

Iceland
Liechtenstein
Norway grants



Norway
grants



Ministry of
Development Funds
and Regional Policy

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

Warsaw, 29 February 2024

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 and Culture Norway
ACF – Active Citizens Fund
COPE - European Projects Implementation Centre, Poland
CZSW - Central Board of the Prison Service, Poland
DPP – Donor Programme Partner
DSB - Norwegian Directorate for Civil Protection
EEA FM – European Economy Area Financial Mechanism
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
MCS – Management and Control System
MFiPR – Ministry of Development Funds and Regional Policy, 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

Contents

1. Executive summary	4
2. Country developments and effects of the Grants.....	4
3. Status of programmes.....	7
3.1 Overview	7
3.2 Legal framework.....	9
3.3 Allocation use and the flexibility tools in the context of risks assessment.....	10
3.4 Lessons learned	12
3.5 Risks identified by the NFP at the final stage of implementation of Financial Mechanisms.	15
3.6 Programmes implementation status.	16
3.7 MoU special concerns and/or conditions set in the PAs.....	26
4. Status of bilateral funds in JCBF	27
5. Management and implementation	31
6. Monitoring and Evaluation	33

1. Executive summary

This Strategic Report presents the recent development of EEA and Norway Funds in Poland from July 2023-till February 2024 in the period of great challenges.

In 2023 we entered in the final implementation phase. Totally 900 projects were awarded grant, over 60% of them were bilateral. Total expenditures in financing period amounted to over € 523 million. The spending rate is actively advancing and expenditures reached over 65% of the allocation. Given the time left until the final eligibility date, managing the remaining funds within the allocation still presents a notable challenge.

The decision of non-extension eligibility period causes many challenges which are particularly visible at the end of the perspective. Tight schedule of the EEA and Norway Grants programmes implementation was and remains a main risk factor. Nevertheless our ultimate goal is to use the allocation as efficiently and effectively as possible. The risk management of grants and efficient cooperation with all the stakeholders and decisionmakers is essential for now and for the nearest future.

We analysed the flexibility package offered by Donors to maximise the use of allocation. We plan to benefit from the reallocation to BF, certification of advance payments done till 30 April 2024 (tasks delivered/performed till 31 December 2024), completion of projects by the submission the final programme report. We count on further cooperation regarding the closure of non-completed projects as it is a new flexibility tool that will be used by some of the POs. We hope for quick publication of the final version of the final report template as the eligibility period finishes in a couple of weeks. At the end – we count on the efficient closing process with final balance settlements.

We see further challenges as regards the reallocation process from programmes to Bilateral Fund – we expect the cumulation of applications in the summer/autumn that raises concerns of the capacity of all institutions engaged. A significant milestone is the establishment of the procedure regarding such transfer of funds - reallocation takes the form of an amendment to MoU to increase the indicated Bilateral Fund allocation at Programme Operator side. The MoU amendment process should be conducted swiftly as it constitutes the formal basis for transferring funds for management by the respective Program Operator.

As for the future, it is extremely important we need to do all we can to make the programming process of the next round smooth and timely. There is a huge challenge of maintaining human capital (at POs, NFP side as well) – as we need to plan the cost of our experts in advance in budgetary planning already now for 2025, 2026 or ever further. We appreciate the extension of eligibility period of management costs till April 2025 for POs but we know now it is not sufficient and the issue of financing the managements cost for settlement of BF and final programme reporting period at POs side is still unsolved.

We are happy to hear that the milestone has been achieved and the negotiations between EEA countries and EC has been completed in November 2023. We hope the new agreement between EEA and EC is to be signed as soon as possible, enabling start of the bilateral negotiations. It's very important for Poland being the biggest beneficiary country of the grants to start the bilateral negotiations with EEA countries.

2. Country developments and effects of the Grants

In December 2023 as a result of the parliamentary elections the power was taken over by the coalition of democratic parties so called Coalition of 15th October headed by Donald Tusk. The parties forming the alliance represent a wide spectrum of views - it includes parties with views ranging from left-wing to center-right. One of the main priorities of the new government applied by the Ministry of Funds and

Regional Development is the implementation of projects within Recovery and Resilience Facility and new European funds 2021-2027.

The economic situation in Poland was deeply connected with the war in Ukraine - 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 has still reached a level of around 10 percent in Middle-Eastern Europe. The high level of prices was a big challenge because it exceeded the costs of projects estimated few years ago in different conditions.

Important aspect are economic consequences of partial entry of Ukraine into sales markets of the European Union It was particularly noticeable on agricultural market and in deliveries and transport sector. The aspirations of Ukraine to join the EU and the gradual opening of EU markets to Ukraine will be an important factor shaping the policies of European countries .

One of the goals of Polish foreign policy in 2023 was supporting socio-economic development as part of reducing the effects of the crisis and promotion of the domestic enterprises on foreign markets. Poland also has been engaging actively in economic and political support of Ukraine and social support of Ukrainian refugees in Poland. It is estimate that around 1 million refugees still stays in Poland. Most of them found a job, however, there are still numerous Ukrainians who need a financial or social support from the government or NGOs. Particularly difficult situation is in education area – almost 200 thousand children from Ukraine don't go to Polish schools at the same time probably taking part in remote Ukrainian lessons. Experts says that Ukrainian pupils who do not go to school in the country they live are at high risk of social exclusion in the future.

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. The process of monitoring the cohesion objective progress uses macroeconomic and social indicators illustrating, among others, economic growth, unemployment, poverty and income inequalities.

While analysing cohesion indicators, attention should be given to a few aspects, e.g. substantial differentiation of the initial situation which for the purposes of monitoring was established for 2005. The gap which existed between particular states at that time had a significant impact on the pace of convergence that should be the fundamental measure of achievements. The 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 2008-2021 are presented below. As statistic data for 2022 were not published while this report was prepared the attached tables present the same information that were shown in last report.

The Human Development Index describes changes in the socio-economic development of individual countries and assesses countries on three levels: long and healthy life, knowledge, education and affluent standard of living and national income per capita in USD, calculated at purchasing power parity currency. Both the differentiation of indicators for individual countries and the distance between Poland and Norway, which as the leader of the world ranking can be treated as a benchmark for assessing progress in the implementation of the sustainable development strategy, has decreased.

Human Development Index	2009	2015	2016	2017	2018	2019	2020	2021	Change in 2009-2021
Bulgaria	0,77	0,79	0,81	0,81	0,81	0,82	0,80	0,79	0,02

Croatia	0,80	0,83	0,83	0,83	0,84	0,86	0,85	0,85	0,05
Cyprus	0,85	0,86	0,87	0,87	0,87	0,89	0,89	0,90	0,05
Czechia	0,85	0,88	0,89	0,89	0,89	0,90	0,89	0,89	0,04
Estonia	0,84	0,87	0,87	0,87	0,88	0,89	0,89	0,89	0,05
Greece	0,86	0,87	0,87	0,87	0,87	0,89	0,89	0,89	0,03
Hungary	0,82	0,84	0,84	0,84	0,84	0,85	0,85	0,85	0,03
Latvia	0,82	0,83	0,85	0,85	0,85	0,87	0,87	0,86	0,04
Lithuania	0,83	0,85	0,86	0,86	0,87	0,88	0,88	0,87	0,04
Malta	0,83	0,86	0,88	0,88	0,88	0,89	0,91	0,92	0,09
Poland	0,82	0,86	0,87	0,87	0,87	0,88	0,88	0,88	0,06
Portugal	0,81	0,84	0,85	0,85	0,85	0,86	0,86	0,87	0,06
Romania	0,80	0,80	0,81	0,81	0,82	0,83	0,82	0,82	0,02
Slovakia	0,82	0,85	0,86	0,86	0,86	0,86	0,86	0,85	0,03
Slovenia	0,88	0,89	0,90	0,90	0,90	0,92	0,91	0,92	0,04
Norway	0,94	0,95	0,95	0,95	0,95	0,96	0,96	0,96	0,02
Iceland	0,89	0,93	0,93	0,94	0,94	0,95	0,96	0,96	0,07
Lichtenstein	0,90	0,91	0,92	0,92	0,92	0,91	0,93	0,93	0,03

Source: UNDP

Another important indicator of economic cohesion is GDP per capita in relation to the EU average, taking into account differences in purchasing power. In the period from 2009, Poland is in the group of countries that have made significant progress in economic convergence.

GDP per capita (PPS) in relation to the UE average (%)	2009	2015	2016	2017	2018	2019	2020	2021	2022	Change in 2009-2022 [pp]
Bulgaria	43	47	48	50	51	53	55	57	59	16
Croatia	62	59	60	61	63	65	64	70	73	11
Cyprus	105	82	84	85	89	90	88	91	92	-13
Czechia	85	87	87	88	91	93	93	92	91	6
Estonia	63	76	77	79	82	84	84	89	87	24
Greece	94	70	68	68	68	67	62	64	68	-26
Hungary	64	68	67	68	71	73	74	75	78	14
Latvia	52	64	65	67	69	69	70	72	74	22
Lithuania	56	75	76	79	80	84	87	89	90	34
Malta	81	93	94	95	98	100	97	102	102	21
Poland	59	68	68	70	70	73	76	77	79	20
Portugal	82	77	78	77	77	79	76	75	77	-5
Romania	51	56	58	62	65	70	72	74	77	26
Slovakia	71	77	77	77	73	70	70	70	68	-3
Slovenia	85	82	82	84	87	89	89	90	92	7
Norway	172	160	148	149	151	147	142	167	b.d.	-5*
Iceland	130	126	130	131	130	126	120	119	b.d.	-11*
Lichtenstein	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.

Source: Eurostat

*change in 2009-2021

Similarly the difference in terms of economic development (regarding GDP growth, Gini coefficient and unemployment level) between the group of beneficiary states and donor states significantly decreased.

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.

