **Savings**

On 9 June 2022 FMO provided NFP with a recommendations on awarding additional funding to already approved projects. According to the procedure the funding can be granted to projects with significant infrastructure components, to address exceptional price increases provided that it has been demonstrated that the exceptional price increases were clearly beyond the control of the project promoter and were unforeseeable when the project proposal was submitted, awarding is the only solution to safeguard the planned results and allow the project to complete its activities within the eligibility period; the award of increased funding complies with the relevant state-aid rules and that public procurement rules can be complied with; the project grant rate is set at a level that complies with Article 6.4.2 of the Regulation and other relevant programme rules; additional funding to already approved

projects that could yield better results have already been explored and that awarding funding to address exceptional price increases contributes to the results of the programme to a greater extent. All POs were informed about the requirements to be taken into consideration while defining their “savings procedures”. At this stage there are no unused funds within the programmes - in a way that almost in each case the projects are already contracted or being at the stage of signing the project contracts. Nevertheless it can be assumed that savings may appear after withdrawal of project promoters or at the later stage, close to the end of the implementation period, at the final stage of project implementation. Therefore it is crucial for the “savings procedure” to be as simple as possible.

## Legal framework

In the described period two modifications of Regulations took place. First in October 2021 (NMF Regulations) and December 2021 (EEA Regulations) concerning art. 7.6.3(b) consisting in removing the provision regarding the obligation to include in the project contract the maximum amount of project co-financing in euro. Another one in April (NMF and EEA Regulations) concerning art. 8.13.1. enabling eligibility of expenditure for reserve projects at the earliest on the date of approval of the reserve list in accordance with the Program Operator's decision.

PAs modification took place in *Applied* and *Basic Research* (shifting allocation for projects from reserve list) *Environment* (increasing the allocation and shifting of funds among outputs – resignations of output 3.4, modification of results), *Culture* (shifting funds from Management to Outcome 2, several Outcome 2 results target value revision) *Justice* (change of the logic of the PDP - the SGS projects, instead of testing the model, will aim at developing innovative measures for the local system of preventing domestic violence against the elderly and people with disabilities. The good practices developed in SGS2 will be used for the development of a prevention and support model in PDP3; change of the location of a rehabilitation complex from Sosnowiec to Jastrzębie Zdrój), *Home Affairs* (modification of PDP2 project), *Health* (shifting savings from PDP to open call). NFP experience shows that the necessity of modifications of PAs is a result of excessive detail of these documents. As a lesson learnt for the future perspective, the conclusion is that less detailed agreements will allow for more efficient processing of the necessary amendments.

NFP and Polish POs participate in all workshops provided hitherto by the FMO. In the period covered by this report there was an on line workshop for NFPs with Donors and FMO (February 2022), a training session regarding evaluation for NFPs (May 2022) and Result and Evaluation Network workshop for POs (June 2022).

## 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-june-15th-2022/>)

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;

**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												
BASIC RESEARCH	GRIEG												
	IdealAB 1. stage 2. & 3.												
APPLIED RESEARCH		POLNOR											
		POLNOR CCS											
		ILAB 1	2. & 3. stage										
BD & INNOVATION			blue growth									blue growth	
			welfare technologies										
			green industry innovation										
			SGS										
HOME AFFAIRS		olice cooper. & co				asylum & migr.							
CULTURE		infrastructure											
		cooperation 1.				cooperation 2.							
											cooperation 3.		
CLIMATE				green-blue infr.									
				climate change									
				ecosystem man.									
				invasive alien sp.									
				energy efficiency									
				cogeneration									
				municipal heat.									
				SGS									
HEALTH					hydropower								
					geothermal								
					biomass								
JUSTICE					circular								
												SGS 1	
												SGS 2	

In the described period 5 last calls were announced. In *Health* and *Culture* in November 2021, in *Innovation* in January 2022 (additional round of call in Blue Growth scheme in order to allocate the savings) and 2 calls within small grants scheme in *Justice* in June 2022.

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.

Commitment of all entities engaged in the process made it possible to announced all 42 calls foreseen in the programmes PAs and thus achieving over 100% result. Among the last 5 calls 3 are at the assessment phase and within 2 calls the assessment is concluded.

Calls launching and following the assessment procedures itself was challenging in the pandemic circumstances. Response to the calls was in general exceeding expectations. Value of applications exceeded many fold the allocation available. Numbers show strong competition between the applicants and high level of interest in the funds. **3 594 applications** hitherto received in the programmes managed by the Polish side is quite an impressive result. Till end August 2022 there are **848 projects awarded a grant**, 3 calls' assessment in progress.

Most of the agreements of the completed calls have been signed. In *Innovation* and *Culture* several withdraws were noted however the funds were allocated to new calls. The biggest problem is being reported in *Environment* programme where some winners of the calls decided not to sign the contract and many more is waiting for the decision about the extension of eligibility period. We can observe the situation that project promoters are not asking POs for making payments under the projects – to make potential withdrawal easier when it becomes inevitable. The time for the efficient risk management actions is limited. Despite the problems of withdrawing of contracts project promoters are facing challenges at the stage of public procurements. It occurs that there are no offers or the prices of offers submitted exceed the sum planned for the tender. There is often no time margin for new tenders and the scope of the projects needs to be modified. In case of Regional Development programme, the projects are now being analysed and scope cuts are to be discussed and approved by PO (as agreed with Donors).

### Open call bilateral projects

Bilateral cooperation is easy to spot in each programme - a number of submitted partnerships' projects is significant. A table below presents 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 responsiveness is considerable and reflected in the financing decisions.

Table 8. Calls for proposals – bilateral projects. <sup>2</sup>

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<sup>2</sup> Table does not refer to the SGS calls (*Innovation, Research*) and projects involved only in the IdeaLab calls 1<sup>st</sup> stage and *Local Development* call 1<sup>st</sup> stage.



	Call	applications received	bilateral projects in that number	projects financed (recommended by SC)	bilateral projects in that number	% of bilateral in the projects financed	sum	PA % or number target
EDUCATION	I / Component 1	62	49	38	38	100,00%	253	270
	I / Component 2	21	21	21	21	100,00%		
	I / Component 3	38	19	18	11	61,11%		
	I / Component 4	62	39	17	15	88,24%		
	II / Component 1	73	73	62	62	100,00%		
	II / Component 2	26	26	24	24	100,00%		
	II / Component 3	60	31	41	30	73,17%		
II / Component 4	144	70	53	52	98,11%			
BASIC RESEARCH	Call 1 (GRIEG)	306	306	35	35	100,00%	38	30
	Call 2 (IdeaLab)	4	4	3	3	100,00%		
APPLIED RESEARCH	Call 1 (POLNOR)	74	74	38	38	100,00%	50	50
	Call 2 (POLNOR CCS)	17	17	6	6	100,00%		
	Call 3 (IdeaLab)	6	6	6	6	100,00%		
CULTURE	Call 1 (infrastructural)	224	118	21	19	90,48%	69	71
	Call 2 (cooperation no.1)	75	75	12	12	100,00%		
	Call 3 (cooperation no.2)	95	95	21	21	100,00%		
	Call 4 (cooperation no.3)	91	91	17	17	1		
Business Development and INNOVATION	Green industry innovation	219	43	123	25	20,33%	50	≥ 30%
	Blue growth	28	7	12	3	25,00%		
	Welfare technologies	101	22	14	1	7,14%		
	Small Grant Scheme	392	84	56	21	37,50%		
	Blue growth II	136	46					
LOCAL DEVELOPMENT	Call 1 stage 2	54	n/a	29	15	51,72%	15	7
HOME AFFAIRS	International police cooperation and combating crime	34	3	8	1	12,50%	1	5
	Asylum and migration	26	5	5	0	0,00%		
ENVIRONMENT	Implementation of green-blue infrastructure in cities	91	51	19	19	100,00%	55	20
	Climate change mitigation and adaptation in schools	82	36	6	6	100,00%		
	Strengthened implementation of Circular Economy	47	13	5	4	80,00%		
	Implementation of ecosystem management plans	19	8	10	6	60,00%		
	Increased protection against invasive alien species	8	2	5	2	40,00%		
	SGS - protection of the environment and ecosystems (NGOs)	45	12	14	7	50,00%		
	Improved energy efficiency in school buildings	214	61	23	9	39,13%		
	Development of high-efficiency cogeneration	49	3	11	0	0,00%		
	Construction / modernization of municipal heating systems	19	3	14	2	14,29%		
	Efficiency of energy generation in small hydropower plants	5	0	4	0	0,00%		
Construction of heat sources - deep geothermy	3	0	2	0	0,00%			
Production of fuel from wood and agro biomass (pellets)	-	-	-	-	-			
HEALTH	Call 1	22	18	19	17	89,47%	17	6
JUSTICE	SGS 1 violence prevention	15	0					2
	SGS 2 violence prevention	7	0					
		2 994	1 531	812	548	67%	548	

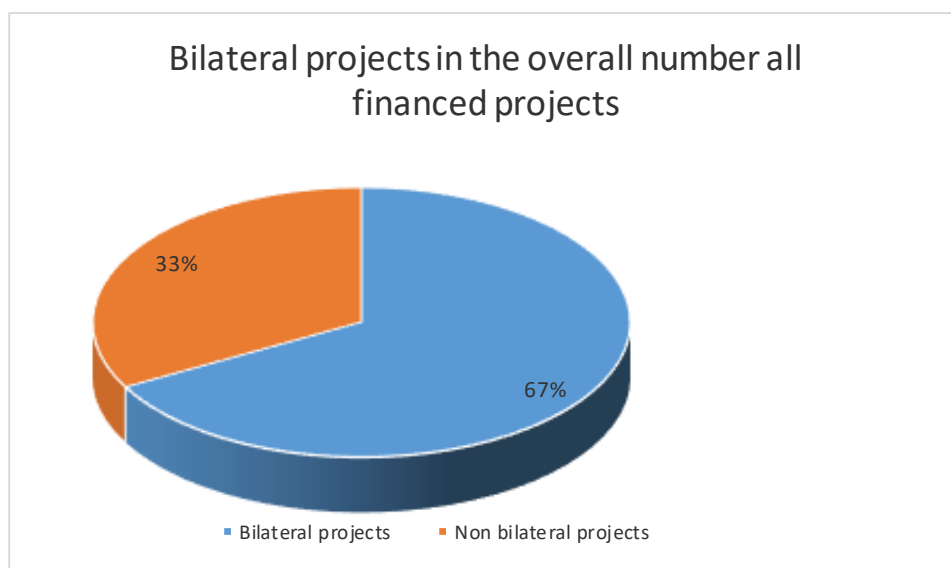
In all the *Innovation* calls, including the Small Grant Scheme for female enterprises, additional points were offered to partnerships' projects. The role of the Norwegian partners in the SGS relates to cooperation with Norwegian mentor. There are 52 projects to be contracted in this scheme. Among 31 projects with mentoring activities supported in the Small Grant Scheme for female enterprises 21 foresee involvement of Norwegian mentor (more than 67%), which shows that willingness of female companies to develop their managerial skills based on the best Norwegian examples and practices is high. This is also a positive result of the activities taken by the Programme Operator in cooperation with the Programme Donor Partner (Innovation Norway).

In *Local Development* partnerships expected number of partnerships is 15 from Norway and 1 from Island. The opening project conference 31 May/1st June 2022 was a platform of presentation of the most interesting projects / project's activities and OECD report for self-government entities to facilitate networking and experience sharing. As a follow up beneficiary cities invite Norwegian/ Islandic partners to visit their cities. Local Development programme is a unique one, as regards the partnership component. Here, the project promoters are supported by DPP and PO in establishing bilateral cooperation – after the projects are chosen for the implementation. Partnership component constitutes

added value to the project itself. Partnerships created that way are better oriented towards the needs and hopefully can become long-lasting ones.

In *Health* call almost all of the projects recommended for financing have a partnership (15 of 18). The partnership was encouraged by the additional points in the assessment.

**Chart 2. Bilateral projects in the overall number of financed projects.**



For now, there are **548 bilateral projects** with decision of financing, being 2/3 of the financed projects number (812)<sup>3</sup> and the number presumably should grow as there are numerous projects with bilateral partnerships in calls under assessment (*Innovation, Justice*). A target value of bilateral output indicator set in the PA results framework is already achieved in case of *Health, Basic and Applied Research, Local Development and Environment*. 34 programmes *Innovation, Education, Culture and Home Affairs* have not reached their target values. It should however be taken 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 at the stage of the implementation.

Predefined projects are an important part of the budget of the programmes. In some programmes they exceed half of the allocation – in *Justice* they constitute app. 96% of the grant amount, in *Health* app. 54% and in *Home Affairs* app. 68%. In some programmes (*Justice, Health*) PDPs are aimed at developing models which are later implemented in the calls. Therefore the success of PDPs determines the success of the programmes.

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<sup>3</sup> Number refers to the calls where partnership was allowed (i.e. all calls beside SGS under *Innovation and Research* programmes). Considering all 848 projects financed, bilateral projects make share of 65%.

Good cooperation between Polish and Norwegian partners in Health Programme, exchange of knowledge and tools are the most added value of this Programme. Development of telemedicine models in the predefined project PDP1 by groups of Polish and Norwegian experts contributed to development of telemedicine in the Polish healthcare system, enhancing quality and accessibility of the services in the area of intervention and constituted significant value added for patients and widened scope of Polish-Norwegian research cooperation.

*Justice* PDPs make significant (53%) share of all PDP allocation. Considering the infrastructure character of PDP of the correctional services, where building of prison complexes is envisaged, the risk of not implementing it shall affect the Grants considerably. It is another arguments advocating eligibility period extension.

At this stage of Local Development Programme implementation, the activities under predefined project can be considered as good practice. Thanks to the initiatives undertaken by the Promotor under predefined project, such as the Local Development Forum, strategic workshops or the experience exchange networks (EMPIRIA), the knowledge and experience of the Local Development Programme are disseminated widely to all local governments that want to develop in a modern and sustainable way.

Good practices include the Local Development Monitor, as a unique IT tool prepared by the Association of Polish Cities, which, under the Local Development Program, supported an in-depth social and economic diagnosis in the process of developing individual development plans by the cities, including opinion polls of key stakeholders in local communities, tools for public consultations, analyses and financial forecasts, etc. The tool can be used to assess the city's development on a multi-annual basis (e.g. for a report on the local condition of a commune).

The OECD has its component in the Local Development Programme. It aimed at strengthening the capacity of subnational governments across Poland to pursue integrated local development planning in fulfilment of good-governance principles by:

- assessing subnational policy and practice in key thematic areas of public governance and territorial development and presenting recommendations for reforms,
- accompanying Polish cities and municipalities in strengthening their capacity to set and implement Development Plans through the design and use of a municipal public-governance self-assessment tool.

Under the component OECD prepared a report to show the current status and challenges in the sector.

Similarly to competitions' projects predefined projects also experience delays. Most of them have tight schedule however, some of them are at the risk of meeting deadline. The risky projects are mainly infrastructural projects( like in *Justice*) or the projects where many organizational changes have been made at the Project Promoter side (like in *Justice* or *Decent Work* or *Home Affairs*).