Thanks to bilateral cooperation between partners from Poland and NEEA countries in different fields of activities like in education, research, business, NGO sector the links between beneficiaries' countries and donors' countries are stronger, the fruits of exchange of knowledge and experiences are visible in many sectors. There are numerous examples of excellent initiatives like the one from the environmental sector, such as the implementation of a project that involves the integration of automatic and simultaneous sorting technology along with an intelligent system for the regranulation of plastic waste derived from the processing of used refrigeration appliances. Another ones worth to mention could be projects from the health sector related to telemedicine and e-health and cultural exchange in different branches of culture like theatre or exhibitions.

The effects of grants are to be examined within the evaluations planned for all of the programmes, as well as at the national level. The results are to be provided within the next reporting period. All POs, as well as NPF implement various information and publication activities where the effects are shown to the general public.

3. Status of programmes

3.1 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.

In the current reporting period it can be noticed that the allocation of Local Development programme was increased with the use of the savings from Innovation programme. It shows that the risks identified within private sector beneficiaries materialised (in the form of withdrawals) and a mitigation measure connected with the increased absorption capacity at the side of local communities was successfully introduced. The idea of transfer of the potential savings with the use of the over-contracting procedure at national level was discussed with Donors. Nevertheless finally the reallocation was limited and agreed by Donors for the current savings.

EEA and Norway grants 2014-2021 programmes in Poland (based on the NMF MoU of March 2024 amendment in progress)

FM	PA	programme	grant €	national contribution €	bilateral ambitions €	PO	DPP	IPO
NFM	Business Development, Innovation and SMEs	Business Development and Innovation	84,806,072	14,965,777	600,000	Polish Agency for Enterprise Development (PARP)	Innovation Norway	N/A
NFM /EEA FM	Applied Research	Applied Research	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	Basic Research	45,930,217	8,105,332	2,055,065	National Science Centre (NCN)	Research Council of Norway (RCN)	N/A
NFM	European Public Health Challenges	Health	15,632,000	2,758,588	300,000	Ministry of Health	Norwegian Directorate of Health (HDIR)	N/A
NMF /EEA FM	Local Development and Poverty Reduction, Good Governance, Accountable Institutions, Transparency	Local Development	111,051,334	19,597,294	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; Domestic and Gender-based Violence	Justice	58,221,052	10,274,303	400,000	Ministry of Justice	Norwegian Ministry of Justice and Public Security, Directorate of Norwegian Correctional Service (KDI)	N/A
NMF	Asylum and Migration International Police Cooperation and Combating Crime Disaster Prevention and Preparedness	Home Affairs	20,000,000	3,529,412	600 470	Ministry of Interior and Administration with support from the European Projects Implementation Centre	Norwegian Directorate for Civil Protection (DSB), Norwegian Ministry of Justice and Public Security (NMOJ)	N/A
EEA FM	Education, Scholarships, Apprenticeships and Youth Entrepreneurship	Education	20,242,750	3,572,250	1 850 000	Foundation for the Development of the Education System	Directorate for Higher Education and Skills (HK-DIR), 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	Environment, Energy and Climate Change	146,042,000	25,772,118	935,000	Ministry of Climate and Environment with support from the National Fund for Environmental Protection and Water Management	Norwegian Environment Agency (NEA), Norwegian Water Resources and Energy Directorate (NVE), National Energy Authority of Iceland (OS)	N/A

EEA FM	Cultural Entrepreneurship, Cultural Heritage and Cultural Cooperation	Culture	74,757,250	13,192,456	600,000	Ministry of Culture and National Heritage	Arts and Culture Norway (ACN), Norwegian Directorate for Cultural Heritage (RA)	N/A
EEA FM	Civil Society	Civil Society	60,142,500	N/A	N/A	Stefan Batory Foundation (leader), the Shipyard Foundation, and the Academy of Civic Organizations Foundation for NF And Local Democracy Development Foundation, Information Society Development Foundation, and Education for Democracy Foundation for RF	N/A	N/A
NMF	Social Dialogue – Decent Work	Social Dialogue - Decent Work	5,120,000	N/A	N/A	FMO in accordance with Article 6.13 of the Regulation. Innovation Norway is appointed Fund Operator in accordance with paragraph 4 of Article 6.13 of the Regulation	N/A	N/A

3.2 Legal framework

In the described period modifications of Regulations has been carried out. In December 2023 a proposition of modifications was send to beneficiary states. The changes included art. 8.10.1 and art. 6.12.2 of EEA and NMF Regulation extending the eligibility of management costs incurred by Programme Operators until 30th April 2025 and pointing out the exact date for submission the final report for 30th April 2025. We appreciate the extension of the management costs nevertheless the issue of financing the managements cost for settlement of BF and final programme reporting period at POs side is still unsolved. We are waiting for Donors statement and the publication of approved Regulations.

We are looking forward the publication of the Final Programme Report template and the Closure Guidelines as the eligibility period finished in a couple of weeks and POs have limited time to settle the projects. FMO needs to deliver training to POs on the issues asap. The working arrangements are still ongoing.

In April 2023 PL Guidelines concerning the use of funding from the Fund for Bilateral Relations in the framework of European Economic Area Financial Mechanism 2014-2021 and Norwegian Financial Mechanism 2014-2021 were modified. The amendment enables a change of the percentage distribution

of funds from the NMF and EEA under the Bilateral Fund (if necessary) in consultation with the National Focal Point.

Due to implementation of various mitigation measures oriented at maximalisation of allocation use, a few PAs and MoU modifications were finalised. PAs modification took place in Home Affaires concerning the reallocation of funds from the PA18 to PA20 and increase of the co-financing within the PDP III (to finalise utilisation of savings through procedure on additional financing) , Basic research (transfer the unspent funds to the Bilateral Fund - the new polar bilateral initiative HarSval), Justice twice (increased the level of infrastructure expenditure to 80%, increased the budgets of PDP1 and SGS1, changed the description of PDP1 and transfer of EUR 250 000 from PDP3 to PDP1), Innovation (transfer of savings in the programme, firstly in the amount of EUR 7.9 million euro to the Local development, secondly – reallocation towards ACF in progress), Local development (accepting of 7.9 million euro from Innovation, BF allocation increase in progress), Climate (the modifications approved at CC level, with no regular PA amendment procedure envisaged). Following the PAs 3 modifications of MoU took place in this period: first in July 2023 – reallocation from Health into Local development; second in December 2023 – reallocation from Basic Research into Bilateral fund and the last one is being proceeded regarding PL reallocation request from Innovation into Bilateral fund to be implemented by Local development, and to Civil society

NFP experience shows that the necessity of modifications of PAs is a result of excessive level of detail of these documents. As a lesson learnt for the future perspective, the conclusion is that less detailed agreements will allow for more efficient implementation process.

NFP and Polish POs participate in all workshops provided hitherto by the FMO. In December 2023 we took part in a workshop in Brussels regarding the use of mitigation tools. NFP and PO are looking forward to workshop regarding closure of programmes and final reports which is supposed to take place in spring 2024..

3.3 Allocation use and the flexibility tools in the context of risks assessment.

The NFP keeps informing FMC about the risks resulting from delays at the beginning of the perspective, COVID-19 and the ongoing war and their consequences. In autumn 2022 FMO provided a several flexibility tools aiming at absorbing more funds as the request for prolonging the eligibility period was not accepted. We have estimated together with POs the use of allocation, utilisation of flexibility tools and challenges for the following months.

At this stage the allocation use in total is impossible to define. Most of the projects finish at the edge of the eligibility period. Final projects settlements are to be done by POs in the second half of 2024. The calculations are affected by dynamic of PL/EUR exchange rate fluctuations as well.

POs upon NFP request made a preliminary estimation of use of allocation/possible savings within programmes. Results of analysis of the submitted responses shows that 6 POs (Health, Local development, Justice, Climate, Applied and Basic Researches) declare use of whole allocation whereas 4 POs declare savings (roughly): Home Affaires – 0,1 million euro, Culture – 0,3 million euro, Innovation and Education – 1 million euro.

The analysis shows that most programmes with an investment component declare the use of whole allocation. We understand that it is a result of cost increase but we should remember that many of these hard measure projects finish in III/IV quarter 2024 as they plan to use the flexibility tools. In connection, the estimations of using funds in investments programmes will be known later and at this stage POs do not declare savings.

POs who declare savings now, as a rule assume reallocation into Bilateral Fund or are in the process of reallocation like Innovations. In those programmes some of the projects are finished therefore the estimations are available at this stage.

Half of the POs predict the use of whole allocation by transferring savings towards their part of BF- *Justice, Education, Home Affairs, Local development, Culture, Health* (tbc). The popularity of this flexibility tool on one hand increases the use of the allocation but on the other hand raises concerns that many applications for reallocation will be submitted in a short period of time. In such circumstances the limited capacity of all institutions engaged may become additional risk factor.

The use of flexibility tools (applied and planned) declared by the PO is given in the subsequent table .

Use of flexibility tools							
	Reallocation from programme to Bilateral Fund (POs part)	Reallocation between programmes after 30 April 2024 - possibility of absorption of funds at POs side	Modification of programme without PA modification (in indicated programmes)	Qualification of pre-paid costs paid till 30 April 2024 delivered/performed till 31 December 2024	Estimation of projects noncomplited within eligibility period	Estimation of projects noncomplited in final report	Use of extended eligibility period of management costs
Apply research	x			x	x		x
Basic Research	x			x			x
Culture	x			x	x		x
Education	x		x				x
Environment			x	x	x		x
Health	x						x
Home affairs	x			x	x		x
Innovation		x		x	x		x
Justice	x						x
Local development	x	x	x	x	x		x

Analysing the popularity of the flexibility tools, it can be concluded that the most popular one is the use of management cost in the extended period. All the PO declare to profit from this possibility. Bearing in mind that the eligibility period of the Bilateral Fund ends 30 April 2025 the question of covering the managements costs in order to settle the BF as well as Final Programme Reporting is still open.

Moreover the certification of advance payments paid till 30 April 2024 and tasks delivered/performed until 31 December 2024 is an option chosen by 7 POs.

Whereas a possibility to completed the projects beyond the eligibility period but until the submission of final report is also very popular solution – 6 of POs do not exclude its use. We assume that this tool and advance payments are the solutions used in infrastructural projects where the project implementation time is long and both: division the task into subcomponents or parts as well as the advance payment system were envisaged within the contracts with the contractors.

There was reallocation from Innovation toward Local Development programme after April 2023, which shows that putting an arbitrary date for reallocation is not a good practise. The reallocation proposal is always preceded with absorption capacity and risk analysis assessments and Donors flexibility is here appreciated.

Completion of projects after the date of eligibility period and before the date of submission the final programme report shall be used in 6 programmes, which shows that POs are in a direct ongoing contact with project promoters and try to anticipate and prepare for the future tasks. Final projects settlements needs to be very carefully planned – as regards both timing and human capacity. At this stage, none of the POs anticipates unfinished projects in the final report but we understand that it might change as the situation is dynamic, especially when a lot of project activities is planned at the very end of the implementation period. There is no time buffer.

POs used also the opportunity to modify the programme without standardised PA modification procedure which turned out to be very efficient and appreciated. As specified in the FMO letter of October 2022 this tool is restricted for six POs only. Bearing in mind the need to use such a flexibility we recommend this should become a general rule, not limited to the chosen POs.

3.4 Lessons learned

The lessons learned from the current round of EEA and Norway grants shall be taken into consideration while preparing the framework for the next period. PL NFP shared its observations and proposals with FMO at the beginning of 2023 (also including BF) - success factors and ways of improvement were pointed out .

Success factors:

- well-formulated programmes based on the accurate diagnosis. Programme approach instead of projects (enabling faster decision making process)
- involvement of institutions, both at the Polish and EEA EFTA states' sides, benefiting from experience of foreign partners – the bilateral aspect of the funds is perceived as an added value (but we should remember of the limited number of partners and long term planning needed)
- possibility of simultaneous implementation of “hard” and “soft” measures in one project - driving from needs and gives flexibility (very often difficult in EU funds)
- effective assessment system at Polish level - leading to the selection of high quality projects
- positive image of grants – huge interest of applicants (but as a result - low success rate, usually below 30%)

Ways of improvement:

- introducing an “option menu” in the regulations, no possibility for one-fits-all solution as BS differ
- the programming phase needs streamlining – PA, Supplementary Information and Concept note phases are overlapping. The level of details in MoU/PA too excessive – difficult to manage. Scope of programmes should not be detailed, because it does not allow for flexible approach in case of unexpected circumstances arise.
- more programme approach, also regarding financial aspects – setting global amounts on the Mechanisms and defining them in the one document. Right now we have MoUs, PAs and PIAs on the national level. The level of details at each stage is enormous and needs revision.
- MoU should not include information on the programmes scope like PDPs, special concerns, bilateral issues – they are to be defined at the stage of PA.
- supplementary information package is time consuming and excessively detailed (in relation to unit costs, PDPs budgets, procedures described) – with no use at the further stage of implementation. We should resign from it.
- overregulation of documents: e.g. the PIA is a matter of national legal and administrative framework. It is therefore a matter of subsidiarity and proportionality not to include such provisions in the Regulation.
- time limits for action shall be set for all parties (among others - the signature of the MoU, PAs, approval of key documents like concept note - if exists in a future). The implementation of the future FM should be conducted according to the principles of good governance and partnership, in particular with a view to allowing for swift signing and conclusion of the MoU, as well as swift appraisal and approval of the proposals for specific programmes.

- bearing in mind the experiences and difficulties of the last programming period, the PAs shall be signed within one year after the signature of MoU.
- the efficiency of various consultation processes involving the BSs should also be improved. The adoption of the Regulation should be the result of transparent decisions. The partner states should influence the text of the Regulation and the modification thereof if any. Bearing in mind the liability of the BSs the framework documents related to the implementation of the future FM shall be agreed with the BSs.
- more flexibility on reallocations between programmes (as flexibility between priority axis in cohesion policy) is very welcome for future Mechanisms. This task should be delegated to the Beneficiary States. This requires including flexibility in MoU text.
- results framework, indicators needs revision and simplification – such a detailed framework should not be a part of the PA.
- designation procedure discontinued. Systems largely rolled over to the next programming period. No need for AA opinion on MCS system if it remains the same.
- resignation from so often submitting of forecasts.
- resignation from the Irregularity Authority and adding this task to asks of AA or CA/NFP. Adding Certification Authority tasks to NFP (if applicable for BS). It will result in simplification of MSC. The institutions are in MoU so the scope needs verification.
- irregularity definition and procedures needs simplification – in order for instance to have the possibility of the use of the funds, where errors are detected while verification at the national level.
- reporting streamlining. Less information should be required in the IFRs (only financial issues non descriptive part) and one exchange rate should be applied for the whole reporting period (not monthly exchange rates but one for expenditures of 6 months). This solution is functioning in the EU funds and is much convenient. Annual Reports and Strategic Report overlap.
- audit reports used more often. NFP/PO should have the right to request the audit reports in expenditures verification process.
- monitoring process more streamlined and coordinated – FMO/NFP side. The number of audits/controls should be reduced, based on the experience of BS reached.
- no need for reserve – MTR process not very effective – time consuming.
- introducing ‘simplified cost options’ - highly appreciated under the condition that the methodology and unit costs are given upfront. For EU funds methodology is already defined. The use of simplified options should not be mandatory.
- a possibility of bottom up approach while fund distribution at project level (so called re-granting) very efficient in first round of EEA and Norway Grants (it is not possible now – but we would like to come back to it!)
- BF at programme level included in programme allocations.
- BF to be kept as separate fund managed by NFP. NFP part only for initiatives at more horizontal level – no NFP coordination of POs parts. No division into EEA and NOR funds under BF (the implementation as regards %, budgetary split is extremely difficult – any modification require MoU/PA change)
- the partnerships (DPP and project partnership) with the EEA EFTA states’ entities (both programme and project level) shall be optional and agreed with the beneficiary state. No mandatory Donor Partnership Programmes as in some cases DPPs are more relevant for project partners than programme partners.
- the EEA EFTA states shall assure availability and engagement of their entities.

NFP is ready to continue the dialogue in this regard.

We ask also POs to share their lessons learned and below please find the general overview.

Bilateral and international cooperation

Involved institutions find the bilateral cooperation as an added value of Financial Mechanisms. It gives an opportunity to compare knowledge and experiences between countries in many different sectors. Sometimes this cooperation is unique like in polar research and has great added value. However, there is still work to do on administrative burdens and obstacles resulting from cultural differences. Finding partners in Donors countries is very challenging. Database with potential partners would be helpful. Also financial issues and settlements with partners face many problems thus support of DPP in this regard would be welcomed in future.

There is a proposal of enhancing an international cooperation between POs from beneficiary countries within sectors in order to increase synergy and better management of implemented programs for example by creating a platform for the exchange of experience and knowledge.

Equalization of opportunities

Strength of Norway and EEA Funds is equalization of opportunities by directing projects to all groups of people among others disabled, seniors, people from excluded areas. Good example here are grants directed to women scientists or implementation of projects in deprived areas.

Remote tools and informatic solutions

Using the remote tools during Covid 19 turned out to be a great monitoring tool that helped to get acquainted with the situation in the projects and react if necessary. These solutions were also used to exchange information between institutions involved and during CC meetings what allowed to react quickly if necessary.

Some of POs find lack of informatic system on national level as a weak point of the system. When it comes to GRACE evaluation the idea of creation of database is appreciated but the system is missing some features for instance importing data.

There is also a proposal of creation of exchange platform for sharing experiences on national level. It can include all POs and NFP.

Flexibility tools

Short time for implementation due to long preparation of documents for this perspective made the management of programmes very difficult. It is particularly difficult in hard measures. Flexibility tools help in management of programmes after Covid and consequences of war in Ukraine and it is worth considering to utilise some of these solutions in the new perspective (like easier PA amendments for instance). Also over-contracting mechanism could be use in the new perspective as it accelerates the use of savings.

Administrative burdens

It is a necessity to simplify the procedures. Moreover we noticed that small entities like scientific units, healthcare institutions, micro, small and medium companies, small towns need administrative support in projects.

Necessity of use the public procurement procedure (according to art 8.15 (2) Regulations) makes the process of selecting contractors long and difficult. It is not obligatory in national law and in EU funds in certain cases for example in case of small and medium enterprises. Entrepreneurs in certain cases had to

employ additional employees/ outsource the task as the procedures were too complicated. In next perspective easier procedures for small entities in this regard would be welcome.

To make management easier a postulate of one mechanism per programme is reinforced. It also regards BF management.

Less detailed documents in a programming phase would result in more efficient implementation afterwards.

Others

Bearing in mind situation in Polish market, implementation of new EU perspective and Recovery Fund the idea of finding niches to be financed with EEA and Norway grants was presented. To opt for rather pilot projects, small projects as big ones are supported by the other sources and needs more time for implementation. Enabling of regranting and financing umbrellas projects would be also desired solution.

3.5 Risks identified by the NFP at the final stage of implementation of Financial Mechanisms.

NFP identifies the following risk at the final stage of implementation of Norway and EEA Funds.

Completion of many projects at the end of eligibility period.