**Table 9 Predefined projects – status of implementation.**

programme		PDP title	maximum eligible costs/grant amount €	notification date	implementation status
LOCAL DEVELOPMENT	1	Strengthening capacity of medium and small cities in Poland for implementing effective development policies	13 000 000	29.04.2019	project well advanced
ENVIRONMENT	1	Strengthening of atmospheric deposition assessment in Poland based on Norwegian experience	2 000 000	09.10.2020	project in progress, problems with tenders, risk of meeting deadline
	2	Services provided by main types of ecosystems in Poland – An Applied Approach	1 752 940	24.09.2020	project in progress, problems with tenders, risk of meeting deadline
	3	Capacity Building of Key Stakeholders in the Area of Geothermal Energy	900 000	16.10.2020	project in progress, problems with tenders, risk of meeting deadline
CULTURE	1	Jewish Cultural Heritage	10 000 000	02.03.2020	project in progress, tight schedule
HEALTH	1	Tackling social inequalities in health with the use of e-health and telemedicine solutions	5 800 000	02.02.2020	project in progress, delays identified
	2	Healthy lifestyle of children and youth	5 000 000	20.01.2020	project in progress, delays identified, tight schedule
HOME AFFAIRS	1	Protect minors, including unaccompanied minor asylum seekers, from abuse	461 000	31.10.2019	project implemented in a line with the schedule
	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	project at the initial phase
	3	Police and non-police international cooperation in the search for the most dangerous criminals in Europe	262 000	31.10.2019	project implemented in a line with the schedule
	4	Documents – Safety and Control, including Tactical ID-control	776 629	31.10.2019	project at the final stage of implementation
	5	Strengthening of the EU borders protection through the development of cynological training activities, infrastructure expansion, redevelopment and upgrading	535 030	31.10.2019	project implemented in a line with the schedule
	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	project in progress, tight schedule
JUSTICE	1	The pilot rehabilitation complexes for inmates	56 470 588	02.10.2020	project in progress, some outputs might not be achieved in the eligibility period
	2	The Integrated System of Domestic Violence Prevention	2 000 000	11.09.2020	project in progress, tight schedule
	3	Preventing violence against the elderly and people with disabilities	1 500 000	22.09.2020	project at the initial phase

#### 4.4 Programmes implementation status

NFP analysed progress of each programme, assessed their implementation phase in one to three scale, where 1 means the initial implementation phase (the projects just contracted or at the initial phase; limited results achieved so far, delays), 2 – middle implementation phase (projects contracted, results in progress, some delays), 3 – advanced implementation phase (projects contracted and well advanced, results partly achieved).

Table 10. Programmes implementation phase.

	PA	programme phase assessment		
		initial (1)	middle (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 refers to the status of the calls, projects' contracts signing progress, public procurement procedures and PDP implementation phase. Another risk factors that were taken into consideration are the programmes' budget, projects' maximum duration vs. expenditures eligibility deadline and the presence of investment expenditure in programmes. Currently we assess that there are 3 red flag programmes and 3 where the progress is visible in spite of challenges.

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As the PO submitted their Annual Reports in February 2022, the information on the programmes below is in the nutshell.

### **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 after withdrawals and including additional financing for reserve projects there are now 176 projects in Programme portfolio for the amount of about 191 mln euro (around 86% of available allocation) including 50 partnership projects with Norwegian companies.

As a result of MoU reserve allocation and the necessity of budget shifts between the calls, the PA modification took place in November 2021 that allowed to contract projects placed on the reserve list in Green Industry Innovation scheme (33 projects after withdrawals) and to announce on January the 10th additional round of call in Blue Growth scheme. The further savings reallocation of 3 870 384,43 € from the Green Industry Innovation scheme increased the amount available within the second round of Blue Growth call to 9 350 000 €. As a result of the closed call 136 applications have been submitted for the amount of 116 mln €. The assessment is in progress. It is planned that the appraisal of the submitted projects and selection of projects to be recommended for support by the Selection Committee will be completed by the end of third quarter 2022.

Projects contracting is prolonged and still ongoing (around 70%) This is caused mainly by extended procedures of obtaining administrative decisions or documents such as building permits as well as documents confirming external co-financing that are required before the contract is signed. Till the end of 2022 the contracting phase is planned to be concluded. The possible withdrawal from project implementation, tight implementation schedules and cost increase are the main risk factors for the programme.

In 2021 PARP conducted informational and promotional campaign aiming at providing information on the Programme and the role and significance of the Donor States. The Programme has been promoted during bilateral events and through the PARP's website and social media. Additionally the Programme was promoted through press announcements and articles, radio broadcast, promotional articles and on-line campaigns as well as by PARP's information centre. Moreover PARP organised two online trainings and one webinar for Beneficiaries concerning implementation of projects under the Programme. During 2021 PARP implemented also various measures to encourage Polish companies and Norwegian entities to establish business contacts and bilateral cooperation. For this purpose several onsite and online bilateral events in the form of webinars and matchmakings were organised in cooperation with the Donor Programme Partner i.e. Innovation Norway.

A call under the Small Grant Scheme, along with the accompanying events, may be considered a success. This scheme was dedicated only to female enterprises. This was a unique approach implemented only in Polish Business and Innovation Programme financed under the Norway Grants. The scheme was developed in consultation with stakeholders and turned out to be very popular with applicants.  
<https://www.parp.gov.pl/component/grants/grants/technologie-dla-kobiet>

## Basic Research

Due to the additional allocation from the Norwegian Financial Mechanism reserve fund (7 510 282 EUR), seven additional projects from the reserve list received funding under the GRIEG call. Polish scientists will receive a total of over 42 million PLN for research carried out in cooperation with Norwegian partners. The seven additional project contracts have been signed and projects launched.

The Programme Committee decided to terminate the IdeaLab project entitled “How does multisensory virtual experience impact environmental behavior?”. Following the series of consultations with Donors (Research Council of Norway, Financial Mechanism Office) and the National Focal Point, the possibility of the project's gradual phasing out was decided. After assessing the estimated costs of tasks needed to be performed due to publish the achieved results, the mutual agreement between the National Science Centre and the Project Promoter was signed on 30th November 2021 and the project has been finished on 31st January 2022. Unused funds within the project have been returned.

The PO decided to use savings occurred after the termination of the IdeaLab project to implement the predefined project. The proposal of use unspent sources concerns project entitled CRIOS – Cryosphere Integrated Observatory Network on Svalbard. This project is planned to be implemented in the Arctic by Polish and Norwegian partners, the implementation period is 20-22 months and initial budget- 1 265 000 EUR. The project proposal has been approved by Norwegian Research Council (being a Donor Programme Partner).

39 projects have been recommended for funding under the POLS call, and 10 projects have been placed on the waiting list. Unfortunately, the pandemic situation strongly influenced POLS mobility call – the restriction in travelling resulted in the beneficiaries' resignations; thus, finally, 34 projects are contracted and 1 project should be contracted by the end of June 2022.

The visibility of the Programme was ensured through numerous promotional and informational activities. The activities included updates of the programme website, sending the press releases to various professional media and posting on social media. The second promotion event with topic on polar and climatic research is planned to take place on 6-7 October 2022 in Gdańsk.

A special effort of PO as regard Ukraine help needs to be outlined. More information can be find at BF part of SR.

## Applied Research

All POLNOR (38), POLNOR CCS (6), IdeaLab (6) and SGS (31) project contracts have been signed and projects launched. The programme is one of the most advanced also in terms of finance.

Following the Donors' decision to allocate additional funds of over 3 mln EUR to finance IdeaLab projects from the reserve list and a transfer of resources from the PO's management costs (778 029 EUR) to project financing, an Addendum to Agreement between the National Focal Point (NFP) and the PO was signed allowing for funding additional IdeaLab and SGS projects from reserve lists. In December 2021 additional 3 IdeaLab project contracts were signed and additional 4 SGS project contracts were signed in March and April 2022.

The international thematic conference is planned in November 2022 in Warsaw (presentation of selected projects, promotion of the Programme and EEA and Norway Grants). The online workshop for project promoters from the Small Grant Schemes call was organised on 17th May 2022.

There is a risk identified i.e. the IdeaLab projects not finished before 30 April 2024. We need to remember research projects needs clear timeline and very often there is no possibility to speed up.

A special effort of PO as regard Ukraine help needs to be outlined. More information can be find at BF part of SR.

## Health

The call for proposals dedicated for supra-regional hospitals and institutes to test pilot telemedical models solutions was announced on 29th November 2021. 19 out of 22 applications were recommended for financed by the Selection Committee (one project from reserved list). The signature of contracts is planned in 3Q 2022. The tight project implementation schedule remains a main risk factor for the programme.

Within PDP1 finally six telemedical models were developed (cardiology, geriatrics, psychiatry, diabetology, chronic diseases, obstetrics). The model for palliative care was not developed due to lack of response from potential contractors in three conducted public procurements. The Project Promoter together with its Partner is looking for alternative solutions. Within PDP 1 in 2022 there are planned: webinars for general public and doctors (2022-2024), nation-wide raising awareness campaign, trainings for medical personnel.

As regards PDP2, there were prepared materials to carry out the trainings :

- A special course dedicated to module I directed to teachers and parents of pre-schoolers,
- Educational materials for young people and health policy recommendations regarding nicotine-containing products for module II,
- The content of educational, promotional and informational materials regarding the occurrence of mental disorders among children and adolescents, supporting parents, guardians and teachers in the proper approach and providing help to children with mental health problems in module III

Norwegian partners had met the deadlines for the preparation of good practice reports for the three modules. In all modules the public procurement procedures for contractors of training/internet website are implemented.

## Local Development

PO managed to sign the agreements with all 29 cities, advance payments were transferred immediately.

The launch of the implementation phase is not threatened, however contracting activities and investments at the projects level have been piling up since the beginning of 2022. Looking at the current situation, the following risk are identified:

- exceeding quotas in tenders by increasing prices on the market (cities indicate from 30 to 100%),
- redirecting some local government employees to ad hoc activities related to the refugee crisis
- time risk (proposal to extend the implementation period of projects is repeated here), necessity to repeat tenders because of lack of offers and as a result limited time for implementation of projects.

Following Donors consent for risk mitigation measures of June 2022, the scope of the projects are to be modified in justified cases and “best effort” approach is to be used while programme implementation.

The conference 31 May/1st June 2022 was a platform of presentation of the most interesting projects / project activities and OECD report for self-government entities to facilitate networking and experience sharing. As a follow up beneficiary cities invited Norwegian/ Islandic partners to visit their cities.

Building partnerships with donor states partners: generally Polish cities and donor states counterparts is one of the pillars of the programme. The ongoing cooperation between stakeholders (KS/APC/PO) can be seen as a model one.

#### Urban energy generator as a source of Konin's success

In its activities, the city plans energy and economic transformation, development of renewable energy, including the use of hydrogen and geothermal waters for energy production. The city also wants to become a generator of creativity, which means activating people's energy, triggering entrepreneurship and activity of Konin's inhabitants, through the implementation of the cultural development plan, launching the Kreatornia for young people and the Cultural Activity Incubator for inhabitants.

## Justice

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. Two small grant schemes were launched in June 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 - development of local support systems in selected municipalities (linked to PDP3).

In November 2021 the PO requested PA change to mitigate risks and implementation difficulties experienced by the Project Promoters mainly of the PDP 3 and to ensure the achievement of the results. The delays in PDP3 have significant impact on the Programme, in particular on the SGS. The prevention and support model cannot be developed before the launching of the call for proposal and the modifications require changing the logic of the project. The SGS projects, instead of testing the model, aim at developing innovative measures for the local system of preventing domestic violence against the elderly and people with disabilities (bottom-up approach). The good practices developed at the grassroots level would be useful for the development of a prevention and support model that will include recommendations for implementation and good practices guide. The modification also covered PDP1 and change of a rehabilitation complex location from Sosnowiec to Jastrzębie Zdrój.

Delays need to be taken into consideration, especially challenging in the infrastructural part of the programme, risks related to the rising prices (might result in a need for repeated procurement procedure), supply chains risks disruption, delivery time prolongation and situation on the labour market. All of these was justification for PA amendment on reducing the number of prison complexes to be build within PDP1.

Another risk factors regard tight implementation schedule for small grant scheme projects and huge delays in PDP3 where organisational changes on project promoters side hampered the implementation.

The risk are to be closely monitored by all programme stakeholders.

2 calls within the programme were launched in June. The calls were closed 8 August 2022. Within SGS1 there were submitted 15 applications for the amount 2 418 448 Euro (2 000 000 Euro allocation), within SGS2 there were submitted 7 applications for the amount 423 975 (1 800 000 Euro allocation). Currently the assessment of the applications is taking place.

## Home Affairs



Under the Organised crime counter-fighting (PA20) open call all project agreements were signed (8 projects) and under Asylum and migration (PA18) 4 project agreements out of 5 were signed (1- IOM – not signed, still in the consultation process with the IOM).

6 PDPs have been notified and agreements signed.

The projects implemented under the programme consist mostly of soft measures and activities mainly related to the exchange of experience, training, study visits. Due to the COVID-19 the projects' activities will have to be modified accordingly and rescheduled/postponed. The Russian aggression on Ukraine could also cause some problems on the implementation of the programme.

The PO identified the following difficulties:

- 1) delays in the implementation, due to the inability to change their form to a remote one (because of the COVID-19 pandemic), as well as for other reasons beyond the control of the beneficiaries,
- 2) an increase of costs (e.g. purchase of specialized IT equipment, employment of IT experts or repairs/renovation),
- 3) limited possibility of delegating officers to participate in trainings in connection with the situation on the eastern border of the state, which may result in delays in project implementation and/or incomplete implementation of the assumed indicators.

The completion of five projects (2 projects from PA20, 1 from PA18, PDP IV and PDP V) for a total amount of EUR 3,052,063 is planned for 2022.

Two projects (1 from PA20 and 1 from PA18) with a total amount of EUR 7 736 161 are planned for completion in March 2024, while 3 projects (1 from PA18, PDP II and PDP VI) with a total amount of EUR 5 270 200 are scheduled to the end of April 2024. All projects are in the initial stage of implementation and beneficiaries do not signal an increased risks related to the implementation of these projects. The scope of PDP II projects has been modified (PA amendment is being finalised)

## **Education**

The programme had to cope with the impact of pandemic breakout, which was especially hard for the education sector. One of the major adjustment to the situation was combining two open calls into one. The second and last open call was launched in January 2021 and the allocation offered to applicants was a sum of amounts planned for 2nd and 3rd call. In the beginning of September 2021 Cooperation Committee and Selection Committee meetings took place and 180 project were approved for financing (out of which 168 bilateral).

After selection of the projects and signing most of the projects' agreements savings were identified in all the components. Estimated amount of 1,4 mln € was planned to be shifted towards projects from the reserve list in component IV (about 12 additional projects). The reallocation of already identified and possible future savings to component IV has been approved by the Cooperation Committee on 9th March. The process of signing the agreements for reserve list projects is in progress. 273 projects from both calls were approved for funding after the appraisal process. The total number of contracted project has reached 274, including the additional projects from reserve list under the component IV.

PO is very flexible in addressing pandemics-related obstacles in implementing the projects. Promoters were allowed to postpone their projects, extending them to the 2 year time frame and move the activities on-line, where possible. For the time being actions undertaken by the Programme Operator has been sufficient and allowed to implement the projects and achieve indicators. However, the risk of new

restrictions in the upcoming academic year is still valid, therefore additional adjustments may be necessary depending on situation.

In May the PO participated in the Seminar for all Educational Operators organized in Bergen.

A special effort of PO as regard Ukraine help needs to be outlined. More information can be find at BF part of SR.

## **Environment, Energy and Climate Change**

There are 12 calls completed by the end of September 2021 out 12 planned in the programme. 113 contracts were signed, the contracted grant is EUR 137 478 919.30, which constitutes 87.35% of the allocation. All projects are under implementation, most of them at a very early stage.

Call no #3 “Strengthening implementation of Circular Economy (Output 1.4)” – in January the Selection Committee approved ranking list consisting of 5 projects on the main list and 5 on the reserve list. The grant agreements are in the process of being concluded.

Call no #9 “Construction of an installation for the production of fuel from wood and agro biomass in the form of pellets (Output 3.4)” – the assessment of applications has been completed. During a Selection Committee Meeting on 24 March 2022, a decision was made not to provide grant to any project. The reasons for this decision were: risks related to possible implementation of pilot projects (including lack of experience and time pressure related to the final eligibility date being 30 April 2024), current economic situation (financial burden on project promoters during implementation and operation phase while prices of goods, services and construction works are constantly rising) as well as considerable difference between expected and declared results. Funds from this call were allocated to another projects.

Within the programme, 3 PDPs are being implemented: strengthening the assessment of air pollution, description of services provided by ecosystems, building administrative capacity in the area of geothermal energy.

The modification of the Programme Agreement, covering increase in the budget as a result of additional funding from the MoU reserve, necessary budget reallocations as well as adjustment of the indicators’ targets, has been finished. Addendum no 1 was signed 8th February 2022.

The intensive process of contracting is in progress. There are, however, several factors that had impact: difficulties in the preparation of all attachments to the project agreements by the applicants as well as the outbreak of war in Ukraine. Signing contracts shall be closed by the end of second quarter 2022.