30 April 2024 is indicated as a completion date of most of the projects in all of programmes. This situation creates various risks:

- risk of failure to complete the project in case of delays; although NFP has so far no signals of not completion projects apart from information that some projects will be finished after eligibility date but before the submission of final programme report, the risk regards partial completion (to be assessed in FPR)
- cumulation of work to be done in a short time, this risk applies to beneficiaries, POs and NFP; the risk regards especially the settlements of the projects, where advance payments are certified and the task are to be delivered later on – we anticipate that in the second half of 2024 the huge workload at POs side will be observed the transfers towards BF needs to be added here
- NFP anticipate that first final settlements will be available in June 2024, however, in connection with the forecasted extension of the implementation of some projects information about the final use of the allocation can be expected in the second half of 2024 or even later depending on the number of “extended” projects.
- The non -use on the allocation in total remains here a main risk factor – as there might be no time for implementation of any remedy measures. We can add here the issue of fluctuating PL/EUR exchange rate which may influence total expenditures for the programmes as well.

Reallocation savings from programmes to the Bilateral Fund.

Cumulation of work will refer to reallocation process too. This process will be proceeded with POs declaration of savings. We must simplify the procedures as much as possible bearing in mind that a modification of PAs and MoU will be necessary. Assuming savings declaration mid-2024 at POs side and necessary administrative procedures to be implemented (MoU modification), , we anticipate that it will be realistic to plan BF initiatives lasting no longer than 6 months as the BF eligibility period expires in April 2025. The implementation schedule here is also tight and it is recommended to prepare the BF initiative asap with all stakeholders engaged

A gap between Financial Mechanisms.

A risk we see in this regard is impossibility of long term planning. We know now that the gap in financing can result in loss of experienced employees which can be challenging as our labour market is experiencing a shortage of employees.

At the same time we are trying to identify the areas of potential support for the future. We do not have information on Blue Book or Regulations to be applied therefore we face challenges when thinking on new EEA and Norway grants period. We would like to point your attention to the fact that programming of a new perspective must take into account programmes and projects implemented within Recovery and Resilience Facility and new European funds 2021-2027. Implementation of these funds has impact on Polish market and causes resources constraints. We need to think how not to overlap.

Final activities

At the final stage of implementation of EEA and Norway funds we foresee a cumulation of different tasks and activities – final conferences and CC meetings, settlements and identification of savings, reallocations from programmes into Bilateral Fund. Bearing in mind what should be done in a short period we point your attention to the limited capacity of all institution engaged on one side and the need to speed up if needed – on the other.

Financial aspects – like Management costs

With regard to the systemic remuneration's increase in whole administration we may observe a need at POs side to look for savings in programmes to cover extra cost. We understand the management costs limit from the Regulation needs to be followed, nevertheless we may assume some PA modification requests within defined max limits if needed (we are currently analysing the issue for Local development).

Legal aspects

In our opinion lack of Closure Guidance for Programmes few months before the final date of eligibility period causes uncertainty of POs and makes work difficult.

As regards a new perspective stakeholders and institutions involved in the project implementation notify a common demand for simplifying the implementation system. The list of lessons learned in this regard was already shared with FMO.

3.6 Programmes implementation status.

• Applied Research

The programme reported EUR Mln 66,7 of grant expenditures, which constitutes 96% of its allocation.

Contracting phase is finished - total number of 81 project contracts were signed. In 2023 all projects selected under the 'Applied Research' Programme were under implementation, of which 6 had been completed by the end of the 2023 and 75 continued implementations. Most of the projects requested for extension of the project duration and are planned to be finished by the last possible date of the cost eligibility i.e. 30.04.2024.

Funded projects continued reporting increasing results. The values of indicators achieved by projects exceeded the target values except for the 1 indicator (number of registered applications for Intellectual Property Protection). However, this number is expected to further increase in the final phase of implementation of projects.

The amount of exchange rate surplus in the Programme at the end of February 2023 was 2 957 002,94 EUR. PO organized an additional mini call in order to increase funding for already approved POLNOR, POLNOR CCS and IdeaLab projects. 42 projects submitted the amendment's requests for additional funding as they were affected by circumstances which could not have been foreseen at the moment of submitting project proposal and/or had the capacity to scale up results. By the end of reporting period all requests for additional funding were assessed.

Currently identified savings are parts of project grants that have been cancelled due to irregularities identified during financial controls and audits. After receiving the final reports from the projects, the PO will take action to use the remaining part of the BF allocation (after the implementation of the support scheme for Ukrainian scientists) and possible savings in the projects. Until final project reports are received, it is not possible to estimate the amount of possible savings in projects and the possibility of reallocating funds from the Programme to BF.

In case of three IdeaLab projects, the funding of which was possible only after granting an additional allocation by the Donors and the planned completion dates do not exceed April 30, 2024, but their duration is shorter than the originally assumed 36 months, the PO still identifies the risk of not achieving all results. The PO identifies 1 project (IdeaLab) for which there is a risk of failure to complete within the expenditure eligibility deadline but this project will be probably reported as a completed in Final Programme Report.

The PO has completed the Scheme: Support for Ukrainian researchers under the Fund for bilateral relations. 14 actions supporting Ukrainian researchers under the Bilateral Fund of the Programme were carried out. 9 actions of support for Ukrainian researchers completed in 2023. As the final date of eligibility for support under Fund for bilateral relations is later than under the Programme, the PO agreed with the Donor Programme Partner (RCN), that the analysis of the use of the remaining Fund for bilateral relations will take place later, taking into account the actual amount that will remain unused and the organizational capacity of the PO and RCN.

The PO carries out informational and promotional activities. The PO organized the international conference "EEA & Norway Grants contributions to EU Missions on Adaptation to climate change including societal transformation and Climate-neutral and smart cities" on 21-22 November 2023 in Warsaw.

The final Programme conference and next PC meeting would take place on 14-15.11.2024 in Warsaw (tbc).

• **Basic Research**

The programme reported EUR Mln 49 of grant expenditures, which constitutes over 95% of its allocation.

The contracting phase is completed. 35 GRIEG and 2 IdeaLab projects underwent implementation in the final phase. Regarding the SGS POLS call, 21 projects out of 35 have finished the realisation in 2023. PO signed annexes to the project agreements concerned the change of the project implementation date. All GRIEG and IdeaLab projects have been extended by several months, and they will be finished by the end of March or April 2024. Also POLS projects have been extended till the end of 2023 or longer.

The unspent allocation under the EEA FM (unspent fund within IdeaLab call) in the amount of EUR 1 271 625 was allocated on the pre-defined polar project CRIOS. The contract for the implementation of the CRIOS project was signed on November 2022. The project started immediately. The realisation was successfully ongoing in 2023, confirmed during the monitoring visit in November 2023.

The Programme Operator announced a call for applications to allocate additional funds (exchange rate gains) to already approved projects which have the potential for absorbing additional funds and scaling up results or whose costs have increased due to the exceptional price increases. The call for applications addressed to the beneficiaries of the GRIEG, POLS, and Idealab call was announced in November 2022, and results were announced in January 2023. As a result, about 70% of beneficiaries have signed the annexes increasing the projects' budget in 1 Q 2023.

The unused allocation under the NFM is 656 027 Euros and unspent funds - due to the exchange rate differences - from the Norwegian Financial Mechanism 2014-2021 were transferred to the Bilateral Fund and allowed to finance the polar bilateral initiative aiming at Harmonisation of the Svalbard cooperation (HarSval). Donor's decision was followed by annexing the MoU and the Programme Agreement in December 2023. HarSval initiative will be realised in twelve months, starting March 2024.

The overall risk level within the Programme has significantly decreased after assessing the projects' annual reports but the amount at risk of unused allocation will be known after the projects' completion and evaluation of final reports in the second half of 2024.

The BF was consumed by the special fellowship programme supporting Ukrainian students and researchers without the PhD. As a result of the implemented activities, 38 scholarships were awarded to young scientists from Ukraine without a PhD degree. Two beneficiaries resigned from the scholarship for personal reasons after signing the agreement.

As a part of promotional activities, the conference promoting the Basic Research Programme dedicated to social sciences was organised on 16 November 2023 in Kraków. All 3 planned promotional events within Programme has been organised.

On January 11, 2024 an online PC meeting was held. The last PC meeting would be organized in Krakow in the 1st week of December 2024.

• **Business Development and Innovation**

The programme reported EUR Mln 46,6 of grant expenditures which constitutes almost 53% of its allocation.

The final phase of the contracting process in the Programme is finished. By the end of December 2023 the amount of EUR 95,8 m was contracted to 172 projects (the amount of signed agreements reduced by the amount of terminated ones). It equals to ca. 98 % of the Programme allocation. All projects have been contracted. There is 117 projects under implementation and 55 projects successfully completed.

Taking into account the above, a risk of non-absorption of the whole Programme allocation existed despite the use of over-contracting mechanism. It has been agreed between NCU, OP and Ministry of Finance to be used in the second call of the Blue Growth grant scheme. Thanks to this mechanism signing agreements with the projects from the reserve list has been allowed before generating enough savings in the Programme. The limit of over-contracting amounts to EUR 21,9 mln, which allows to contract all the projects from the blue growth reserve ranking list. Due to resignations from signing contracts for projects initially recommended for support, reduction of the grant amount or termination of project contracts, further savings have been generated, which means that over-contracting mechanism is no longer be used in the Programme.

Taking under consideration the number and amount of project withdrawals and terminated contracts the Addendum number 3 to the Programme Agreement was signed in December 2023. On the basis of this Addendum the amount of Programme eligible expenditure in Outcome 1 was decreased from € 105,464,706 to € 97,601,960 (and the funds were transferred to Local Development programme).

Another reallocation request is ongoing as further savings were identified in February 2024. MoU modification process is ongoing.

Currently, the Operator is focusing on closing the Programme, completion of project implementation, use of the budget and achievement of result targets. Mitigating activities in 2024 will be aiming mainly at limiting the amount of savings in the Programme budget and flexible approach to project promoters helping them to implement their entire projects within the expenditure eligibility period. As far as possible PARP will use flexible solutions while settling project costs like rules set out in Article 8.2.3 and 8.13.4 of the Regulation.

Next CC Meeting is planned in 11-13 June 2024 in Warsaw (1st day) and in the Warmińsko-Mazurskie Voivodeship (2-3rd days). The final conference will take place in November 2024 (14-15 Nov or 19-20 Nov)

• Culture

Total amount of expenditures in Programme reported is EUR Mln 64,2 which amounts to almost 86% of allocation.

In 2023, the implementation of all 21 projects funded under the Outcome1 continued. 18 of them are supposed to be concluded till April 2024. 3 projects requested and were granted permission for the material scope of their projects to be implemented beyond April 2024. Their material implementation period is extended till 30 June and September 2024;

Since the beginning of the Culture Programme implementation, under Outcome 2, 3 open calls have been carried out. Out of 262 applications, 51 projects received funding under Outcome 2. By the end of 2023, a total of 30 projects were completed, including 16 projects in 2023 and 14 projects in 2022.

In 2023, the Culture Programme initiated calls for additional funding under Outcomes 1 and 2, aimed at supporting cultural heritage and arts access. The call for Outcome 1 made € 479 425 available to help projects cope with financial challenges caused by increasing costs. In Outcome 2, a call provided € 327403 from savings of completed projects, benefiting 7 projects from 12 applications.

In 2023, all activities planned for the year under Outcome 3 aimed at increasing knowledge of Jewish cultural heritage were fully implemented on schedule. These activities ranged from educational programs for various demographic groups to traveling exhibitions and the development of online resources. Additionally, a significant event was the two-day congress organized by the POLIN Museum, focusing on the contemporary relevance and challenges of Jewish cultural heritage, facilitating international discussions and exchange of experiences.

Within the scope of the Bilateral Fund, since the start of 2023, 10 initiatives from the Small Initiatives Programme have been successfully contracted and implemented, focusing on promoting bilateral activities and supporting small, local efforts. The programme, which also seeks to include Ukrainian refugees amid the war in Ukraine, offered a total allocation of €297 048, with grants covering 100% of eligible costs and initiatives lasting up to nine months, concluding by the end of October 2023. By October's end, all initiatives were completed.

The most significant risks could be identified for projects under Outcome 1. These are delays in project implementation and increased costs due to rising prices of construction works, services and supplies, disruptions in supply chains, shortages of materials and labour as a result of the war in Ukraine. Delays in the implementation of construction works often result in the inability to implement soft activities within the foreseen timeframe and the need to make changes to project schedules. Risk mitigation measures

included ensuring additional funding from both savings and extra financial sources, as well as extending the implementation period without extending the eligibility period for funds.

Closing conference for Culture Programme at the Gdańsk Shakespeare Theater took place in October 2023. Closest CC meeting is planned in Bodø 9-11 April 2024.

• Education

The programme reported nearly EUR Mln 16,6 of grant expenditures which constitutes 82% of its allocation.

The Programme is progressing well. Most of the projects implemented under this financial perspective were by the end of the year at an advanced stage of completion or already completed, having developed the intellectual outputs and expected results. This implied a major shift in the focus of the project promoters to promote and disseminate their outcomes which in turn secures the long-term impact of the programme. In the current reporting period. 69 projects were completed, 48 projects from the 2nd call for proposals are still under implementation - 25 of them end in Q1 2024 and 23 in Q2 2024 but not later than on April 2024. So far a total of 237 projects from both calls have been completed of which 193 projects have had Final Reports approved. Programme Operator monitored the projects in accordance with the attached monitoring plan.

The PO actively supports the project promoters. The online platform established after pandemic breakout turned out to be very effective tool for both communication and cooperation.

The risk of not using the allocation is low. However, FRSE plans to organize bilateral initiatives that could be financed from the Programme funds after their transfer to Bilateral Fund managed by PO. Consultations are currently underway with DPPs on the scope of future initiatives.

There is no date for final conference settled yet.

• Climate

The Programme reported nearly EUR Mln 71 of grant expenditures which constitutes almost 50% of its allocation.

All 11 calls are completed (call for eco fuel production in the form of pellets was cancelled in accordance with Addendum 2 to the PA) and the grant agreements were concluded under the PL-Climate.

By the end of 2023 there are 108 projects under implementation. The amount of funding in signed contracts is EUR 148,8 mln.

The Programme Operator has identified almost EUR 13 million of unallocated funds and is taking steps to disburse them. In 2023, the PO launched additional funding procedures to award additional funding to previously selected projects in the Climate and in the Environment areas. In November 2023, the modified additional grant procedure was announced within the framework of thermo-schools call, with an expanded scope that includes activities related to climate change mitigation or adaptation. The application period is 01.09.2023 – 21.03.2024 or until the funding limit is reached.

In response to savings due to resignations, in December 2023 – the PO announced the continuous additional procedure in the Climate area (Outputs 1.1 and 1.2), which allows the project promoters to apply for additional funding and/or new measures related to energy efficiency. The application period is 01.12.2023 – 21.03.2024 or until the funding limit is reached.

The PO is also considering increasing funding to 100% for projects implemented by NGOs. Effective allocation management and appropriate use of emerging savings, were the primary focus for the PO in 2023 and will continue in 2024. A contingency plan was prepared, discussed and approved by the Cooperation Committee. All actions were taken to support project promoters and implement the Programme in the best and most effective way.

The PO declares the full use of the allocation. Nevertheless, constant monitoring and risk analysis on a daily basis is needed taking into consideration still high amount of unallocated funds.

The CC meeting is scheduled for Q2'2024 most likely to be hosted by the DPP from Iceland. The closing conference of the program is planned for 25-26 September 2024 in Warsaw.

• Health

The programme reported barely EUR Mln 6,5 of grant expenditures which constitutes 42% of its allocation.

The project contracting is completed. 10 projects which implement telemedical models finished in January 2024. In IQ the settlement of projects is planned. Possible savings will be allocated to PDP projects or Bilateral Fund but the amount of unused allocation will be known after the projects' completion and evaluation of final reports in the second half of 2024.

Due to reallocation of some funds to Local development PO signalled few months ago that some outcomes will not be fulfilled. According to PO we should expect underachievement of the following indicators:

- Number of beneficiaries of services provided or improved (using telemedicine diagnosis/treatment);
- Number of people declaring satisfaction with services received from new e-health methods;
- Number of healthcare services provided with the use of modern equipment purchased.

As for PDP 1: the project finishes in April 2024, contactor for evaluation of models has been chosen, planned events are organized according to the schedule, report about palliative care in Poland and possibilities of using telemedical solutions in this area is being prepared.

As for PDP2: I module Healthy diet and III module – Mental health projects will be completed in April 2024, there is no risk of not achieving the indicators in this projects.

II module Abuse of tobacco – the project is completed, the project is being settled.

BF initiative is being implemented. The deadline of initiative on antibiotics and vaccine was prolonged till December 2023 due to delays. The beneficiary of another initiative addressing social inequalities withdrew from the contract due to lack of staff. PO is looking for another beneficiary for initiative for 173 880 Euro.

Closing conference will take place at the end of April 2024 (tbc). Next CC meeting in planned in autumn 2024 in Poland.

• Home Affairs

The programme reported barely close to EUR mln 13 of grant expenditures. which constitutes 62% of its allocation.

4 out of 6 PDPs are implemented within the programme¹.

In 2023, 5 out of 19 projects² implemented under PL Home Affairs Programme have been completed.

In 2023, two calls for additional funds under saving procedure were launched. Those calls were dedicated to project promoters within PA20 programme the area “Improved capacity of law enforcement services to prevent and detect the organised crime”. As a result 5 projects received additional financing.

Due to significant delays in implementation and reporting, the IOM’s projects (within PA18 and PA20) were under special PO’s supervision and additional actions were taken to make up for IOM's backlog in projects.

The PO informed that two indicators concerning Bilateral Outcome are at risk of not being fulfilled due to lower engagement of Norwegian Partners than expected and COVID-19 restrictions.:

- number of staff from project promoter states participating in project’s activities in Norway – 10 instead of 15 (target value);
- number of staff from donor states participating in project’s activities in Poland for at least 2 working days – 8 instead of 20 (target value).

The PO will revise possibilities of fulfilment these indicators within additional activities in on-going projects.

The PO informed about the 2 new ideas of bilateral initiatives for potential financing within bilateral fund covering the PA23 (Disaster Prevention and Preparedness), which are in the process of assessment.

PO declares the almost complete use of the allocation (approx. 99%). In case of savings, the reallocation the reallocation to the bilateral activities will be implemented.

The specific dates of CCs for 2024 and closing conference are not scheduled yet.

• Justice

The programme reported 15,7 million EUR of expenditures (27% of the allocation). The low level of disbursements is linked to the way in which the PO accounts for expenditure by project promoters. The PO enters to the IFR the expenditure incurred (by the PPs) after it has been verified by the PO (including public procurement), not the advance payments that are made available to them. There's a delay between the time the expenditure is incurred by the PPs and when it is reported in the IFR.

PDP 1 “The pilot rehabilitation complexes for inmates” – according to the PO in 2023, all activities were completed as planned.

Module 1 – about 80% of the construction works in the four penitentiary complexes have been completed. The most advanced is the complex in Kozięglowy, the least advanced is the one in Jastrzebie-Zdroj. The penitentiary complexes will be completed in February/March 2024.

¹ PDP IV “Documents – Safety and Control, including Tactical ID-control” of the Polish Metropolitan Police was successfully completed on 31 December 2022; PDP V “Strengthening of the EU borders protection through the development of cynological training activities, infrastructure expansion, redevelopment and upgrading” implemented by Border Guard was successfully completed in November 2023.

² In 2022, two projects implemented by the Polish Warsaw Metropolitan Police were completed (PL-HOMEAFFAIRS-0004 and PL-HOMEAFFAIRS-0009).