Potential delays in investment projects should be mentioned as there are only two construction seasons left before the final eligibility date set in the Programme. Difficulties may appear in all calls where construction process is included (especially energy area) as the applicant needs to complete procurement procedure to select main constructor. Due to the fact that the costs of building materials are now very high, it is possible that the procurement procedure will have to be repeated which would reduce time predicted for process of construction itself. Moreover, projects budget estimated two years ago may not be sufficient to cover increased costs. It should be noted that in energy calls it is possible to take a loan from the National Fund for Environmental Protection and Water Management in order to adjust to the market situation and help applicants with budget adaptation to the new realities. Nevertheless, in this situation the prolongation of the eligibility date would decrease risk of non-completion of the projects or just project promoters withdrawals. For now, 14 projects (all under Outcome 3 - Energy efficiency) resigned from project implementation with the grant amounting to EUR 22.7 M and 25% of the target value of the CO2 emission reduction in the Programme that those projects

were expected to deliver (more than 157 000 tonnes/year). It can be assumed that the situation will be better, when time flies.

An interesting example of a good practice that took place in Environment Programme. It was hand an award a medal "For Merits for Environmental Protection and Water Management" from the Minister of Climate and Environment to Mr Trygve Hallingstad, a retired employee of the Norwegian Environment Agency. Even though not directly related to the implementation of the Programme, the event was an excellent opportunity to demonstrate a very good and professional bilateral cooperation between Norway and Poland in terms of the EEA Grants for environment, climate and energy.

## Culture

Within 20 supported investments there are: 13 projects with a selected general contractor, 5 projects with selected contractor for part/stage of work and 2 projects (Silesian Museum in Katowice, National Library in Warsaw) still do not have selected general contractor. It is too early to show the results due to the early implementation stage, nevertheless as most of the project promoters are very known cultural institutions. It is foreseen that *Annual number of visitors to supported projects* will reach 2,400,000 whereas baseline value was 1 890 000 .

Outcome 1 of Programme is strongly affected by the risks: the outflow of workers from Ukraine, the rapid growth of inflation, the visible increase of prices as well as the lack of supplies on the market, including a very long time of the delivery of materials, the increase of transport's costs, the increase of prices of fuels and electric energy. The implementation schedule is very tight.

Under the Culture Program for Outcome 2 "Access to art and culture improved" there were three calls for proposals in the years: 2020, 2021 and 2022. In these years a total of 262 applications were submitted for the amount of approximately EUR 67 million. It amounted to almost 5 times more than the allocation of funds in the calls. Currently 33 contracts are signed ( 1st and 2nd calls for proposals) for the amount of EUR 9,892,917, which is 68% of the allocation of EUR 14,408,188 for Outcome 2. The third call is being finalised. The project needs to speed up to cover the delays from pandemic – as they rely on the direct contacts, workshops, meetings, doing things together.

As for POLIN project, spending is around 16 million PLN (around 3.5 m Euro). There were many activities done like: Daffodils Social-Educational Campaign, exhibitions: "Leśmian's Meadow", "Museum on Wheels" –a travelling exhibition; programs for teachers 100 activities for teachers from the Poland so far; 8 international workshops and seminars in cooperation with the Falstad Center, Jewish museum in Oslo and Trondheim. Some adjustments were needed due to pandemic nevertheless the project is implemented in accordance with the schedule.

In 2021/2022 the issue of the Donors concerns about the assessment procedure of T. Żeromski project (under Outcome 1) has been proceeded.

Conservation and Restoration of the 14 c. Castle in Lidzbark Warmiński – the Pearl of Gothic Architecture in Poland – stage III Co-financing by EEA and Norway Funds is over 12,2 m Euro.

The project concerns converting a part of the castle building into a cultural facility. The investment project covers the castle wards, fortifications, the so-called dry moat and the bridge above it. It will also include several rooms of the castle's ground floor, whose small part has been available to visitors or used for professional purposes so far. It's an important component of the entire investment project as it will enable a significant increase in the number of indoor castle areas made available also to mobility impaired people – also those living in wheelchairs. Thanks to the investment project, many visitors will be able to see the former castle kitchen and former bathrooms. Visitors shall be invited i.a. to archaeological ABC workshops providing basic information regarding this field of science, pottery workshops presenting ancient techniques used in medieval pottery and modern times, workshops on old tiling and furnaces used in the Middle Ages and modern times.

<https://przyroda.muzeum.olsztyn.pl/Projekty-MF-EOG-Konserwacja-i-restauracja-XIV-w-zamku-w-Lidzbarku-Warmińskim/29819-3.html>

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There are 3 programmes implemented according to the Article 6.13 of the *Regulation*. In case of Civil Society and Funds the info are taken from website.

### **Decent Work**

Within 2 open calls (2019 & 2020) 19 Polish projects were been selected for funding. Main objective for all of these projects is to improve the cooperation between the social partners and public authorities on labour market challenges by activities facilitating access to employment, including young people through emphasis on importance of vocational training. Activities that are currently implemented withing the projects include for example awareness-raising campaign concerning migrant and refugee workers' rights, providing equal opportunities for persons with disabilities in the recruitment process, implementation of Decent Work Agenda for different sectors or research and trainings.

In addition to open call projects, one predefined project of Ministry of Family, Labour and Social Policy has been appraised and granted. The project aims on creating good quality working places in Poland.

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 Active Citizens Fund (ACF) National and ACF Regional are being implemented.

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:

*Outcome 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).

Out of 195 projects funded in this outcome 40% engage children and young people in the activities. Most of the projects include educational activities on civic engagement. Approximately one in three projects focus on environmental protection and one in three refers to civic participation in policy-making processes with the authorities.

*Outcome 2:* Increased support for human rights and antidiscrimination practices which includes measures to prevent gender-based violence (coordinated by the Stefan Batory Foundation).

Out of 118 projects carried out in this outcome 31 target women, 26 are designed for young people, 24 for professionals in different fields.

*Outcome 3:* Increased empowerment of vulnerable groups (coordinated by the Stefan Batory Foundation).

Out of 127 projects funded in this outcome 16 target people with disabilities, 9 people with illness and 9 people with migration experience.

*Outcome 4:* Enhanced capacity and sustainability of civil society organisations and the sector (coordinated by the Academy of Civic Organizations Foundation).

More than 500 CSOs (target value: 400) have taken advantage of different forms of capacity building activities offered by 14 projects carried out by PPs.

More information available on <https://aktywniobywatele.org.pl/en/>

As for ACF Regional, Jerzy Regulski Foundation in Support of Local Democracy is a Fund Operator, in consortium with Education for Democracy Foundation and Information Society Development Foundation.

The 1st round of the ongoing call for intervention projects under the Active Citizens – Regional programme ran from September 7th to December 30th, 2021. During this time, 195 project proposals were received, 20 of which received funding. The 2nd round of the call is planned between the 3rd quarter of 2022 and the 2nd quarter of 2023.

The first thematic call for proposals was announced on March 17, 2021. The deadline for submitting project proposals was May 17, 2021. Under the call, a total of 716 grant applications were submitted. 175 project were awarded grants for the implementation: 99 large ones and 76 small ones. The contracts signing is in progress.

The second call for thematic projects was launched on January 25. The deadline for submitting proposals was March 29, 2022. 102 grants were awarded: 72 large and 30 small ones.

In the call for proposals for organisational grants under the Active Citizens – Regional programme 32 applications proceeded to the 2nd stage of the content-related evaluation.

More information available on <https://aktywniobywatele-regionalny.org.pl/en/home/>

### **Fund for Youth Employment**

The selection process for transnational projects with partners from the 15 Beneficiary States (including Poland), as well as organisations in Ireland, Italy and Spain, was completed in June 2021. Projects are being implemented.

### **Fund for Regional Cooperation**

The Fund for Regional Cooperation has had one call for proposals, seeking transnational projects ideas within the 23 programme areas of the EEA and Norway Grants. The total amount of the fund is € 31.89 million, of which 15 million was made available for the first call for proposals announced in January 2018. The 700 project proposals has been submitted in June 2018. After 2 years of assessment by the EEA EFTA states, 19 projects have been selected to receive funding (4 from Poland). Poland is a partner in 5 projects.

## **4.5 Financing of the programmes - summary**

Total expenditures till the end of June 2022 amounted over EUR 168 million<sup>4</sup> (PLN 765,5 million). Slow growth of expenditures is noticeable and results from launching of advance payment process to project promoters in many programs. Nevertheless incurred amount (grant) constitutes only 21% of the allocation and it confirms delays comparing to the previous perspective of FMs. Additionally, many unexpected factors as pandemic and outbreak of war in Ukraine had and will have unfavored influence on the level of expenses within programs.

*Applied, Basic research and Local development* programs have the highest share in the total of so far incurred expenditures.

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<sup>4</sup> The amount includes expenditures incurred by the PO till the end of June 2022 which are in the process of verification.

Table 11 Total expenditure in Programmes

Programme	Total eligible expenditures EUR till 30.06.2022	Share in total
Research Applied	39 331 372	23,3%
Research Basic	29 298 676	17,4%
Education	12 216 480	7,2%
TAF	5 157 459	3,1%
BF	2 614 711	1,5%
Culture	19 882 432	11,8%
Local Development	30 864 340	18,3%
Business Development and Innovation	12 342 272	7,3%
Justice	2 599 214	1,5%
Home affairs	4 367 910	2,6%
Environment, Energy and Climate Change	8 547 542	5,1%
Health	1 519 378	0,9%
<b>TOTAL</b>	<b>168 741 786</b>	

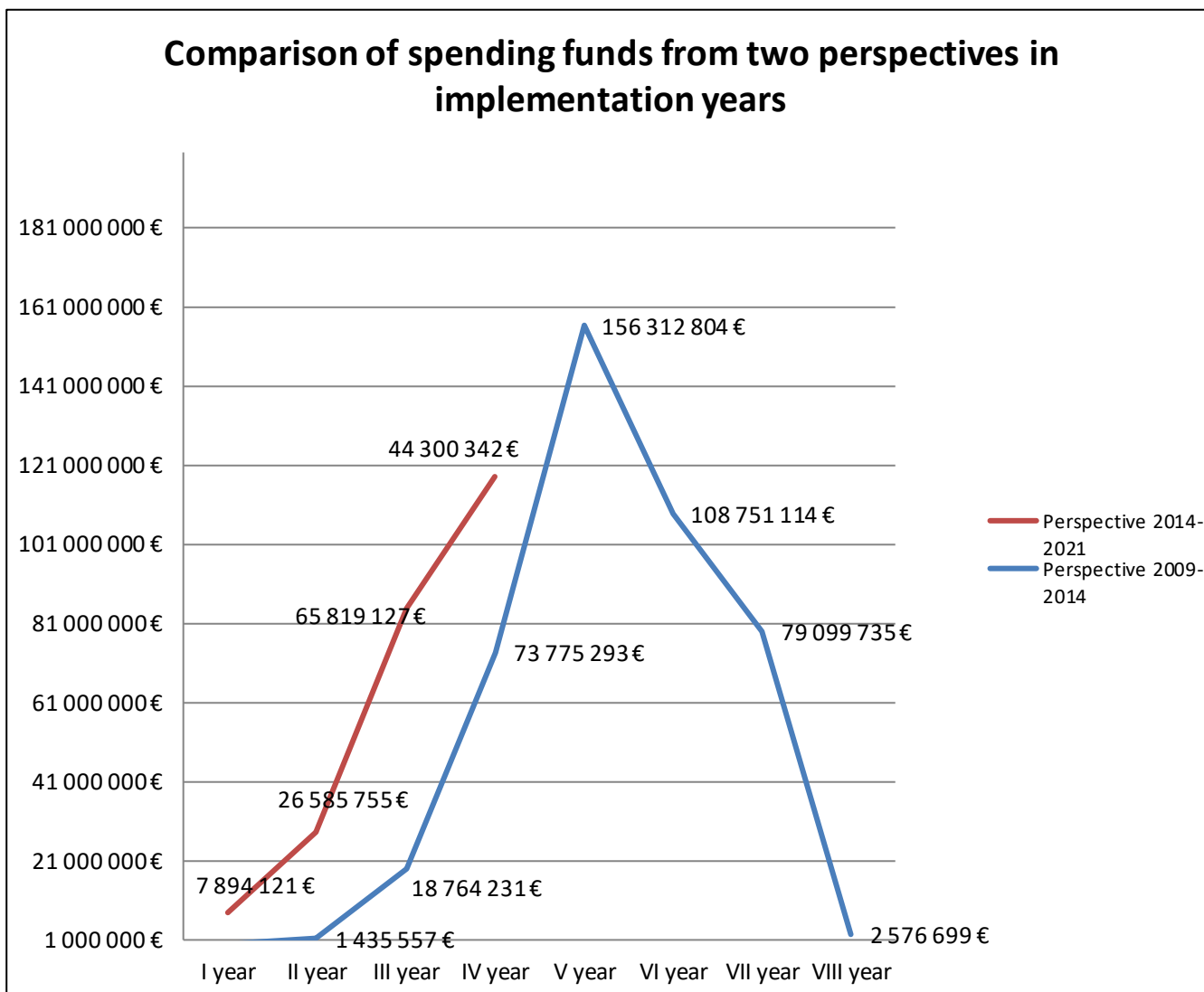
In terms of usage of allocation the situation looks a bit different. The most advanced programmes are *Education, Research (both) and Technical Assistance Fund*.

Table 12 Usage of allocation in Programmes

Programme	Incurred grant EUR till 30.06.2022	Allocation	The amount of expenses incurred
Research Applied	33 431 666	69 183 666	48,32%
Research Basic	24 903 875	51 510 282	48,35%
Education	10 384 008	20 000 000	51,92%
TAF	5 157 459	12 139 500	42,48%
BF	2 614 711	17 186 000	15,21%
Culture	16 900 067	75 000 000	22,53%
Local Development	26 234 689	100 000 000	26,23%
Business Development and Innovation	10 490 931	95 000 000	11,04%
Justice	2 209 332	58 221 052	3,79%
Home affairs	3 712 724	20 000 000	18,56%
Environment, Energy and Climate Change	7 265 411	146 042 000	4,97%
Health	1 291 471	20 000 000	6,46%
<b>TOTAL</b>	<b>144 596 344</b>	<b>684 282 500</b>	<b>21,13%</b>

Taking into account the data from two perspectives, it follows that financial progress in the current perspective still seems less dynamic as it was in the previous perspective of 2009-2014. This illustrates the graph below but more comparable data will be available in the second half of the year.

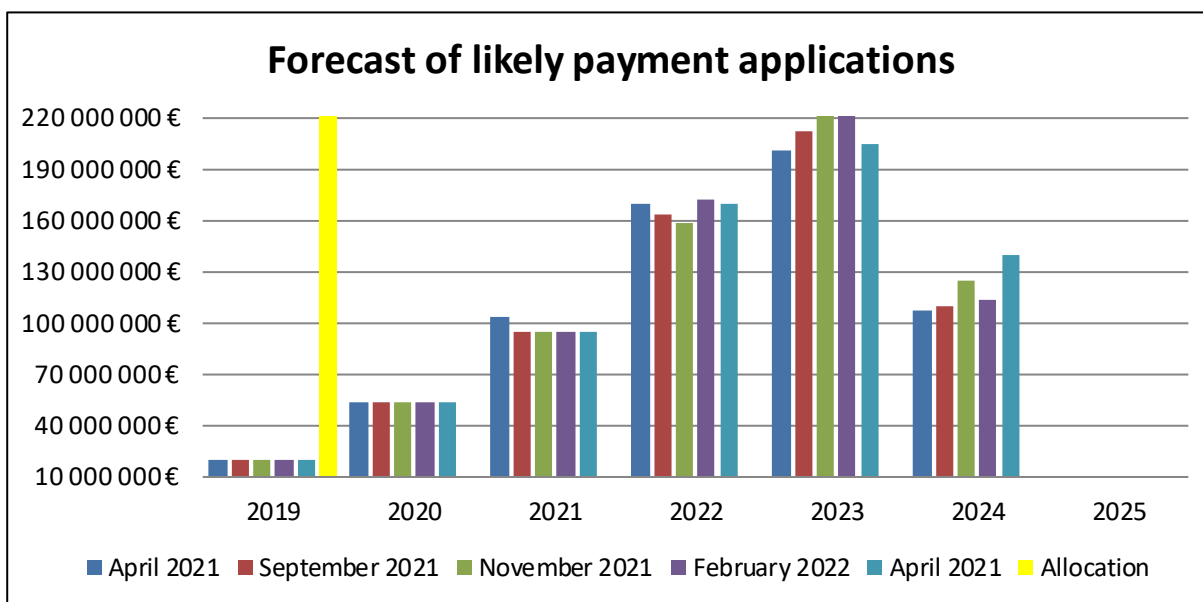
Chart 5 Comparison of spending funds from two perspective



The slowdown in programme certification of expenditures is reflected in the amounts of payment forecasts provided by the Operators. 38% of the available grants budget has been already disbursed by the donors. The highest amount of payments is assumed for year 2023. However, it is very demanding to plan payments in the light of the unstable economic situation and factors that are hard to predict and may have impact on payments in the future.