Module 2 – The Academy of Justice (the project partner), continued to work on the development of an educational model and the development of an educational programme adapted to the principles of dynamic security. Three textbooks were published and training courses were launched on the e-learning platform. 661 publications were acquired for the library and 175 volumes were digitised. 13 types of training were provided. Work on the implementation of the "Ambassadors Programme" was underway. Six meetings were held (in 2023) with the participation of the parties involved, i.e. representatives of Poland, Norway and Romania.

Module 3 – work was carried out on testing the risk/needs assessment tool for estimating the risk of reoffending crime, and after this period (in 2024) the tool will be implemented in the production environment. The evaluation of the usefulness of the risk assessment tool has been completed.

Training on restorative justice and mediation has been provided to judges, probation officers, prison officers and staff.

PDP 2 “The Integrated System of Domestic Violence Prevention” - the Project Promoter developed a set of tools for evaluating and optimising the integrated model of domestic violence prevention tested in the municipalities implementing projects under SGS1. The research team worked on the final evaluation of the project: surveys, focus groups, group interviews, and in-depth interviews, prepared research reports, and developed a model for an integrated system of domestic violence prevention.

PDP 3 “Preventing violence against the elderly and people with disabilities” - project activities are significantly delayed. The established recovery plan seems to have failed. The PO has only managed to complete one public procurement procedure, for the violence prevention model. The procedure for the training of professionals is still in ongoing. The PO has withdrawn from the implementation of the information campaign.

Under the SGS 1, 14 projects are testing the model prepared by the PDP2 Project Promoter. The beneficiaries of the small grants have implemented different ways of running family centres and different services to prevent domestic violence. Under SGS2, 8 beneficiaries are developing local support systems to tackle violence against elderly and people with disabilities and their families. Ten SGS1, and six SGS2 projects received additional funding or/an extension until March 2024. Three SGS1 projects and one SGS2 project have been completed.

PO informed about savings of EUR 1,12 million within the Programme and plans to use EUR 250 000 for the PDP1 and to transfer the remaining amount to the Bilateral Fund in order to continue the “Ambassadors Programme” after April 2024, and to implement new initiatives. PO takes into account the initiative proposed by the University of Stavanger and the Nicolaus Copernicus University in Torun in the field of domestic and gender-based violence prevention, plans to organise a conference of the Synergy network in the field of domestic and gender-based violence prevention, plans a study visit of Polish experts to one of the Norwegian Barnahus institutions, and also a MQPL/SQL seminar in Poland to exchange experiences of research teams from different countries developing studies on the living standards of prisoners and officers.

The activities will be discussed at the CC meeting on 8 March 2024.

• Local Development

“The Programme reported EUR mln 77,7 of grant expenditures which constitutes 70% of its allocation.

PO transferred another tranche of the requested co-financing for 26 beneficiaries (including beneficiary of pre-defined project) at the amount of EUR mln 55 by the end of 2023 and for 20 beneficiaries of small grants for accessibility at the amount of EUR 420 757. Several beneficiary cities received 2-3 advance

payments in 2023. Most cities received 90% of the contract value. This shows that the projects implementation has significantly accelerated. In the first quarter of this year further payments of advance tranches in the amount of approximately EUR mln 5 are expected.

PO has absorbed in 2023 additional funds which were reallocated from Business Development and Innovation Programme in the total amount of Euro Mln 7,9. Evaluation of the applications was completed so far and signing 20 the annexes will take place as soon as possible in the first quarter of 2024.

PO is ready to absorb additional funds within creating Bilateral Initiative for 2024-2025. PO applies, in consultation with the APC/KS, for funds for additional bilateral activities, which have so far proven to be a success and attracted the interest of all parties. PO plans to make a request to increase the management costs to as the additional tasks cannot be done within the current limit, taking into consideration also the higher payments in public administration.

There is no information now on how many projects will be non-completed on time, nevertheless it is assumed that some of the beneficiaries will use the opportunity, given by the donors, to implement project tasks after the eligibility period, assuming that the contractor's payment will be made during the eligibility period. It is foreseen that it might affect half of the projects.

In case of 20 small grants for accessibility (funds up to PLN 100,000 each, granted to cities applying for funds under the LD Programme that did not receive project funding) - 8 cities signed annexes extending the grant implementation – were implemented in most cases until the end of 2023, one city extended implementation until the end of April 2024. The remaining 12 cities have submitted final reports on the implementation of the grant and in most cases have also received the reimbursement tranches. Activities implemented under the grant include, among others: adaptation of public buildings to accessibility requirements, purchase of devices improving the accessibility of public services, training for employees in the field of accessibility, as well as targeted training for people with disabilities.

CC meeting will take place 12th March 2024 in Bergen and closing conference is planned for 10 September 2024 in Warsaw.

• Programmes implemented by the Donors

In programmes managed by the Donors: Active Citizens National and Regional Fund, Social Dialogue and Decent Work, Fund for Regional Cooperation and Fund for Youth Employment most of projects is completed, disbursement is high even up to 90% , saving are going to be managed.

On 13 February 2024 the FMO requested the NFP for additional need for funds within the ACF fund. The possible savings have been identified within the Innovation programme. Therefore, on 21 February 2024 the request for reallocation of saving from Innovation to ACF National - 675 000 EUR and to the ACF Regional - 267 500 EUR was submitted to the FMO. The procedure is in progress.

Donors highlighted the importance of NGO's projects for EEA and Norway Grants.

3.7 Financing of the programmes – summary

Total expenditures until the end of December 2023 amounted to over EUR 523 million (PLN 4.4 billion). The incurred amount (grant) constitutes over 65% of the allocation (compared to 37% at the end of 2022). Measures implemented in 2023 led to an intensification of spending. The percentage increase in expenditures from 2022 to 2023 was over 105%. However, considering that 2024 is the final year for the main program expenditures, the share of expenditures in the allocation is still relatively low and reflects

delays in the previous years of implementation. Many projects, especially complex ones, are straggling with the risk of not being completed within the eligibility period or not utilizing the granted amount.

Local Development, Environment, Energy and Climate Change and Applied Research programmes at the end of 2023 had the highest share in the total of incurred expenditures.

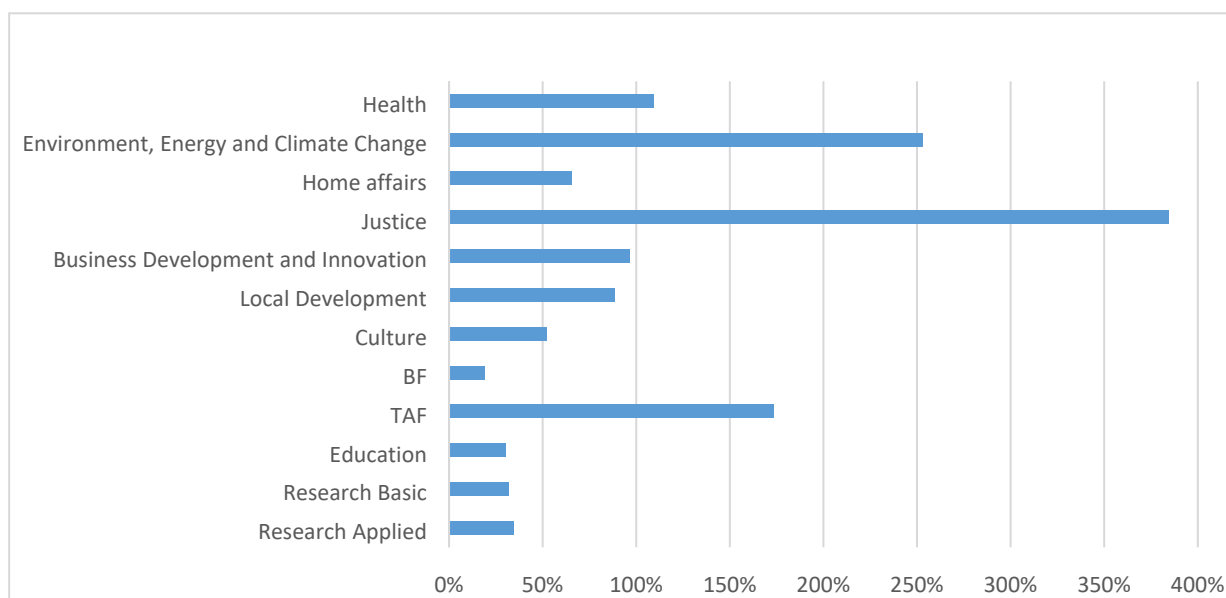
Programme	Total eligible expenditures EUR	Share in total
Research Applied	78 530 417	15,00%
Research Basic	57 678 504	11,02%
Education	19 629 490	3,75%
TAF	7 133 854	1,36%
BF	13 393 714	2,56%
Culture	75 555 126	14,43%
Local Development	91 493 493	17,48%
Business Development and Innovation	54 910 397	10,49%
Justice	18 582 145	3,55%
Home affairs	14 464 870	2,76%
Environment, Energy and Climate Change	84 380 880	16,12%
Health	7 695 971	1,47%
TOTAL	523 448 861	100%

In terms of usage of allocation the most advanced programmes are Research (both) and Culture.

Programme	Incurred grant EUR till 31.12.23	Allocation	Share in allocation
Research Applied	66 750 855	69 183 666	96,48%
Research Basic	49 026 728	51 510 282	95,18%
Education	16 685 066	20 242 750	82,42%
TAF	7 133 854	9 639 500	74,01%
BF	13 393 714	19 686 000	68,04%
Culture	64 221 857	74 757 250	85,91%
Local Development	77 769 469	111 051 334	70,03%

Business Development and Innovation	46 673 837	88 316 666	52,85%
Justice	15 794 823	58 221 052	27,13%
Home affairs	12 295 140	20 000 000	61,48%
Environment, Energy and Climate Change	71 723 748	146 042 000	49,11%
Health	6 541 575	15 632 000	41,85%
TOTAL	448 010 667	684 282 500	65,47%

The chart illustrates the percentage increase in spending on individual programs in 2023 compared to 2022. It is evident that programs based on investments have the highest expenditures in the final years of implementation.