Some resignations from implementation of projects could occur due to unstable economic situation and deteriorating financial situation of some beneficiaries. Beneficiaries may request for changing the scope of their projects which could cause reduction of the amount of payments. As mentioned many times delays in project implementation are noticeable and their completion within the date of eligibility is at risk. Especially in the light of facing additional risks and difficulties due to the increase of prices in construction and energy, the shortage of qualified labour and increase of inflation. All these makes process of accurate planning very difficult.

Chart 6 Forecast of likely payment applications



#### 4.6 Programmes implementation – next steps

The EEA and Norway Grants in Poland are at the stage of finalisation contracting and starting projects' implementation in a completely different global framework than it was at the planning stage. There are 2 last open calls under *Justice* and 1 under *Innovations* at the stage of assessment. The contracting is taking place in other programmes. The implementation of the project is especially visible and accelerated in "soft project" after the lifting of COVID-19 restrictions. Infrastructure projects, where the increase in prices is the most noticeable, require risk management actions.

The savings allocation procedures are being prepared by PO (in close cooperation with NFP, DPPs, FMO) and are to be used for financing cost increase, if justified.

The ongoing risk assessment of the programmes needs to be done by all stakeholders especially bearing in mind the Donors' decision not to extend the eligibility period, to take risk mitigation measures possible, including the modification of projects scope and schedules (if possible) and the shifting of funds.

The disbursement pace needs to speed up to ensure the efficient use of the funds. This regards also BF allocation.

In connection with transfer of 2,5 m Euro from TA to BF for projects dedicated to Ukrainian refugees, MoU modification is required.

Due to distribution of reserve allocation the MoUs PAs in the appropriate programmes were modified and the process was finished.

The lessons learned from the programmes needs to be collected and used for future EEA and Norway grants programming period. Some preparatory activities for the evaluations are to be undertaken by POs.

#### 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 4<sup>th</sup> December 2020). NFP informed POs and declared all the issues are to be examined carefully.

Due to aggression of Russia in Ukraine the NFP asked the POs to review the projects in terms of the participation of beneficiaries from Russia and Belarus. As a result of the review the cooperation with the participants of Russia and Belarus in a project *Augustów Forest and tree-bee-keeping- the chance to save the last anchor of the Augustów native bees under implementation* under the *Environment, Energy and Climate Programme* in Poland was suspended.

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

Though status of individual programmes differ 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, COVID-19 hampered the process of launching the calls, and the economic situation especially the increase of prices and lack of workforce in construction sector impeded the implementation.

Year 2021 was marked by the fight against COVID-19 and its effects. The biggest challenges of implementation were as follows: re-definition of activities needs to online (all PL programmes, especially *Education, Bilateral Fund*), breaking delivery chains and delay of market contracting procedures which hinders investment projects (mainly in *Culture, Climate, Justice, Innovations, Local development*), price increase that causes shortages in budgets (mainly in *Climate, Justice, Research, Innovations*), shift in priorities to anti-crisis activities resulting in withdrawals or limited interest (like in *Innovations, Health*), impediment of partnerships (all PL programmes). The outbreak of war in Ukraine in February 2022 increased some of the risks especially rising of prices caused mainly by energy crisis, disruption of global supply chains and commodity markets (the inflation rate in Poland is the biggest since 24 years and interest rates are pushed by the Central Bank into the “pain zone”). The fight against inflation by raising interest rates causes a cooling down of the economy and thus deterioration of the situation of enterprises and make the access to loans difficult. Moreover the Ukrainian workers went back to Ukraine and labor shortage is becoming a growing problem. In addition, the social problems related to the rapid influx of 1.5 million of refugees from Ukraine are swelling.

The NFP keeps informing the Donors about the risks related to the implementation of projects. In letters dated 11 February 2022, 2 March 2022, 11 May 2022, 24 June 2022 NFP outlined the risks and repeated the request for extension of eligibility period.

As all the calls are already launched the most challenging task is the signature of agreements. Project contracts conclusion shall be a major milestone for the POs. Programme Operators report cases of withdrawal of beneficiaries from signing contracts. 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 *Justice* and *Innovation*.

Progress in most predefined projects needs acceleration. Schedules are usually tight and extremely sensitive to postponing activities that determine the next ones. 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 (around 6 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 addressed the issue of eligibility period extension. NFP and POs perceived it as an effective risk management tool, inevitable to deal with the underspending and underachievement of projects. In light of the latest Donors' decision NFP and POs' will follow up its consequences.

It should also be mentioned the ongoing discussion between FMO and PO Culture about the financing Żeromski Theatre in Kielce. With Decision of FMC in June 2002 the financial correction on the project was withdrawn, however the correction of 5% flat rate management costs imposed on the PO was maintained. PO and FMO stays in dialogue for the procedures to be used.

Upcoming months appear to be just very intense as projects are entering in the implementation phase and the challenges are growing.

## 5. Status of bilateral funds

The budget of the Fund for Bilateral Relations for Poland is EUR 19,686,000, covering EUR 4,350,000 allocated to the programmes in the MoU and EUR 15,336,000 to be managed by the NFP and under JCBF supervision (including 1 mln EUR after MTR review and 2,5 mln EUR transfer from TA – PA modification process ongoing).

The most important factors concerning the implementation and development of Bilateral Fund were following:

1. War in Ukraine and response to this war and crisis
2. Pandemic and a start of postpandemic activities.
3. New strategy of Bilateral Fund in Poland and new priorities for Bilateral Fund.

### 1. War in Ukraine and response to this war.

The Russian Federation launched a military offensive against Ukraine on 24 February 2022. Within five weeks, a quarter of the population of Ukraine have been forced to flee their homes. 4.25 million people from Ukraine fled to Europe, out of which 3.5 million entered Poland - making this the fastest growing refugee crisis since World War II.

Depending on the severity of the conflict outbreak, there were scenarios with 4.3-8.3m refugees coming to Poland. According to the latest data from Polish Border Guard there were 3.5 million refugees from Ukraine to Poland. Nonetheless, there are approx. 330 000 Ukrainians in Warsaw who arrived here after the outbreak of war. The population of Warsaw has risen approx. of 20 percent, reaching now the level planned at 2050. It is also estimated that 90 percent of those arriving are women with children. Poland is currently facing the second wave of the crisis. In this stage the most important needs to be addressed cover: access to the labour market and social support tools, ensuring medium-term availability of housing and providing schooling.

This unprecedented situation was reflected also in the actions of NFP and Donors in relation to Bilateral

Fund. It was swiftly decided that this very unique and serious situation requires discussing new ways of the use of Bilateral Funds. In the FMC Chair's letter of 11 March 2022, Donors informed that they took a flexible line towards involvement of donor partners in initiatives supported by the Bilateral Fund, related to the humanitarian crisis caused by Russia's invasion of Ukraine. Donors welcomed the possibility to allocate available funds from EEA and Norway grants for these purposes and they expressed commitment to flexible and quick means to address these urgent needs. The Bilateral Fund was considered the most appropriate source of funding as the programmes budgets were already stretched with increased costs. In the letter dated 6th of April the FMC was clarifying the position of the Donors as regards Bilateral Fund at programme level. The Initiatives addressing the consequences of the war in Ukraine were welcomed also at the programme level, if they are approved by JCBF.

In the process of a dialogue with Donors, it was decided to use EEA and Norway Grants to offer significant assistance. It was agreed that allocation of 5 million EUR (2,5 million BF increased by additional transfer of 2,5 million TA) is to be used.

The main focus was timely and quick response to the needs. Decisions require additional actions such as the amendment of the BF Agreement and TA Agreement, MoU modification to enable the shift of funds. The process is on-going.

It was decided that support may be granted in the form of a direct transfer of funds from FMO to a given NGO. NFP signed contracts with organizations in May 2022 on an agreed template and subsequently will proceed with the reporting in an agreed format. The initiatives will be implemented till end 2022.

- Support for the activities of the **Polish Medical Mission (1 million EUR) to purchase medical supplies, dressings and medicines for hospitals and medical units** in Ukraine located directly in the battle areas was granted. The recognized area of increasing medical needs are in Kherson, Odessa, Mykolaiv and Kirovohrad oblasts (regions), located in the area of the high number of war affected population and internally displaced persons.
- Support for the **Polish Medical Mission (1 million EUR) for activities related to supporting refugees in Poland** - care for young children and their guardians in the form of financing the so-called toddler clubs and workshops for parents/children - in cooperation with NGOs/municipalities - in order to, inter alia, relieve the burden on the state education system and support integration.
- Support for **PCK Polish Red Cross (1 million EUR)** to fund vouchers for refugee families in Poland. The Polish Red Cross will purchase and distribute vouchers for refugees (in the form of cards or coupons) as humanitarian aid, which is necessary to meet current needs related to the organisation of life in Poland (current needs in the form of buying food, but also needs related to e.g. going to school for children).
- Support for **Lewiatan Confederation (400 000 EUR)** for activities aimed at activation of Ukrainians (help in finding housing and jobs) and preparation of companies to employ Ukrainians in the form of guidelines.
- There was also an additional support for Education Programme Operator to organize an **open call to organize summer workshops for refugees in Poland (1,6 million EUR)** - carried out under the "expression of interest" format (more info on: <https://education.org.pl/>)

It is also worth mentioning that – after JCBF approval - both Applied Research PO and Basic Research PO decided to use their part of Bilateral Funds for to the initiatives related to the humanitarian crisis caused by Russia's invasion of Ukraine. The former will use bilateral fund for the open call dedicated to support of Ukrainian researchers. The latter decided to launch a special scheme dedicated to young Ukrainian adepts of science, before PhD. This scheme aims to support young Ukrainian scientists by funding one-year scholarships in Polish research institutions. Both schemes are planned for 2022.

There are still the initiatives proposals to be discussed further, like Support for the Central Clinical Hospital of the Ministry of Internal Affairs and Administration and Supporting integration of refugees from Ukraine through education in Poland. The discussion is to be continued.

## 2. Pandemic and a start of postpandemic activities.

As was discussed in the previous Strategic Report, COVID-19 pandemic situation affected the cooperation between programme and project partners. Most severely affected by the COVID-19 outbreak in Europe were study visits which were delayed and postponed. Many activities moved on line, if they appeared efficient – CC meetings, matchmakings etc. Cooperation Committees and Programme Committees – even if in remote mode - proved a platform for forging the programme and projects selection.

Three main strategies which were recommended to manage the lockdown challenges and mitigate their negative impact:

- to postpone the activities (initiatives' implementation period extension entailed),
- to go on-line (not always possible, but if feasible – and in case of using the on-line tools in more advanced way - may attract more attendees and have broader reach),
- to modify the initiative, re-design or replicate the concept (reach a goal in a different way).

Slight acceleration in activities can be observed.

## 3. New strategy of Bilateral Fund in Poland and new priorities for Bilateral Fund.

The strategy for the BF till 2025 was adopted during JCBF meeting on 28th January 2022.

It was agreed already that the catalogue of the potential bilateral activities should remain wide and open. It could include not only most popular information and experience sharing, like study visits, meetings, conferences, workshops, but it could focus more on the bilaterally important activities, solutions, practices delivered through the initiative implementation.

The following strategic areas for the 2022-2025 period were approved:

- a. Green transition and sustainable energy
- b. Civil society development
- c. Other areas of common interest, such as for instance cultural exchange, education and research.

The priorities are to be taken into consideration while planning new JCBF activities.

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## Bilateral Fund implementation overview

Overall assessment of the cooperation within the Joint Committee for Bilateral Fund shall be described as very positive. All the parties are engaged in the process and it goes smoothly. As described in the refugee crisis case the dialogue also in JCBF was very fruitful, flexible and quick. All parties involved have shown great deal of involvement and flexible approach. NFP keeps JCBF informed on the BF status, JCBF meetings are set up according to the needs. In case of more urgent matters JCBF discuss and votes via e-mail, like in the case of research schemes dedicated for Ukrainian scientist, which were accepted in the correspondent mode.

In terms of implementation, there is significant increase of disbursement rate of predefined activities at the National level. It is a result of parallel processes. First the initiatives implementation pace speed up in the post pandemic world. Second factor was ongoing contracting process of the new initiatives (including

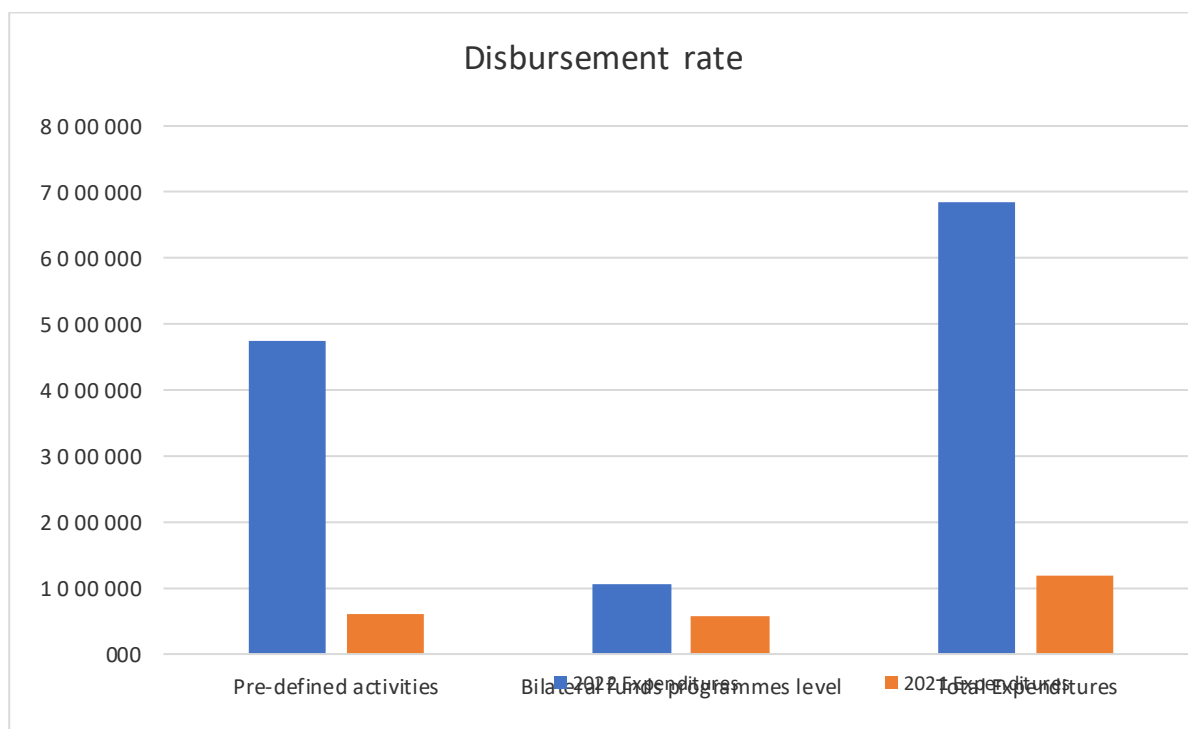
Ukraine help) – the number of contracted initiatives has grown substantially, the advances were paid and direct transfers were made.

The BF budget is pictured in the table below. At the general level 85 percent of the total BF budget is allocated, and 30 percent of total BF budget has been spent (cut off dates are: the end of May 2022 as regards “national level” and end of March 2022 for POs).

Title	Budget €	Incurred expenditures	Disbursed
Activities carried out by the NFP	46 463	46 463	100%
Call for proposals ( <i>national level</i> )	4 500 000	0	0%
<i>Pre-defined activities (total budget for planned pre-defined activities at national level)</i>	5 933 855	4 744 815	80%
<b>Bilateral funds for programmes</b>	<b>6 300 470</b>	<b>1 046 517</b>	<b>17%</b>
<i>Business Development and Innovation</i>	600 000	182 567	30%
<i>Research</i>	650 000	16 990	3%
<i>Health</i>	300 000	31 596	11%
<i>Local Development</i>	400 000	388 765	97%
<i>Justice</i>	400 000	0	0%
<i>Home Affairs</i>	600 470	0	0%
<i>Education</i>	1 850 000	66 693	4%
<i>Environment, Energy and Climate Change</i>	900 000	126 258	14%
<i>Culture</i>	600 000	233 648	39%
<b>Funds still to be allocated</b>	<b>2 905 212</b>		
<b>TOTAL</b>	<b>19 686 000</b>	<b>5 837 795</b>	<b>30%</b>

<p><b>85%</b> of BF total budget allocated  <b>35%</b> of BF allocated budget spent  <b>30%</b> of BF total budget spent</p>
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There is also significant increase in the spending at the programme level, the expenditures level almost doubled over the last year. All these combined factors are reflected in the total level of expenditures at the BF level.



It needs to be outlined, the use of the whole allocation may be difficult due to several circumstances. The eligibility period for bilateral fund (April 2025 ) is relatively distant, however the eligibility period for management costs for POs expires in December 2024, which may affect the possibility of using the whole allocation. The current global situation is also unstable and we cannot foresee what will happen in relation to pandemic, war or economic market factors.

Bilateral Fund is being implemented on the basis of Work Plan, approved in April 2022. Below table presents the overview of the activities approved.

	Title	Implementing Entity	Partner	Budget €
<b>Predefined initiatives</b>	<b>Independent living of disabled students and graduates of higher education institutions</b>	Institute of Applied Social Science, University of Warsaw (ISNS UW)	ULOBA, Inland Norway University of Applied Sciences, Medvind Assistance Holding AS	145 000
	Trust across borders: State institutions, families and child welfare services in Poland and Norway	PRIO	Researchers from the University of Gdańsk	115 177,31
	Events linked to the European Forum for New Ideas (EFNI)	Polish Confederation „Lewiatan”	Confederation of Norwegian Enterprise (NHO)...	150 000
	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	150 000
	MiDeShare. Migration and Development: Sharing knowledge between Norway and Poland	Polish Institute of International Affairs (PISM)	Norwegian Institute of International Affairs (NUPI)	104 358
	(...) combating organized drug crime	Polish National Police Headquarters	Capital Region Police Headquarters in Reykjavik	90 000
	Workshop Utöya: Young and Engaged V4 Citizens against hate speech and extremism	European Wergeland Centre	Chance Association, Poland	5 110,33
	Exchange of best practices: make cultural experience accessible to the general public	Schlösslekkeller Foundation, Vaduz	„Dundun" Asociacion (Stowarzyszenie Promocji Artystów Ulicznych „Dundun"), Wrocław	3 538,12
	SHARE. Contest for youth	National Focal Point, Poland	Norwegian Agency for International Cooperation and Quality Enhancement in Higher Education (tbc), Atlanten videregående skole	46 462,65

	Pilot project on Polish-Norwegian Literature Events for Children	House of Literature, Oslo, Norway	Polsk lørdagsskole Oslo/ Polish School, Oslo	44 333,96
	Education strategy for the Auschwitz-Birkenau State Museum in Oświęcim, including the usage of innovative technologies: virtual reality and internet/mobile platforms Implementing entity Partner:	Auschwitz-Birkenau Foundation	Norwegian Center for Holocaust and Minority Studies (HL Senteret); SWPS University, Warsaw	160 000
	People stories	Embassy of Norway, Warsaw	Polish National Focal Point	92 000
	Youth for the City, City for Youth	Lublin Municipal Office (Poland)	European Wergeland Centre (Norway)	850 000
	Exploring Liechtenstein's and Poland's Perspectives on European Integration	Liechtenstein Institute, Liechtenstein	Institute of Political Science and Public Administration of the University of Opole, Poland	38 700
	Oslo-Sopot Legal Education Summer School	University of Oslo	SWPS University of Social Sciences and Humanities in Warsaw	139 175
	Circularity GAP report Poland	Natural State( Norway)	Institute of Innovation and Responsible Development INNOWO( Poland), Circle Economy (Norway)	400 000
	Direct medical aid to affected population in connection with the war in Ukraine	Polish Medical Mission	Direct Donor transfer	1 000 000
	Child Friendly Spaces in Poland for Host and Refugee Communities	Polish Medical Mission	Direct Donor transfer	1 000 000
	Direct help assistance	Polish Red Cross	Direct Donor transfer	1 000 000
	Direct aid and other forms of support in connection with the war in Ukraine	Lewiatan Confederation	Direct Donor transfer	400 000
	<b>in total:</b>			<b>5 836 093</b>
<b>Open calls</b>	BeFORme - local initiatives supporting inter-generation learning	National Focal Point in Poland	NOVA, Oslo Metropolitan University (in component)	2 000 000
	Green call	tbd		2 500 000
	<b>in total:</b>			<b>4 500 000</b>
<b>Expression of interest</b>	Home Affairs expression of interest	Norwegian Directorate for Civil Protection (DSB) with Government Centre for Security of Poland		350 470
	PO Education expression of interest	Foundation for the Development of the Education System		1 600 000
	<b>in total:</b>			<b>1 950 470</b>

### Predefined initiatives at national level

Discussing the Work Plan initiatives status, it should be pointed out that 8 are already concluded and 12 are ongoing (including 4 related to Ukraine described previously).

- EFNI, PRIO, European Wergeland Centre initiative, Buskers festivals, Polish-Norwegian Literature Events for Children, SHARE were completed and reported on in the previous Strategic Report.

- **Food side-stream** initiative has been finalised. The core part of the initiative was #EEA School "Adding Value to Agri-Food Side Streams" hackathon with mixed Polish-Icelandic group of students and young researchers. Pandemic delayed the initiative and the summer camp originally planned for 2020 was postponed for the second part of the 2021.
- The initiative **MiDeShare** was completed in December 2021. Final seminar was held on in December 2021 and there was a discussion on the conclusions from two years' work on the migration strategies. MiDeShare aimed at improving our understanding of the relationship between migration and development in order to suggest more effective policies for addressing root causes of migration. 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.
- On the research **Warsaw University/ULOBA** initiative, works had to be redefined and rescheduled due to pandemic - the initiative was extended till December 2022. The initiative is about developing a model to support the employment of the students and university graduates in Poland, taking into account Norway's good practices and experience. It includes elaborating diagnostic materials; preparing a scientific monograph on comparative public policy in the field of vocational activation and employment of university students and graduates with disabilities; developing a model of support in the period of education and entering the labour market. Conceptual work on the preparation of the final publication is in progress.
- **Initiative on combating organized drug crime**, after suspension for a year due to pandemic, was re-opened. The cooperation on workshops in Reykjavik and in Poland as well as job shadowing component, to be carried out in the following months is ongoing. The initiative is expected to be implemented in the foreseen timeline, i.e. till the end of 2022.
- **The Auschwitz Foundation** concluded the 1st stage of the initiative aimed at drafting a comparative analysis of the application of new technologies like virtual reality and internet/mobile platforms in educational activities carried out by the Museum.
- Initiative "**Exploring Liechtenstein's and Poland's Perspectives on European Integration**" - provides for two events each in Liechtenstein and Poland as well as numerous publications on topics related to European integration of the two countries. Activities covers: public lectures in Gamprin (Liechtenstein) and the University of Opole (Poland), fact sheets about political system, integration in Europe and economic development of the respective country, online working papers covering various aspects of Poland and Liechtenstein integration with the EU, publication addressing attitudes towards European integration in Member States and non-Member States with focus on Poland and Liechtenstein. Initiative is due to be implemented till October 2023.
- The **short video stories** to the social media platforms (Facebook, Instagram and YouTube) of Poles connected to Norway and Norwegians connected to Poland – in "People stories" initiative of Norwegian Embassy in Warsaw - are expected in the nearest months 2022. The main purpose of the initiative is to increase the mutual knowledge about Poland and the Polish society and Norway and the Norwegian society.
- 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. Hence the Initiative "**Youth for the City, City for Youth** – projects and initiatives engaging and including the local communities" was launched at the beginning of 2022. It covers creation of a "Youth Space" for meetings, integration and cooperation of young people in Lublin; increasing the number of youth initiatives, increasing the level of knowledge of young people and people working with young people in the field of, inter alia: civic education, volunteering, labour market and career counselling. It also aims at cooperation, exchange of experience and good practices between youth and youth workers from EEA countries (Poland, Norway) and the Eastern Partnership countries (Belarus, Ukraine) by organizing international events, study visits and youth exchanges. It will be implemented till April 2024.



- **Oslo-Sopot Legal Education Summer School**, initiative carried out by University of Oslo in Partnership with SWPS University of Social Sciences and Humanities in Warsaw intends to integrate scholars, postgraduate (or last years) students and professionals. In a nutshell it is an educational project with additional research and networking purposes, it should be implemented till the end of 2022.
- The general objective of the initiative "**Circular restart! Poland circularity GAP report**" is to enhance bilateral collaboration on circular economy principles, bring the necessary evidence to get relevant Polish stakeholders aligned on how to achieve their ambitions around circularity. It is to identify key levers for transitioning to circularity in Poland and Norway by 2030, as well as systemic blockages. It is about finding industries and businesses with a strong potential for evolving new market opportunities.

### Expressions of interests

Expression of interest PL Home Affairs PO – initiative of Norwegian Directorate for Civil Protection DSB with Government Centre for Security of Poland – the **international conference on disaster risk prevention** is to be held in Poland second half of 2022. The conference would focus on development of disaster data databases for better preparedness and risk informed decision-making, resilient infrastructure, including private-public partnerships and the role of private infrastructure owners, with the aim of capacity and knowledge building.

**Education PO** has organised an open call dedicated towards conducting workshops for refugees during summer season as described before.

### Open calls

**BeFORme - local initiatives supporting inter-generation learning** - the overall aim 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. It was planned for 2021/2022 nevertheless the idea needs revision in relation to current needs, also resulting from war in Ukraine and the discussion on the call scope is to be continued. The element of Ukrainians integration and “one go” approach (resigning from a pilot) is planned. Comprehensive report listing the ‘good practices’ in intergenerational learning carried out by The NOVA team from Oslo Metropolitan University is also a part of these complex initiative. Report has been already delivered in May and is being analysed.

**Green call** is aimed at exchanging experiences and building up for new future initiatives/projects in the area of green transition, environment, renewable and sustainable energy – to counteract global climate crisis is planned. It is planned the call is to be realised in 2022/2023 and the call documents are under preparation.

### Bilateral Fund part allocated to the programmes

Taking into consideration the overall political and economic situation and all the risks connected to the programmes itself, it can be observed that the BF at the programme level is also affected by them. While POs are struggling with extraordinary burden of project contracts management, the BF activities are delayed or needs reformulation and it takes time.

Following numbers reflect the expenditure level incurred by the POs up to the end of March 2022 (*new data to be known in July 2022*).

Programmes	Allocation	expression of interest	Recent IFR: incurred expenditures €	Q1'2022	Incurred expenditures €*	%
Applied Research	390 000		7 527	0	7 527	2%
Basic Research	260 000		9 463	0	9 463	4%
Education	250 000	1 600 000	66 693	0	66 693	4%
Local Development	400 000		388 765	0	388 765	97%
Environment, Energy and Climate Change	900 000		126 258	0	126 258	14%
Culture	600 000		229 451	0	229 451	38%
Business Development and Innovation	600 000		177 167	5 400	182 567	30%
Health	300 000		31 596	0	31 596	11%
Justice	400 000		0	0	0	0%
Home Affairs	250 000	350 470	0	0	0	0%
<b>Total</b>	<b>4 350 000</b>		<b>1 036 920</b>	<b>5 400</b>	<b>1 042 320</b>	<b>24%</b>

\* according to PO data as of the end of March 2022

Referring to **Applied Research and Basic research** – BF are allocated in total to Ukraine help and the disbursement level is to be increased significantly by the end 2022.

Applied Research PO is implementing a proposal to use Bilateral Fund for to the initiative related to the humanitarian crisis caused by Russia's invasion of Ukraine. Their Bilateral Funds will be used for the scheme (open call) dedicated to support of Ukrainian researchers that will carry out additional activities in relation to the projects already implemented under PL Applied Research Programme (POLNOR, POLNOR CCS or IdeaLab). This mechanism will allow Ukrainian researchers to join the Polish-Norwegian teams. Scheme announcement is planned for in June 2022.

Basic Research PO (NCN) in a similar way decided to abandon the planned bilateral activities and launch a special scheme dedicated to young Ukrainian adepts of science, before PhD. This scheme aims to support young Ukrainian scientists by funding one-year scholarships in Polish research institutions. It is planned for 2022/2023.

**Environment, Energy and Climate Change** is gathering momentum. All the activities undertaken so far by the PO reach EUR 900 000 and meet the total bilateral allocation granted for the Programme in the MoU. It encompasses an initiative "Laboratory of Clean Transport Zones" and another one dedicated to the geothermal energy enhancing bilateral Polish-Icelandic cooperation. Moreover active protection of endangered bird species initiative in the Vistula river valley had been realised in August 2021. Taking under consideration the fact there are savings in the Programme management costs, the PO plans to finance the future bilateral activities from the management costs. Moreover the Operator has agreed with DPP a wide spectrum of actions for 2022 and 2023 – mix of study visits combined with Cooperation Committee as well as Conference on Circular Economy scheduled for 3<sup>rd</sup> quarter of 2023, aimed at exchange of experience between the POs. We expect disbursement will speed up.

**Local Development** has the highest level of spending of the bilateral funds, it almost reached 100 percent of disbursement rate. The resources were used for Divercity initiative also earmarked for bilateral activities concerning the organization of the study visit to Bodo in Norway by the Norwegian Association of Local and Regional Authorities (KS) and initiative with the Association of Polish Cities, currently under implementation, aimed at supporting the process of establishing contacts and preparing partnership agreements between 29 Polish beneficiary cities and cities from the Donor States.

In **Education** the PO planned to use the allocation under the bilateral fund for preparatory visits and match making events. That could not be implemented as planned due to pandemic outbreak. Instead of organizing the physical meetings the PO decided to create an online platform enabling partnership facilitation and at the same time serving as a tool for communication with project promoters. It also is implementing above mentioned Call for proposals: 'Summer educational workshops for Ukrainian refugees residing in the territory of the Republic of Poland'.

**Culture** shows relatively high level of incurred expenditures. In 2021, focusing on number of interesting initiatives. Programme Operator realized two study visits in Iceland and Norway. Interesting initiative was a webinar on cultural entrepreneurship, attended by representatives of institutions from Poland and Norway (6 institutions from Poland and 6 institutions from Norway). The rest of allocation is supposed to be used in the small-Initiative scheme aimed at financial support for bilateral activities with a particular focus on supporting small and local activities. The scheme is planned for 3<sup>rd</sup> quarter of 2022.

**Business Development and Innovation** is quite advanced especially in terms of contraction. Operator of the Programme, PARP has already contracted 92% of available allocation. It is planned that bilateral activities will consume the whole allocation from the Fund for Bilateral Relations up to 2024. Among a numerous initiatives PARP has already prepared, it is worth to underline three calls for proposals for bilateral cooperation support for Polish and Norwegian SMEs (the Travel Grants schemes). Two calls are still ongoing, the last call, which was launched on February 8th, 2022 and dedicated only to Norwegian entities, is still open. Summing up all those calls 245 applications were submitted and 86 applicants were selected to be granted support.