The amount disbursed within all programmes by 31 December 2023 equals over EUR 492 million (ca 72 % of the total allocation). The forecast made in April 2022 for year 2023 was realized in 85% (ca. EUR 172 million disbursed in 2023). The amount still available from the allocation (ca. EUR 192 million) is planned to be disbursed equally in year 2024 and 2025.

3.7 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).

4. Status of bilateral funds in JCBF

PL Bilateral Fund status indicates a substantial commitment to utilizing the available funds, with a considerable portion of the funds already contracted and incurred. The expenditure across different segments of the Program is notably varied. In the part managed by the NFP there is a high level of disbursement, especially in relation to bilateral predefined initiatives. However, there is a strong focus on the implementation of the calls – Green Call and BeForMe call. This emphasis reflects the strategic stage of program implementation, where the central part is intensively engaged in conducting competitions

A pivotal development in the BF implementation is the establishment of procedures for the transfer of funds from various Programs to the BF. This move, endorsed by the Financial Mechanism Office facilitates the efficient use of all funds. It necessitates Program Operators to carefully evaluate and identify potential savings within their programs, which can then be reallocated. This process is a strategic one, requiring operators to pinpoint bilateral initiatives that resonate with the overarching goals of the BF.

Attention must also be paid to risks related to the use of Bilateral Fund (BF) in this final implementation period. First, it is necessary to closely monitor the spending (both at the national level and by Program Operators) to react on any savings and following the schedules of activities to avoid delays and implement risk mitigation measures. Additionally, due to the longer eligibility period of BF, there is a risk that in the year 2024, Program Operators will be overwhelmed mainly with closing the programs. However, this cannot result in delaying BF activities and postponing them to 2025.

Summary of the implementation of the work plan

The budget of the PL BF is EUR 21, 266 065, covering EUR 5 930 065 allocated to the programmes in the MoU and EUR 15,336,000 to be managed by the NFP under JCBF supervision. BF budget has been increased by 1 580 065 EUR due to last shift towards Basic Research PO from Programme allocation from December 2023.

Expenditures totalling 13 510 705 EUR have been reported, with EUR 4 769 701 of that being the share of the Programme Operators. Currently, 95% of the BF's total budget has been allocated, 64% of BF total budget has been spent. There are ideas in the pipeline and JCBF is to be engaged to make the full use of the allocation.

Title	Budget €	Incurred expenditures (as of 31 December 2023)	Percentage
Bilateral fund NFP	12 237 365	8 722 795	72%
<i>Activities carried out by the NFP</i>	46 463	46 463	100%
<i>Call for proposals (BeFORme; Green)</i>	4 768 709	2 028 829	43%
<i>Pre-defined activities</i>	7 422 193	6 647 503	90%
Bilateral funds programmes level	10 698 629 **	4 666 530	44%
<i>Local Development</i>	2 968 094**	395 725	13%
<i>Business Development and Innovation</i>	600 000	478 776	80%
<i>Health</i>	300 000	31 596	11%
<i>Justice</i>	400 000	25 748	6%
<i>Home Affairs</i>	600 470	362 469	60%
<i>Education</i>	1 850 000	1 633 768	88%

<i>Environment, Energy and Climate Change</i>	935 000	442 842	47%
<i>Culture</i>	600 000	539 546	90%
<i>Applied Research</i>	390 000	332 834	85%
<i>Basic Research</i>	2 055 065	423 226	21%
Funds still to be allocated	898 165		
TOTAL	23 834 159**	13 389 325	56%

*The above amount includes the funds transferred from the Program in December 2023. The actual expenditure level for the Program was 93 percent before.

** Taking into account the ongoing reallocation from Business Development and Innovation to Regional Development

Bilateral Fund part allocated to the programmes and transfers between Programmes and Bilateral Fund

A significant milestone is the establishment of the procedure regarding the transfer of funds from the Programs to the Bilateral Fund. According to the final position of the Financial Mechanism Office (FMO), such transfers are possible and advisable to ensure the efficient use of funds.

Reallocation takes the form of an amendment to the Memorandum of Understanding (MoU) to increase the indicated Bilateral Fund allocation at Programme Operator allocation. The MoU amendment process should be conducted swiftly as it constitutes the formal basis for transferring funds for management by the respective Program Operator.

In 2023 one reallocation was finalized - between the Basic Research Programme and Bilateral Fund. The amount of EUR 1 580 065 was transferred towards the Fund Bilateral for initiative aiming at Harmonisation of the Svalbard cooperation (HarSval). The initiative is about to kick off soon. We expect others in the future, as POs declares savings at the very last moment or after the project. At this stage we can expect proposals from the POs regarding transfers in *Education* (for bilateral event on digital transformation and VET, as well as the initiative on maximizing the impact of bilateral projects), *Justice* (on Ambassadors Programme), *HA* (in the area of disaster preparedness, but in this case no savings are indicated at the moment within the Programme, overall budget tbd), *Local Development* (for bilateral study visits/workshop for self-government units to be financed through “expression of interest” procedure and/or any programme savings, if appeared; overall budget tbd).

At Programmes level, spending levels among the operators vary significantly. While some have shown efficiency and promptness in implementing their funds, highlighting strong management and execution skills, others lag behind. It's clear that a well-defined concept and strategy for the BF are key factors that enhance the speed and effectiveness of fund utilization. Below, we present only a few selected case studies and examples of actions and challenges that POs face.

Home Affairs Programme finalized initiative of Norwegian Directorate for Civil Protection DSB with Government Centre for Security of Poland – the international conference on disaster risk prevention was held in May 2023. The aim of the conference was exchange of good practices regarding disaster prevention, including conclusions from latest crises, risk assessment and management, usage of satellite data and GIS tool. PO is currently focusing on development of other bilateral initiatives with possible transfer of savings from HA Programme to BF.

The implementation of programs in the *Business development and innovation* sector is progressing well with 80% of the allocated funds spent. The initiatives undertaken in 2023, such as launching grant programs for Polish clusters to visit Norway and fostering industrial collaboration between Poland and Norway, are significant. There was also a focus on seminars and business mixers at events like Oslo Innovation Week and Baltexpo 2023, emphasizing the offshore wind industry and zero-emission blue economy. Plans for 2024 include the continuation of these collaborations with an emphasis on green technology and renewable energy sectors. At this stage PO doesn't plan any shifts towards BF from Programme allocation.

Environment, Energy and Climate Change

In the environmental sector, 47 % of the funds have been spent, indicating a moderate pace in project implementation. The initiatives include active conservation of endangered bird species and experience exchange between Poland and Iceland in wetland restoration for biodiversity and climate. Pre-defined projects such as the management of low-temperature geothermal reservoirs and the establishment of Clean Transport Zones demonstrate a commitment to sustainable environmental practices. At this stage PO doesn't plan any shifts towards BF from Programme allocation, it is focusing on finalization of PDP's which are implemented according the schedule. Implementation of both initiatives will ensure the use of the allocation.

Culture program is also well underway, with more than 90% of the budget spent, indicating strong engagement and successful project execution within this sector. PO has implemented all 10 initiatives under the call for small projects.

Health and especially *Justice* Programmes are lagging behind, however they're also in the process of preparation of new initiatives.

The *Justice* Programme Operator continues its activities - participation in cooperation initiated by the Norwegian Ministry of Justice and Public Security under the SYNERGY project and activity in multilateral initiative to develop the MQPL methodology to measure the quality of prison life in the beneficiary countries. And Ambassadors programme is planned to be implemented as well.

In *Health* sector the beneficiary of initiative "Strengthening the health competences of the society at the regional level" withdrew from its implementation. PO is looking for a potential initiatives.

Pre-defined Initiatives

Currently there are 19 predefined initiatives already concluded and 6 still ongoing. All initiatives are being implemented, with their completion dates scheduled for next year.

Youth for the City, City for Youth	Lublin Municipal Office (Poland)	European Wergeland Centre (Norway)	850 000	Implemented till April 2024
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	Implemented till March 2024
NorPolFactor	Norwegian Institute of International Affairs	Pulaski Foundation	372 400	Implemented till December 2024.
Matheliebe- Math love!	Beneficiary: Foundation Matheliebe	Wroclaw University of Science and Technology	42 000	Implemented till February 2024.
Educational integration	Beneficiary: The Center for Citizenship Education (CCE)	Norwegian Refugee Council (NRC)	1 000 000	Implemented till August 2024
Barriers of research valorisation in Poland. Lessons learnt from EEA and Norway Grants and recommendations	Foundation for Polish Science	Research Council of Norway	200 000	Project in preparation, Implementation period till

Till November 30th, in the building of the Wrocław University of Technology Library, exhibition "*Matheliebe. Fall in Love with Mathematics*" was taking place as a part of Matheliebe - Math love! Initiative. The display consists of over 100 physical models, objects, as well as computer graphics and animations. All of these help visitors grasp the mathematical laws behind every day phenomena. Initiative is about to finish in February 2024. There is a discussion ongoing on increasing the initiative budget – to be finalised early 2024.

In 2023, Lublin celebrated its status as the European Youth Capital, launching numerous events and activities under the "*Youth for the City, City for Youth*" initiative, particularly in the "Youth Space". These included thematic events, concerts, exhibitions, workshops, and training aimed at engaging and empowering young people, with a strong emphasis on integrating young refugees from Ukraine and international students. Additionally, youth groups participated in study visits to Oslo, Krakow, and Wrocław, enhancing their understanding and experience in youth work, while the 12th Cross-Border Cooperation Congress dedicated to youth issues discussed building an international community and local youth participation. There's ongoing discussion to increase the initiative's budget in early 2024.