The programmes where no bilateral funds were disbursed are those where PAs have been signed at the later stage (**Justice**), or activities were postponed (**Home Affairs**). Cooperation for the road safety initiative covers whole allocation for Home Affairs fund - as soon as it starts, the disbursement should follow. MQPL is a multilateral activity under Justice concerning the monitoring of the quality of life among prisoners in pilot facilities, other proposals are still under discussion. The BF needs speeding up in these programmes.

## 6. Management and implementation

### a. Management and control systems (MCS)

The description of the management and control system (MSC) at national level was not subject to changes in 2021. The same refers to the MSC of programs.

### b. Irregularities

The irregularities are reported by the Irregularities Authority following provision of art. 12.5 of the Regulation.

In 2021, the Irregularities Authority submitted via GRACE system 1 report on new irregularity detected in the project PL-CULTURE-0008 financed under the Culture Programme (IR-82) and 4 reports on new irregularities detected in the activities BI015, BI016, BI035 and BI024 financed under the Financial Bilateral Relations (Culture): IR-67, IR-68, IR-80 and IR-81.

In the line with the Regulations, all reports were submitted to the Donors in standard reporting mode (Article 12.5.2). These irregularities concerned the infringement of the provisions of the agreements on the projects/Bilateral Fund activities implementation concluded between the Programme Operator and beneficiaries.

In accordance with the data included in these reports, the total amount of imposed financial corrections amounted to € 51,000 under the programmes and ca. € 8,000 under the Bilateral Fund. All Programme Operators, in which irregularities were determined, settled the imposed corrections and the non-eligible amounts were properly reported in the Interim Financial Reports.

Moreover, in the course of the reporting year, the Irregularity Authority presented 5 reports on the progress with regard to previously reported irregularities under the programme Health and Bilateral Fund - Culture.

There were no irregularities identified during the reporting period that shall be reported to the Donors immediately and there were no irregularities need not be reported to the Donors unless requested by the FMC/NMFA.

### c. Audit

In 2021, the Audit Authority conducted, based on the relevant sample, an audits of operation 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:

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

According to art. 5.7.3 of the Regulations, in the period from February to March 2021, the AA carried out compliance audit concerning the organisation and proper functioning of the system for the management, implementation, monitoring and evaluation of the implementation of the EEA FM and NFM, addressed to the Programme Operator – Ministry of Justice. During the audit, it was determined that the implementation system of the above-mentioned Programme Operator comply with the Regulations. The requirements of Programme Operator’s management and control systems were judged as proportionate to the effectiveness in achieving the objectives of the programme. Therefore, the AA issued on 16 March 2021 a report and opinion on compliance of the implementation system of the Justice Programme Operator.

Following art. 5.5.1 of the Regulations, the AA conducted an audit of the system of management and control. The findings of the EEA and NFM system audit are not of systemic nature, do not affect the regularity of expenditure declared to the FMC/NMFA. There were no grounds for estimating the financial correction based on the results of the system audit.

AA stated that the system is functioning well, but improvements are required and determined that actions must be undertaken in order to Research Basic Programme in terms of introduction of the mechanism to ensure the audit trail for the audited criteria as part of the formal evaluations carried out and introduction of the mechanism to ensure a verification of annual reports as part of the call for proposals (POLs). The PO in the event of organising any future calls will conduct an analysis of how to incorporate a formalised evaluation of the criteria into the call for proposals documentation so as to ensure the adequate audit trail during the evaluation of the documentation and draw up a detailed procedure (checklist) for annual reports submitted as part of the research programmes so that their verification in both the financial and substantive terms is conducted efficiently and correctly.

The audit of operations involved in selecting a sample of 10 programmes (audit of operations under management costs) and 17 competition projects, to which pre-defined projects from Local Development Programme (Strengthening capacity of medium and small cities in Poland for implementing effective development policies), Culture Programme (Jewish Cultural Heritage), Home Affairs Programme (Documents – Safety and Control, including Tactical ID-control) and Health Programme (Tackling social

inequalities in health with the use of e-health and telemedicine solutions) were added. Additionally, while selecting the sample for audit purpose Technical Assistance and 4 initiatives/activities implemented by the Programme Operators and NFP under the Bilateral Fund were included.

As a result of the audit of operations, the findings have been made for project (PL-EDUCATION-0061) and BF initiative (PL-EDUCATION-BI003), and non-eligible expenditure were identified. The non-eligible expenses identified through audit mostly due to the infringement of the provisions of the Regulation on the implementation of the EEA FM 2014-2021 and Regulation on the implementation of the NFM 2014-2021 and agreements on the project/Bilateral Fund activity implementation concluded between the Programme Operator and beneficiary. Two reports for these irregularities will be prepared by Programme Operator – Foundation for the Development of the Education System.

The remaining findings on non-eligible expenses, other than those arising out of the mentioned above, concern non-reportable irregularity, unless requested by the FMC/NMFA – errors in the calculation of the additional annual remuneration (project PL-APPLIEDRESEARCH-0001).

According to Article 5.5.1(e) of the Regulations, findings made during the above mentioned audit were included in the Annual audit report for the period until 31 December 2021 as part of EEA Financial Mechanism and the Norwegian Financial Mechanism 2014-2021, which was submitted together with the opinion of the Audit Authority to the Financial Mechanism Office on February 2022. The implementation of the recommendations included therein will be subject to a follow-up audit.

## 7. Communication

Having in mind the main objectives defined in the Communication Strategy, i.e. strengthening the visibility of the brand of the EEA and Norway Grants and raising public awareness of the role of the donor states in reducing social and economic disparities and their cooperation with Poland, in the period from January 2021 up to April 2022 following activities were implemented by the NFP:

### **Competition for primary and secondary school students**

In March 2021, an educational competition for primary and secondary schools for digital art works, thematically referring to the EEA and Norway Grants and the donor states, was launched. The competition entitled 'EEA and Norway Grants – you have to know about it!' had been commissioned (in 2020) by the NFP to the Scientific and Academic Computer Network – National Research Institute (NASK-PIB) and held under the honorary patronage of the Royal Norwegian Embassy in Warsaw and the Ministry of Science and Higher Education.

The interest of school students in the competition has exceeded the expectations – over 2,3 thousand applications has been submitted. The works have reflected a very high level of digital skills of young people and their knowledge in the field of the EEA and Norway Grants, as well as of history, geography and culture of the donor states.

In September 2021, during the event summarizing the initiative, in the EC1 Centre for Science and Technology in Łódź, 109 schools received main prizes in a form of mobile computer labs and 46 schools were awarded with interactive monitors.

### **4<sup>th</sup> Oslo / Reykjavik section at the 21<sup>st</sup> edition of the International New Horizons Film Festival**

In 2021, the EEA and Norway Grants funded – for the fourth time – the Oslo / Reykjavik section, presenting the achievements of contemporary cinema of Norway and Iceland during the International New Horizons Film Festival – the most visited festival in Poland and one of the most popular in this part of Europe. The

event took place from August 12 to 22 in Wrocław and parallelly from August 12 to 29 (due to the COVID-19 pandemic) on-line.

During the Festival five unique films were presented as a part of the Oslo / Reykjavik 4 section. Moreover, two meetings with the authors from the donor states took place. The promotion of the EEA and Norway Grants was assured through the presence of the Grants' logo and the slogan in the whole visual setting of the festival, as well as in the spot broadcasted before and a billboard showed after the screenings.

In total, the films of the O/R section have been watched by 1,871 people at stationary screenings and played 662 times on-line. The total estimated reach of the festival in social media, where the cooperation with the EEA and Norway Grants as partner of the event has been announced – 59 million. The estimated AVE of the presence of the festival in social media amounted to PLN 10 million.

### **Norwegian film path 'Between fjords – films from Norway' during the 8th edition of the Kids Kino International Film Festival**

In September 2021, the EEA and Norway Grants became – for the second time – the main partner of the Kids Kino International Film Festival – the largest children's film festival in Poland. The festival took place (due to the COVID-19 pandemic) in a hybrid form – from September 25 to October 3 the films were shown in cinemas in 20 cities in Poland, and from October 7 to 24 – on the Internet. As a part of the section 'Between fjords – films from Norway' 14 Norwegian films were presented.

The animated spot promoting the EEA and Norway Grants, which has been broadcasted before the festival screenings, as well as the presence of the logo and the slogan of the Grants in the visual setting of the festival (e.g. in the program and in promotional/press materials in form of sponsorship board and poster), have provided for the overall visibility of the Grants during the whole event. As part of this venture two online meetings with the Norwegian film directors were organised, as well.

In total, the festival gathered 19,721 participants in the cinemas and 45,308 online viewers. As for the Norwegian section, the attendance rate was 1,411 people at stationary shows and 6,883 online viewers, which gave a total of 8,294 spectators.

### **Flash-mob by the Polish Baltic Philharmonic Orchestra**

In Summer 2021, an outdoor performance in the flash-mob formula promoting the EEA and Norway Grants and the donor states was organized. On June 6, 2021 in Gdańsk, at the Neptune Fountain in the Old Town, in the presence of numerous city residents and tourists, the artists of the Polish Baltic Fryderyk Chopin Philharmonic Orchestra performed the Peer Gynt suite, Op. 46 (1888): In the Hall of the Mountain King by the Norwegian composer Edvard Grieg. The concert was conducted by maestro George Tchitchinadze, the artistic director of the Polish Baltic Philharmonic Orchestra.

The visibility of the EEA and Norway Grants was provided by hostesses wearing sashes with logo and the slogan of Grants and handing-out Grants related gadgets to pedestrians, as well as the flags of the donor states and Poland.

The live performance was followed by about 400-500 people. Moreover, the event was broadcast live on the EEA and Norway Grants Facebook profile. It was also promoted on the website of the Polish Baltic Philharmonic Orchestra, gathering (within 48 hours of publication) 1,221 viewers, and on the Philharmonic social media profiles – the images promoting the flash-mob on Instagram were viewed 1,843 times, on Facebook – 10,499 times.

### **The 11th Light Move Festival in Łódź**

In Autumn 2021, the EEA and Norway Grants supported the Light Move Festival (LMF) in Łódź – the largest open-air cultural event in Poland and one of the largest festivals of this type in Europe. For 3 evenings, from September 24 to 26, buildings, parks and city squares were highlighted with 3D mappings, interactive art installations, VJing and choreographies.

The event was an occasion to promote several projects implemented in Łódź under the EEA and Norway Grants in an attractive visual way. The colourful boards referring to the projects, with the logo and the slogan of the Grants, presented on several city buildings, turned into stunning light projections.

The projections were preceded and followed by a sponsored media campaign (TV, radio, internet) and covered in the social media.

### **Communication workshop for the Polish POs**

On September 2021 a communication workshop for the Polish Programme Operators – on intellectual property law – was organized in Poznań, gathering 27 participants. As a part of the program, the group visited *the Raczyński Library in Poznań, implementing the project entitled Artificial intelligence in the service of the book, supported by the EEA and Norway Grants.*

### **Adoption of reindeers from the Wrocław Zoo**

In 2021 *the EEA and Norway Grants* took patronage over a herd of reindeer in the Wrocław ZOO. *Thanks to the launched cooperation, the zoo gained financing and support in security and educational activities, and the Grants in turn – the opportunity to implement a CSR activity, i.e. to help one of the threatened species (due to the Red List of the International Union for Conservation of Nature) in the struggle for survival.* A board informing about the patronage of the EEA and Norway Grants over the reindeer herd at the entrance to the paddock ensures the promotion of the Grants as keepers of this endangered species. The activity covers also cyclical posts at the ZOO fanpage on Facebook about sponsoring reindeers by the EEA and Norway Grants, as well as sharing photos and videos of the animals in the communication channels of the NFP – the EEA and Norway Grants website and Fb profile.

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Furthermore, in 2021 and in the first half of 2022 the NFP continued its communication activities on the EEA and Norway Grants website ([www.eog.gov.pl](http://www.eog.gov.pl)), informing i.a. about the calls for proposals under the Programmes, as well as on the Grants dedicated Facebook profile (through which i.a. competitions of the knowledge on the donor states and their culture were organised).

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

The key NFP's communication activities in 2022 cover in particular: (1) organizing a classical music concert, including the works by the Norwegian composer Edvard Grieg, performed by Maestro Vadim Brodski & Friends (May 31, 2022, at the Royal Theater in the Old Orangery of Royal Łazienki Park in Warsaw, in cooperation with the Polish Radio); (2) participation of the EEA and Norway Grants in the Nordic Talking Festival 5 (May 27-29, 2022 in Gdynia); (3) promoting the EEA and Norway Grants in the on-board magazine of PLL LOT Kaleidoscope; (4) organizing a temporary exhibition of paintings by the artists of the Nordic countries – in part covering Icelandic and Norwegian painting; (5) launching works on an outdoor exhibition on Norwegian-Polish / Icelandic-Polish relationships / the donor states – in cooperation with the National Archives in Poland; (6) organizing a workshop for the Polish POs.

## 8. Monitoring and evaluation

### a. Monitoring

The NFP has ensured the monitoring of the programmers via various measures: technical meetings, participating at the meetings of the Cooperation Committees and as observer in Selection Committees, Annual Reports and quarterly reporting on incurred expenditures. The important role plays also permanent contact with the POs. In accordance with the provisions of the Description of the Management and Control System, the National Focal Point annually prepares a plan of monitoring visits for programmes and/or projects implemented under the Financial Mechanisms.

Monitoring visits planned for 2020 did not take place due to difficulties related to the COVID-19 pandemic and were included in the NFP monitoring plan for 2021. In addition, based on the agreed methodology, a risk analysis was carried out to verify whether there is a need to include additional programmes in the monitoring plan for 2021. Due to the status of programmes implementation and the adopted risk factors, none of the programmes achieved the maximum value of the total risk assessment defined in the NFP audit paths - 70%. At the same time, the *Health* and *Justice* programmes, due to the highest score achieved in the risk analysis, but not exceeding the above mentioned threshold of 70%, were qualified for a decision after a mid-term risk analysis. Consequently, the NFP carried out a mid-term risk analysis in July 2021. Based on its results, the monitoring plan for 2021 did not change.

Therefore, in 2021 it was decided to conduct monitoring visits within four programmes: *Education, Business Development and Innovation, Applied Research* and *Basic Research*. The monitoring plan also included one initiative implemented under the Bilateral Fund (MiDeShare: Migration and development. Knowledge exchange between Norway and Poland, implemented by the Polish Institute of International Affairs) and one beneficiary of the *Technical Assistance* - the Audit Authority (Department of Public Funds Audit at the Ministry of Finance). In 2021, due to the initial phase of projects' implementation, no monitoring visits were planned to be carried out in the projects. Projects monitoring was planned to start in 2022.

Monitoring visits took place as planned in all four programmes and in the MiDeShare initiative. The NFP withdrew from the monitoring visit in the Audit Authority in 2021 due to the relatively low level of expenditure (approx. 19%) and restrictions related to the COVID-19 pandemic, which could affect the effectiveness of the monitoring. Due to the fact that each of the *Technical Assistance* Beneficiaries is to be monitored at least once during the entire implementation period, the introduced change would not violate the binding procedures of the NFP.

During the monitoring visits no irregularities were found. Instead, the small recommendations were made regarding the ongoing implementation of the programmes and the Bilateral Fund initiative. The recommendations concerned, inter alia, information and promotion, risks specified in the programmes, implementation of the Bilateral Fund, signing project contracts between the Programme Operators and the Beneficiaries.

In 2022, in accordance with the provisions of the Description of the Management and Control System, the National Focal Point has prepared a plan of monitoring visits for programmes and projects implemented under the Financial Mechanisms. A risk analysis was carried out for the programmes implemented under the Financial Mechanisms. In result of that analysis 5 Programme Operators, 9 projects, one initiative implemented under the Bilateral Fund and one beneficiary of the *Technical Assistance* were selected to be monitored by the NFP in 2022.

Taking into account the state of implementation of the programmes and the adopted risk factors, none of the programmes achieved the maximum value of the total risk assessment defined in the NFP audit paths - 70%. At the same time, in accordance with the NFP audit paths, each programme should be monitored by the NFP at least once every two years. Therefore, it was decided to include the following



programmes under the monitoring plan: *Justice, Environment, Energy and Climate Change, Culture, Home Affairs, Health*. The scope of the monitoring is determined depending on the stage of programme implementation.

Moreover, randomly selected projects were included in the monitoring plan. In accordance with the provisions of NFP audit paths, if in a given year the monitoring concerns the Programme Operator, one project implemented under a given programme is selected for monitoring. Otherwise, two projects implemented under a given programme are selected. As a rule, projects that are planned for monitoring by the Programme Operator in the current year or which were monitored by the PO or NFP in the previous year are excluded from the pool of projects to be drawn. No drawing of projects was carried out in the Justice Programme and the Health Programme due to the monitoring plan of POs which include all projects.

The plan of on-the-spot monitoring includes an initiative implemented under the Bilateral Fund 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 implemented by the National Police Headquarters and the Audit Authority of the EEA FM and the NFM (Department of Audit of Public Funds at the Ministry of Finance) under Technical Assistance, which was transferred from 2021 to monitoring in 2022.

In 2022, on-the-spot monitoring of the Justice Programme Operator, four projects and the Audit Authority have been carried out.

During the monitoring visits no irregularities were found. However, the small recommendations were made regarding the ongoing implementation of the programme and projects. The recommendations for Programme Operator, concerned, *inter alia*, information and promotion tasks, risks specified in the programme, the physical progress of the programme, timely and reliable preparation of reporting documents. With regard to projects, in two cases, no recommendations were formulated. For one project, a recommendation on financial progress was issued. In case of the fourth monitoring, recommendations in the field of physical and financial progress, information and promotion and changes in the assumptions of the project implementation were issued.

Recommendations for the Audit Authority under Technical Assistance concerned the physical and financial progress, timely financial implementation.

The remaining monitoring visits will be carried out sequentially in the rest of the year 2022.

## **b. Evaluation**

In 2021 took place the review of all programmes implemented in Poland in the light of EEA and Norway grants rules and horizontal principles was carried by FMO on behalf of Donors.

In July-August 2021 a monitoring of PDP 2 and PDP 3 (Outcome 2) was carried out by Ecorys on behalf of the FMO. The overall risk assessment was rated medium-high, mainly because of tight schedules, repeated procurement, low capacity (in case of PDP3). In September-November 2021 Ecorys carried out another monitoring (on FMO behalf) – monitoring of PDP 1 (Outcome 1). The overall risk assessment was also rated medium-high, because of a tight schedule, exceptional workload and uncertain circumstances (related to the pandemic, e.g. price fluctuations).

In 2021 took place an assessment of reporting systems and data quality. The monitoring was carried out by Ecorys on behalf of FMO. The rapid assessment aimed at identification of best practices and to strengthening the reporting systems and data quality.

The external FMO monitoring on gender programming in the EEA and Norway Grants is planned for the *Justice, Education, Applied Research and ACF National* programmes in the next months.

Another planned FMO's monitoring is an external Evaluation of Management and Control Systems of EEA & Norway Grants. The evaluation will be taking place over the next months and will be carried out by Tetra Tech Ltd.

The external FMO monitoring on *Home Affairs* programme and *Climate* programmes are also envisaged for the Autumn 2022.

## 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 and the economic and energy crisis being a result of COVID-19 and the war in Ukraine. The instruments and ways of facilitation of programmes and project implementation needs to be discussed at AM.

The biggest risk is in the infrastructure projects in *Environment* and *Local government* programmes which are at the stage of public procurement and the estimated implementation period is 3 years. In other projects there is no time margins for possible delays. In light of Donors' decision to keep the eligibility period unchanged we will follow up the consequences in programmes – especially as regards the allocation use. The time shortage is main risk factor. The procedures how to deal with unfinished projects or projects where the set outputs and outcomes are not to be achieved needs to be settled.

### 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.

### Future programming

As the negotiations about the next perspective of Financial Mechanisms are beginning it is highly recommended to start to identify the areas of potential allocations bearing in mind the experience of previous perspectives as well as the new challenges like the economic crises.

NFP would like emphasised that according to more and more analysts time of growth of economies' and sustainable development are behind us and we enter the age of unpredictable changes and risks. In the planning of next perspective a tool should be inserted to facilitate flexible operation in a changing and unpredictable future. Moreover the programming phase in the current perspective was longer than expected which delayed all the next phases. We should make sure that all activities are carried out on time, because delays at the beginning of the perspective, combined with objective problems in project implementation, accumulate implementation problems in the following years.

We are eager to start bilateral informal talks on our priorities.

### Bilateral Fund

The JCBF meeting is planned ahead of Annual Meeting, if needed.

<b>Business Development, Innovation and SMEs</b>	The programme shall address Green Industry Innovation and Blue Growth. The programme shall also address Welfare Technology or Ambient Assisted Living to be further defined during the concept note phase.	Applied. The open calls in these fields have been announced.
	The programme shall include a small grant scheme targeting female entrepreneurs.	Applied. The open call for small grants for women has been announced.
	The possibility of using financial instruments shall be explored when developing the concept note.	The possibility of using financial instruments has been explored by the PO in 2018 with involvement of NFP , DPP and FMO. This has been done in writing as well as in a dedicated meeting on 8 June 2018. The issue was also discussed in the Annual Meeting on 12 September 2018 during which it was reiterated by the Polish side that using financial instruments in the business development sector would be challenging in terms of receiving good results in the field of both energy and business, as well as in terms of realization of bilateral ambitions. DPP - Innovation Norway supports PARP's assessment based on knowledge and experience from implementation of the second edition of Norway Grants Programme in Poland in years 2009-2014. All the arguments have been described in the Concept Note submitted to the FMO in December 2018. The conclusion was that using the financial instruments in this Programme is not recommended as in Polish circumstances it is not an appropriate tool to achieve the set goal: increased value creation and sustainable growth among Polish SMEs.
	The possibility of pre-defining project(s) shall be explored when developing the concept note including in areas related to research.	The PO together with the NFP analysed the project that had been considered at the previous stage for the NFM 2014-2021 preparations and negotiations with the Norwegian partners. It has been decided not to develop further the concept of this project in the Business Programme as similar initiative has been considered after stakeholders consultation in Research Programme being more appropriate to address the area of effective use and capacity development of research infrastructure as well as creating bridge between science and business.
	Programme Operator encourages synergies with other programmes in Poland, including for Environment and Energy and Climate Change and Research.	The synergies with other programmes are developed by informing other Programme Operators about the planned scope of their calls and eligible applicants (e.g. PARP participated in informational meetings for potential applicants of NCBR call for proposals – Programme Operator of Applied Research Programme). The synergies were also sought in the field of the Programme content with Environment Programme – PARP participated in the study visit to Norway organised by the Ministry of Climate concerning solutions in circular economy. Moreover, the Programme Operators shared experience on operational implementation issues, but also on substantive matters such as practical information on state aid rules. For example PARP benefited from the experience of the Programme Operator of Environmental Programme in the aid for environmental protection. PARP's representative participated in the Selection Committee operating under the Environment, Energy and Climate Change Programme. When planning the bilateral events and communication activities PARP is analysing the possibilities of encouraging synergies with other Programmes.
<b>Research</b>	The programme shall, inter alia, include support to research in the following areas: polar research, research on carbon capture and storage (CCS) and social sciences.	Applied. 1. polar research were supported in the core call (GRIEG) in the Basic Research Programme. 2. separate call regarding CCS was announced under the Applied Basic Research. 3. social sciences are be supported in the core calls in both research components (GRIEG in Basic Research and POLNOR in Applied Research) and in the IdeaLab call under Basic Research.

	The programme shall support basic research (40% of the total eligible expenditure) and applied research (60% of the total eligible expenditure) selected on the basis of research excellence.	implementation of the programme is divided into two components: basic and applied research implemented by two institutions: National Science Centre and National Centre for Research and Development accordingly. Consequently two respective PAs were signed, which divided the Programme budget according to the proportion included in the MoU.
	The programme shall include a small grant scheme for female researchers.	Applied the open call for female researchers has been conducted by the NCBR
	At least 10% of the total eligible expenditure shall be set aside for a separate open call for research in CCS.	Applied: open call which has already been announced (POLNOR CCS).
	The details of cooperation between the National Science Centre (Programme Operator) and the National Centre for Research and Development and the specific roles and responsibilities shall be defined during the concept note phase.	Applied in PAs.
	The possibility of pre-defining project(s) shall be explored during the concept note phase.	No predefined projects foreseen in the programme.
	Pursuant to Article 1.5.2 of the Regulation that the Programme Operator shall ensure that any additional provisions to the implementation of the Programme shall be kept to a minimum, and to this end the Donor Programme Partner shall be closely involved in and effectively contribute to the development of the project contract template and other templates of document(s) relevant to the implementation of the programme, especially those affecting the relation of the project promoter and partner(s).	During the preparation phase the NCN and NCBR closely cooperated with the National Focal Point and the Research Council of Norway and consulted all the relevant documents.
	Programme Operators of the Basic Research Programme and Applied Research Programme in Poland closely cooperate during the implementation of the programme.	NCN collaborated closely on daily basis with the National Centre for Research and Development (NCBiR) - PO of the Applied Research to ensure consistency of the Basic and Applied Research programmes, e.g. representatives of both institutions attended their Programme Committees' meetings, representatives from NCBiR participated in the NCN IdeaLab workshop. In addition since the beginning of the pandemic NCN, NCBiR and DPP organise twice a month on-line meetings concerning issues related to programmes implementation e.g. use of BF.
	Programme Operator, before publishing the SGS 'POLs' presents to the Programme Committee a thorough assessment of the added value of this measure vis-à-vis similar national initiatives (offered by the Polish National Agency for Academic Exchange (NAWA)) and other European initiatives, in order to establish whether there is a justifiable funding gap for the activities proposed by the SGS 'POLs'.	<i>Basic Research</i> programme: before starting preparation to the SGS POLs, the National Science Centre presented a thorough assessment of the added value of the SGS POLs to the Programme Committee. After reviewing the provided analysis, the Programme Committee decided to announce the SGS POLs call in March 2020. Call has been completed.
Health	The programme shall focus on reducing social inequalities in health and include measures that address telemedicine and e-health policy, healthy lifestyle of children and youth and community based care for mental health.	Applied: predefined projects are to be implemented: one on telemedicine and e-health and the other on healthy life style, including mental health
	No more than 50% of the total eligible expenditure of the programme shall be available for infrastructure (hard measures).	Applied.
	The possibility of pre-defining project(s) shall be explored during the concept note phase.	Applied: 2 predefined projects envisaged
	No more than 50% of the total eligible expenditure of the Programme shall be available for infrastructure (hard measures).	Applied (as above).
	The National Focal Point shall ensure that at least 10% of the total Programme allocation shall address children's health.	Applied (budget).

	The National Focal Point shall ensure that at least 10% of the total Programme allocation shall address improved access to health for vulnerable groups/people and deprived areas.	Applied (budget).
	The National Focal Point shall ensure that the programme includes measures that address community based care for mental health.	Applied (programme description).
	For predefined project no. 2 under Section 5.1 of Annex II to the Programme Agreement, the National Focal Point shall ensure that the Programme Operator ensures that the appraisal foreseen in Article 6.5.3 of the Regulation is externalised and carried out by a legal entity independent of and unrelated to the Programme Operator.	Applied (notification of the project).
	For predefined project no. 2 under Section 5.1 of Annex II to the Programme Agreement, the Programme Operator's responsibilities regarding the verification of payment claims described in Article 5.6.1 e) of the Regulation and the Programme Operator's monitoring and control functions described in Article 5.6.1 g) of the Regulation shall be carried out by an entity independent of and unrelated to the Programme Operator.	Applied (notification of the project).
	No more than 37% of the total eligible project cost in the projects selected under the open call shall be available for equipment.	Applied in the open call.
	No costs shall be eligible under pre-defined project no. 2 (under Section 5.1 of Annex II to the Programme Agreement) before a revised detailed description and budget for the pre-defined project, including the role and contribution of the donor project partners, have been agreed with the donor project partners, submitted to the FMO and FMO has confirmed the grant to the project. The Programme Operator shall ensure that efforts are made to secure the participation of a donor project partner in the mental health component of the pre-defined project.	Applied. Eligibility of costs has been confirmed while notifying the agreed and approved project.
Local Development	The programme shall ensure a systemic approach to local development and poverty reduction and may inter alia include measures in energy, environment, SMEs, business, education, housing improvement, employment, health components, transport management systems, public administration reform and support to local administration.	Applied in the open call (outcome 1).
	There is an ambition that at least 40% of the total eligible expenditure of the programme shall be available for soft measures. All projects selected under the open call should include soft measures.	Applied in the call (outcomes 1 and 2).
	The possibility of pre-defining project(s) with the Association of Polish Cities, the Norwegian Association of Local and Regional Authorities (KS) and the Organisation for Economic Cooperation and Development (OECD) shall be explored when developing the concept note.	Applied.
	The National Focal Point shall ensure that the Programme Operator ensures that an ex ante control of public procurement procedures and documentation <sup>5</sup> carried out for the pre-defined	Applied in the open call.

<sup>5</sup> Limited to public procurement procedures (review of tender documentation) pursuant to the national public procurement legislation.

	<p>project under section 5.1 of Annex II to the Programme Agreement, is carried out by a competent independent entity, other than the respective project promoter.</p>	
	<p>The National Focal Point shall ensure that the Programme Operator encourages synergies with other programmes in Poland, including for Education, Business and Innovation, Health, and Environment and Energy and Climate Change.</p>	Applied in the open call.
	<p>The National Focal Point shall ensure that the Programme Operator ensures that Project Promoters:</p> <p>Keep any buildings purchased, constructed, renovated or reconstructed under the project in their ownership for a period of at least 5 years following the completion of the project and continue to use such buildings for the benefit of the overall objectives of the project for the same period;</p> <p>Keep any buildings purchased, constructed, renovated or reconstructed under the project properly insured against losses such as fire, theft and other normally insurable incidents both during project implementation and for at least 5 years following the completion of the project; and</p> <p>Set aside appropriate resources for the maintenance of any buildings purchased, constructed, renovated or reconstructed under the project for at least 5 years following the completion of the project. The specific means for implementation of this obligation shall be specified in the project contract.</p>	Applied in the project contracts.
	<p>For the following Outcome 1 indicators, where the baseline value is “to be determined” (TBD), the Programme Operator shall submit to the FMO the baseline values, together with a description of the data collection methods used, no later than six months after the finalisation of the selection of the relevant projects (municipalities). The updated baseline values shall be agreed upon through a modification of the programme agreement:</p> <p>Annual number of days with favourable air conditions meeting EU standards in selected municipalities.</p> <p>Annual number of published vacancies suitable for people with disabilities in selected municipalities.</p> <p>Level of satisfaction of persons participating in local-level public consultations (in selected municipalities) with the quality of consultations.</p> <p>Share of public and private buildings in selected municipalities with improved energy efficiency.</p> <p>Share of public buildings in selected municipalities meeting accessibility standards.</p> <p>Unemployment rate among graduates in selected municipalities.</p>	Pending – to be done after project contract signing.
<b>Justice</b>	<p>The programme’s objective ‘Strengthened rule of law’ shall be attained through two outcomes:</p> <ul style="list-style-type: none"> <li>• the programme shall support the ‘Improved correctional system’ (Outcome 1) by way of one predefined project.</li> <li>• the programme shall support the outcome ‘Improved domestic violence prevention system’ (Outcome 2) by way of two predefined projects and two small grant schemes.</li> </ul>	Applied (outcomes, activities, 3 predefined projects, two open calls.