The decision-making process for initiative within the research sector, aimed at identifying barriers to the use of scientific research outcomes in Poland has been finished at the middle of February. This initiative seeks to explore the challenges associated with the commercialization of research in the country, drawing on the experiences of both Polish and Norwegian partners. It will concentrate on two primary areas: the technology transfer processes in Poland and increasing the innovativeness of research projects.

Calls

Green Call

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. The Joint Committee of the Bilateral Fund has approved, via written procedure, a list of applicants who have been selected for grants. This list includes 12 entities, and the total value of their initiatives exceeds 2.7 million Euros. All the contracts have been signed till the end of August 2024, all the initiatives are being implemented, and all the Partnership agreements with Norwegian Partners are signed. Please find below very short review of some of the initiatives and activities they are carrying on.

- The initiative "**Green Transformation in Practice**" focuses on the development of biogas production from bio-waste. Catalogues of good practices have been developed, stakeholders have been identified, a project website has been launched.
- The "**Synergistic Doping of Titanium Dioxide**" project studies CO₂ photoreduction using TiO₂ as a photocatalyst. Samples of TiO₂ with various dopants have been prepared, and studies have been conducted on the impact of these dopants on the photocatalytic properties of TiO₂. Further research on the efficiency of the photocatalytic reduction of carbon dioxide, as well as scientific publications and presentations of results, are to be carry out.
- The "**Polish-Norwegian way to circular cooperation in industrial, science, and technology parks (CIR-CO-WAY)**" focuses on Polish-Norwegian cooperation in the field of industrial and technological parks. As part of the project, a survey study was conducted in **Skogmo Industripark**, Norwegian best practices were collected, and questions for in-depth interviews were prepared. Plans for the near future include completing survey studies, preparing reports, organizing training and workshops.

- The **"Implementation of Closed-Loop Bioeconomy at the Local Level" BioGoLocal** aims to promote a closed-loop bioeconomy. Trainings and workshops have been organized, and cooperation with local beneficiaries has been established. Further educational activities, report preparation, and project promotion are planned.
- **"The Polish Development Fund and Nordic Edge"** project supports cooperation between Polish and Norwegian cities in the field of climate solutions. Educational workshops have been organized, and preparations for a hackathon have been made.

Before call

The overall aim of the call 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

The call evaluation is coming to the end. National Focal Point has finalized the formal assessment of initiatives sent within open call for Initiatives for intergenerational cooperation. As a result of the evaluation of 53 submitted applications (for EUR 9 804 157, total amount of demanded funds in the submitted applications exceeds the allocation fivefold), 51 applications passed the formal evaluation. The content-related evaluation is underway and is planned to be completed at the beginning of the February 2024 and the result of this assessment is going to be presented during the JCBF meeting the beginning of March. The initiative contracts are to be signed asap and the initiatives are to be implemented till February 2025 at latest.

5. 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 the period 1.07.2023 – 29.02.2024

b. Complaints

There were three complaints submitted to the NFP between 1.07.2023 and 29.02.2024. They referred to alleged irregularities in the implementation of projects by beneficiaries in the following scope:

- (1) non-compliance with rules on public procurement,
- (2) wrongful employment of project staff and inefficient allocation of funds,
- (3) improper limitation of tasks performed within a project.

The NFP revised the complaints along with competent Programme Operator. In neither case the irregularities were confirmed. All complainants were informed about the outcome of respective examination.

c. Irregularities

The IA submitted via GRACE system:

- 1 report on new irregularity detected by the NFP in the management costs of the Education Programme (IR-151),
- 8 reports on new irregularities detected in the projects realized under the programmes: Culture (IR-152, IR-153, IR-186, IR-215), Applied Research (IR-172, IR-188), Basic Research (IR-187) and Local Development (IR-214),
- 1 report on new irregularity detected in the activity PL-BI008 financed under Bilateral Fund managed by the NFP (IR-185).

In each case we follow all procedures foreseen in the Regulations. All reports were submitted to the Donors in standard reporting mode (Article 12.5). These irregularities concerned the infringement of the provisions of the Act – Public Procurement Law, Regulations on the implementation of the EEA FM and NMF 2014-2021 and Guidelines on the award of contracts under EEA FM and NFM 2014-2021.

Simultaneously, the financial correction on the management cost of the Culture Programme was imposed by the FMO (immediate reporting of irregularity according to Article 12.5.1 of the Regulations). Above mentioned irregularity concerned the infringement of the provisions of the Regulations and the financial correction in the IFR no. 6 was settled.

The total amount of imposed financial corrections from July 2022 to June 2023 amounted to ca. EUR 526,000 under the programmes and ca. EUR 1,709 under the Bilateral Fund. In total it is less than 0,1% of the allocation.

Moreover, in the course of the reporting period, the IA presented 16 reports on the progress with regard to previously reported irregularities under the programmes (Culture, Education, Applied Research and Basic Research) and Bilateral Fund managed by the NFP.

d. Audit

In 2023, the AA conducted, based on the relevant sample, an audit of operations in order to verify the declared expenses under the management costs and projects implemented as a part of the programmes. The audit of operations involved in selecting a sample of 3 programmes (audit of operations under management costs – Education, Business Development and Innovation and Environment, Energy and Climate Change) and 26 competition projects, to which 2 pre-defined projects were added. Summarizing, by the end of 2023, 31 planned audits of operations have been carried out by the AA.

As a result of these audits, only three random financial errors for the projects within PL-BasicResearch-0031, PL-LOCALDEV-0016 and PL-AppliedResearch-0025 have been found. The irregularities concern infringement of the provisions of the Regulations on the implementation of the EEA FM and NFM 2014-2021 and eligibility of expenditures.

Any systemic error during the audit of operations was identify. One formal comment concerning data provided for choosing sample was provided to the NFP. Some of the data provided to the AA included discrepancies in financial data. NFP will make every effort to provide the AA in the future with correct financial data.

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 2023 as part of EEA FM and NFM 2014-2021, which was submitted together with the opinion of the AA to the FMO on February 2024. The implementation of the recommendations included therein will be subject to a follow-up audit.

6. Monitoring and Evaluation

a. Monitoring

In accordance with the provisions of the Description of the Management and Control System, the National Focal Point annually prepares a monitoring plan for programmes and projects implemented under the Financial Mechanisms and such monitoring plan for 2023 was prepared in February 2023.

In the second half of 2023, based on the agreed methodology, a mid-term risk analysis was carried out in August to verify whether there is a need to include additional programmes in the monitoring plan for 2023. Due to the current 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's audit paths of 70%, so the monitoring plan did not change.

As planned, in the second half of 2023 the National Focal Point monitored three programmes: Basic Research, Education and Business Development and Innovation. Also seven projects were monitored by the NFP: one project being implemented under the Business Development and Innovation Programme, one project under the Education Programme, two project under the Culture Programme and two projects under Home Affairs Programme.

Additionally, one initiative implemented under the Bilateral Fund was monitored by the National Focal Point ("Youth for the City, City for the Youth – projects and initiatives engaging and including the local communities", being realized by Lublin city).

During the monitoring visits no irregularities were found. Instead, the recommendations were made regarding the ongoing implementation of the programmes, projects and the Bilateral Fund initiative.

The recommendations concerned, inter alia, reliability and timeliness regarding the financial implementation and financial progress, risks specified in the programmes or projects, preparation of reporting on timely and reliable manner, implementation of the Bilateral Fund.

The National Focal Point has also ensured the monitoring of the programmes via various measures: technical meetings, participating at the meetings of the Cooperation Committees and as observers in the Selection Committees, Annual Reports and quarterly reporting on incurred expenditures. The important role play also daily working contacts of the NFP with the Programme Operators.

b. Evaluation

In the spring 2023 an evaluation of bilateral cooperation in the EEA and Norway Grants was started by Ecorys . The evaluation was ordered by FMO. The purpose of the evaluation was to investigate the effectiveness and sustainability of the current setup of and work related to bilateral cooperation. At the end of 2023 a report of the evaluation was submitted presenting strong and weak points of the cooperation and recommendations for future.

In autumn 2022 started a mid-term evaluation in Applied Research conducted by EGO, LB&E. The main objective of the study was to assess progress in the implementation of the Programme. Main conclusions show that the Programme's results are expected to be achieved, first and foremost enhanced performance of Polish applied research and strengthened collaboration between beneficiary and donor state entities through fostering mutual exchange of knowledge and experience as well as strongly pro-business-oriented projects with potential to implement results.

In 2024 evaluations in all the programmes are planned.

Moreover the NFP will order an evaluation of all programmes. The main objective of the evaluation is to assess the support granted to Poland from the EEA and NMF 2014-2021 and to formulate conclusions that will take into account the following specific objectives:

- 1) overall effects/results of the support, taking into account the degree of implementation of the primary objectives of the Norwegian and EEA grants; expenditure incurred, as well as the created fund management system;
- 2) identification of the greatest achievements and challenges related to the Norwegian and EEA grants, including achievements and key risks related to the programs and the Bilateral Fund;
- 3) assessment of the sustainability of the overall management system of the Norwegian and EEA grants and its potential to continue effective support of activities and maintain results;
- 4) evaluation of experience and identification of conclusions for the future, including formulating recommendations driven from the 3rd edition of the Norwegian and EEA grants as well as proposing tools that could be used to implement the recommendations.

Potwierdzam zgodność kopii wydruku z dokumentem elektronicznym:

Identyfikator dokumentu	2029679.9777193.7051479
Nazwa dokumentu	PL STRATEGIC REPORT 2023-2024.docx
Tytuł dokumentu	PL STRATEGIC REPORT 2023-2024
Sygnatura dokumentu	
Data dokumentu	
Skrót dokumentu	2526BDCF5D014E7690656474AA1FDEBD10B18A28
Wersja dokumentu	1.0

EZD 3.120.1.1.

Data wydruku: 2024-03-11

Autor wydruku: Augustyniak Ewelina (główny specjalista)