	The programme will strengthen the implementation of agreements on the transfer of sentenced persons and EU framework decisions.	Parties intend to work towards bilateral agreement on transfer of sentenced persons - declared in the PA.
	Under the programme area 'Domestic and Gender-based Violence' a pre-defined project shall be identified in the concept note. The pre-defined project shall focus on implementation of relevant international conventions, agreements and standards.	Applied in the Concept Note and PA-2 predefined projects envisaged, both comply with the recommendations included in the Council of Europe <i>Convention on preventing and combating violence against women and domestic violence</i> .
	International organisations with special competence shall be involved in the preparation of the programme. The role of such organisations in the pre-defined projects shall be defined in the concept note.	Applied: the Fundamental Rights Agency expressed their willingness to cooperate, the cooperation with the European Programme for Human Rights Education for Legal Professionals (HELP), initiated in previous perspective of Norway Grants will be continued. Due to excluding Area 21 from the programme currently possibility of cooperation with the Council of Europe is investigated.
	The National Focal Point shall ensure that the Programme Operator seeks to ensure synergies with programme Home Affairs in order to strengthen the justice chain.	Applied Justice chain working group has been established, participation of a representative of the Ministry of the Interior and Administration in the Justice chain working group and also in the meetings of the Cooperation Committee.
	No more than 75% of the total eligible expenditure of the programme shall be available for infrastructure (hard measures).	Applied: funding of infrastructure (hard measures) is foreseen only within one pre-defined project - <i>Improved correctional services</i>
	The possibility of pre-defining further project(s) focused on inter alia mediation, legal education and human rights shall be explored during the concept note phase.	
	The National Focal Point shall ensure that the Programme Operator ensures that an ex ante control of public procurement procedures and documentation (limited to public procurement procedures (review of tender documentation) pursuant to the national public procurement legislation) developed for predefined project no. 1 under section 5.1 of Annex II to the Programme Agreement, is carried out by a competent entity independent of the project promoter, Programme Operator and National Focal Point. The National Focal Point shall notify the NMFA of the results of such control prior to launching the public procurement	Applied – pending.
	For predefined project No.1 under section 5.1 of Annex II of the Programme Agreement, the Programme Operator shall submit a revised detailed budget the latest within 12 months following the positive appraisal pursuant to Article 6.5.3.	Pending.
	All activities in the programme shall be in compliance with European legal standards for human rights, the case law of the European Court of Human Rights and the Council of Europe Convention on Preventing and Combating Violence against Women and Domestic Violence (Istanbul Convention). Activities related to the improvement of the correctional system (Outcome 1) shall comply with Council of Europe's European Prison Rules, Recommendations from the European Committee for the Prevention of Torture and Inhuman or Degrading Treatment or Punishment (CPT) and the UN Nelson Mandela Prison Rules.	Applied in the PA.
	For predefined project no. 3 under section 5.1 of Annex II of the Programme Agreement, the future involvement of a Norwegian partner shall be further explored in the project or under the bilateral fund.	Applied – pending.

	<p>For the following indicators the baseline value and target shall be agreed with the FMO within 12 months of receiving a notice of positive appraisal of the relevant predefined project:</p> <p>Indicator under outcome 1: Share of trained penitentiary judges who consider alternative sanctions to be an effective sentencing tool;</p> <p>Indicator under outcome 2: Share of target group with negative attitudes towards domestic violence;</p> <p>Indicator under outcome 2: Share of target group trusting the domestic violence protection and support system.</p> <p>For the following indicators, the target value will be provided within 12 months of receiving a note of positive appraisal of the relevant predefined project:</p> <p>Indicator under output 1.3: Number of penitentiary judges, prison service personnel, probation officers trained in alternative sanctions and in risk assessment in regions where pilot prisons are established.</p> <p>For outcome 2 indicator Annual number of cases of domestic violence officially reported (in project intervention areas where the baseline value is “to be determined” (TBD), the Programme Operator shall submit to the FMO for approval the baseline value, together with a description of the data collection method used, no later than 6 months following the selection of projects under the SGS. The updated baseline and target values shall be agreed upon through modifications of the programme agreement.</p>	Pending.
	<p>The National Focal Point shall ensure that the Programme Operator ensures that Project Promoters:</p> <p>Keep any buildings purchased, constructed, renovated or reconstructed under the project in their ownership for a period of at least 5 years following the completion of the project and continue to use such buildings for the benefit of the overall objectives of the project for the same period;</p> <p>Keep any buildings purchased, constructed, renovated or reconstructed under the project properly insured against losses such as fire, theft and other normally insurable incidents both during project implementation and for at least 5 years following the completion of the project; and</p> <p>Set aside appropriate resources for the maintenance of any buildings purchased, constructed, renovated or reconstructed under the project for at least 5 years following the completion of the project. The specific means for implementation of this obligation shall be specified in the project contract.</p>	Applied in the PA.
Home Affairs	<p>The programme shall include measures which focus on support to voluntary returns and support and services to unaccompanied minor asylum seekers and other vulnerable groups.</p>	Applied: predefined project as well as the open call procedure within the <i>Asylum and Migration</i> PA (additional points in the competitive procedure).
	<p>The programme shall include measures to improve investigation capacity and to enhance the capacity to work with international organizations as Europol, Eurojust, Interpol and Frontex.</p>	Applied: predefined projects no. II and IV and the open call procedure.
	<p>No more than 60% of the total eligible expenditure of the programme shall be available for infrastructure (hard measures).</p>	PO will ensure that ratio. Proportion will be maintained at the level of the entire programme. The condition has been taken into consideration in the PDPs' budget



	A pre-defined project on strengthening CBRNE safety and security (and combatting hybrid threats), with DSB as donor project partner, shall be explored during the concept note phase.	Applied: PDP VI related to the PA 23; details have been agreed between the DSB, Norwegian Defence Research Establishment (FFI) and the Polish Internal Security Agency.
	The details of cooperation between the Ministry of Interior and Administration (Programme Operator) and the European Projects Implementation Centre and the specific roles and responsibilities shall be defined during the concept note phase.	Applied. The agreement between MI&A and EPIC was signed.
	In developing the concept note and during the implementation of the programme, the Programme Operator shall seek to ensure synergies with the programme Justice in order to strengthen the justice chain.	The Ministry of Interior and Administration will cooperate with the Polish Ministry of Justice (the PO for the <i>Justice</i> Programme) and other institutions involved in the Programme <i>Justice</i> (e.g. Ministry of Family, Labour and Social Policy) on such issues as those linked to gender-based violence and domestic violence. The MI&A is a member of the working group established by the Ministry of Justice.
	The National Focal Point shall ensure that the Programme Operator takes all reasonable measures to reallocate any savings under pre-defined project "The Process of Coordination and Standardisation in the Field of CBRNE as an Element of Prevention, Preparedness and Response" (PDP6) primarily to the open calls or to projects selected under the open calls.	Applied in the PIA.
	The National Focal Point shall ensure that the Programme Operator ensures that an ex ante control of public procurement procedures and documentation (Limited to public procurement procedures (review of tender documentation) pursuant to the national public procurement legislation) carried out for the pre-defined projects under section 5.1 of Annex II to the Programme Agreement, is carried out by a competent independent entity, other than the respective project promoter. The ex-ante control methodology shall be detailed in the management and control system description of the Programme Operator.	Applied.
	<p>The National Focal Point shall ensure that the Programme Operator ensures that Project Promoters:</p> <p>Keep any buildings purchased, constructed, renovated or reconstructed under the project in their ownership for a period of at least 5 years following the completion of the project and continue to use such buildings for the benefit of the overall objectives of the project for the same period;</p> <p>Keep any buildings purchased, constructed, renovated or reconstructed under the project properly insured against losses such as fire, theft and other normally insurable incidents both during project implementation and for at least 5 years following the completion of the project;</p> <p>and</p> <p>Set aside appropriate resources for the maintenance of any buildings purchased, constructed, renovated or reconstructed under the project for at least 5 years following the completion of the project. The specific means for implementation of this obligation shall be specified in the project contract</p>	Applied in the PIA.
	For the following Outcome 2 indicators, where the baseline value is "to be determined" (TBD), the Programme Operator shall submit to the FMO the baseline values, together with a description of the	<p>The baseline values for indicators:</p> <ul style="list-style-type: none"> <li>- Outcome 2 Level of competences of police officers in the field of false</li> </ul>

	<p>data collection methods used, no later than three months after signing of the project contracts in the relevant projects.<sup>6</sup> The updated baseline values shall be agreed upon through a modification of the programme agreement:</p> <p>Outcome 2: Level of competence of law enforcement units at a regional level in prevention and detection of organised crime; Level of competences of police officers in the field of false documents detection</p> <p>Outcome 3: Level of competence of participant institutions</p>	<p>documents detection and Outcome 3 Level of competence of participant institutions in the field of preventing and combating CBRNE threats - have been set;</p> <p>Outcome 2 Level of competence of law enforcement units at a regional level in prevention and detection of organised crime - will be submitted after completing data from recently signed project NMF/PA20/022 (PL HOMEAFFAIRS-0017).</p>
<b>Education</b>	<p>The programme shall include, inter alia, mobility in higher education, apprenticeships, institutional cooperation, and inclusive education (for e.g. disabled and intercultural students). The area of 'child welfare education' shall be a priority area across all components. The PO shall prioritise applications, which address 'child welfare education' in the first round of call for proposals, by giving these extra points in the selection process.</p>	<p>All areas mentioned in the MoU were included in the open call documentation. Additionally child welfare education was prioritised within both call by extra scores granted to the applications where the subject was addressed in a comprehensive way, what was decided by external experts in the appraisal process.</p>
<b>Environment, Energy and Climate Change</b>	<p>No less than 72% of the total eligible expenditure shall be allocated to the programme area 'Renewable Energy, Energy Efficiency, Energy Security'.</p>	<p>Applied in the Concept Note and in the Programme Agreement (outcomes 3 and 4, six open calls and are envisaged).</p>
	<p>Approximately 19% of the total eligible expenditure shall be allocated to the programme area 'Climate Change Mitigation and Adaptation'.</p>	<p>Applied in the Concept Note and in the Programme Agreement (outcome 1, three open calls are envisaged).</p>
	<p>Approximately 9% of the total eligible expenditure shall be allocated to the programme area 'Environment and Ecosystems'.</p>	<p>Applied in the Concept Note and in the Programme Agreement (outcome 2, two open calls and one Small Grant Schemes are envisaged).</p>
	<p>The possibility of using financial instruments shall be explored when developing the concept note.</p>	<p>In case of calls in outcome 3 and 4 to secure a part or entire own contribution, the Project Promoter may use a financial instrument in the form of The National Fund loans.</p>
	<p>Special concern shall be given to achieving significant and cost-efficient reductions of greenhouse gas emissions.</p>	<p>Achieving significant and cost-efficient reductions of greenhouse gas emissions is important part of the designed programme, an appropriate criteria have been provided in the selected calls criteria.</p>
	<p>Special concern shall be given to hydroelectric power and geothermal energy as sources of renewable energy.</p>	<p>Within outcome 4 two separate calls have been designed: one dedicated for increasing geothermal energy potential, one for improvements in small hydropower plants.</p>
	<p>The National Fund for Environmental Protection and Water Management shall be actively involved in and effectively contributing to the development and implementation of the programme. The details of cooperation between the Ministry of Environment (Programme Operator) and the National Fund for Environmental Protection and Water Management shall be defined during the concept note phase.</p>	<p>Programme is implemented by Ministry of Climate together with National Fund for Environment Protection and Water Management. Both entities take active part in Programme implementation at each stage of its development.</p>
	<p>The possibility of pre-defining project(s) shall be explored when developing the concept note.</p>	<p>Three pre-defined projects have been prepared, they refer to the following: strengthening atmospheric deposition in Poland, services provided by ecosystems, capacity building in geothermal energy area.</p>
	<p>The National Focal Point shall ensure that the Programme Operator ensures that any residual or extracted material from project activities is reused, recycled, treated and/or deposited in an environmentally sound manner.</p>	<p>Applied in the PIA.</p>
	<p>The Programme Operator shall monitor results of CO<sub>2</sub>-reductions and the cost efficiency of the interventions in terms of CO<sub>2</sub> reductions and shall</p>	<p>Applied in the PIA.</p>

<sup>6</sup> The modification introduced by the Addendum no. 1 to the PA (signed by Norway on 24.11.2020, signed by Poland on 19.01.2021) .

	report on them in the annual and final programme reports in programme area 12 where the CO <sub>2</sub> indicator is applied.	
	The Programme Operator shall organize at least one broad experience sharing events during the programme implementation period, with the aim of showcasing innovative or novel approaches in the projects supported	Pending.
	The Programme Operator shall, in the Final Programme Report, report on the impact that the projects supported will have and have had on the dissemination of knowledge about and further investments in climate change mitigation and adaptation in Poland	Applied in the PIA.
	The Programme Operator shall encourage bilateral partnerships across all calls for proposals.	Applied in the PIA.
	<p>The National Focal Point shall ensure that the Programme Operator ensures that Project Promoters:</p> <ul style="list-style-type: none"> <li>– Keep any buildings purchased, constructed, renovated or reconstructed under the project in their ownership for a period of at least 5 years following the completion of the project and continue to use such buildings for the benefit of the overall objectives of the project for the same period;</li> <li>– Keep any buildings purchased, constructed, renovated or reconstructed under the project properly insured against losses such as fire, theft and other normally insurable incidents both during project implementation and for at least 5 years following the completion of the project; and</li> <li>– Set aside appropriate resources for the maintenance of any buildings purchased, constructed, renovated or reconstructed under the project for at least 5 years following the completion of the project. The specific means for implementation of this obligation shall be specified in the project contract.</li> </ul>	Applied in the PIA.
	The National Focal Point shall ensure that the Programme Operator encourages synergies with other programmes in Poland, including "Business Development and Innovation" and "Research".	Applied in the PIA.
	The National Focal Point shall submit the detailed description of the management and control system for the Programme Operator in English following its approval in accordance with Article 5.7.2 of the Regulation. The National Focal Point shall ensure that the description includes detailed and dedicated sections on the implementation of the Financial Instrument described in section 5.2 of Annex II to this Programme Agreement.	Applied.
	The programme shall contribute to achieving significant and cost-efficient reductions of greenhouse gas emissions. The Programme Operator shall ensure that investments in energy production under Outcome 3- intended for use by the promoter directly or for distribution - is only allowed for energy sources based on renewable energy and/or natural gas. All else being equal, support to a project under Outcome 3 shall lead to a corresponding reduction in the use of solid fossil fuels and contribute to the facility's compliance with the EU Energy Efficiency Directive's definitions of high-efficiency district heating and cogeneration systems.	Applied in the PIA.

<b>Culture</b>	The programme shall focus on the role that culture and cultural heritage play in local and regional development including emphasis on employment, cultural entrepreneurship and vocational training.	Applied (outcomes, activities, open call projects envisaged).
	No more than 60% of the total eligible expenditure of the programme shall be available for infrastructure (hard measures).	Applied (outcome 1 - open call).
	At least 14% of the total eligible expenditure shall be set aside for cultural cooperation and exchange between the Donor States and Poland.	Applied (outcome 2 - open call).
	The Programme shall include activities and initiatives in arts and culture that explicitly encourage the inclusion of ethnic and national minorities.	Applied (3 outcomes).
	The possibility of pre-defining further project(s) could be explored when developing the concept note.	No additional predefined project envisaged so far.
	The National Focal Point shall ensure that the Programme Operator ensures that Project Promoters: <ul style="list-style-type: none"> <li>– Keep any buildings purchased, constructed, renovated or reconstructed under the project in their ownership for a period of at least 5 years following the completion of the project and continue to use such buildings for the benefit of the overall objectives of the project for the same period;</li> <li>– Keep any buildings purchased, constructed, renovated or reconstructed under the project properly insured against losses such as fire, theft and other normally insurable incidents both during project implementation and for at least 5 years following the completion of the project; and</li> <li>– Set aside appropriate resources for the maintenance of any buildings purchased, constructed, renovated or reconstructed under the project for at least 5 years following the completion of the project. The specific means for implementation of this obligation shall be specified in the project contract.</li> </ul>	Applied in the Outcome 1 open call documentation and project implementation agreement draft.
	For Outcome 1 indicators "Annual number of visitors to supported projects" and "Annual income generated by supported projects" where the baseline value is "to be determined" (TBD), the Programme Operator shall submit to the FMO for approval the baseline value, together with a description of the data collection method used, no later than 6 months following the selection of projects under the call. The updated baseline values shall be agreed upon through modifications of the programme agreement.	Applied. Outcome 1 baseline value for indicators „Annual number of visitors to supported projects” and „Annual income generated by supported projects” has been determined.