

PL Annual Meeting - minutes Gdańsk, April 29th, 2024

Norway	<ul style="list-style-type: none"> - Jon Erik Strøm, Director of the Section for Central Europe and the EEA Grants (Head of Delegation) - Ingrid Schulerud, representative of Norwegian Ministry of Foreign Affairs - Lars Børresen, Senior Adviser at Royal Norwegian Ministry of Foreign Affairs - HE Øystein Bø, Ambassador, Royal Norwegian Embassy, Warsaw - Aleksandra Wacko, Counsellor, Royal Norwegian Embassy, Warsaw - Karina Gradowska-Karpińska, Adviser, Royal Norwegian Embassy, Warsaw
Iceland	<ul style="list-style-type: none"> - Jan Hernik, representative of Embassy of Iceland
Liechtenstein	<ul style="list-style-type: none"> - Alina Brunhart, First Secretary, Mission of Liechtenstein to the EU
Financial Mechanism Office	<ul style="list-style-type: none"> - Ragna Fidjestøl, Managing Director - Konrad Konieczny, Country Officer Poland - Steven Verhulst, Legal Officer
National Focal Point - Ministry of Development Funds and Regional Policy	<ul style="list-style-type: none"> - Konrad Wojnarowski – Undersecretary of State - Maciej Aulak, Director, Department of Assistance Programmes - Małgorzata Zalewska, Deputy Director - Aneta Krzywicka, Head of Implementation Unit - Anna Cieśla, Head of TA Unit - Kamil Wieder, Communication Team - Ewelina Augustyniak, Implementation Unit - Agnieszka Sprzęczka, Implementation Unit - Marcin Skrycki, Implementation Unit - Małgorzata Szymanek, Certifying Authority - Chmielewska Anna, Certifying Authority - Dorota Kwiecińska, Deputy Director, Ministry of Finance, Audit Authority

1. Opening remarks

The new undersecretary of State of the Ministry of Development Funds and Regional Policy Konrad Wojnarowski greeted all participants and summed up the implementation stage underlining the anniversary of 20 year of cooperation within EEA and Norway Grants in Poland.

PL side thanked for the flexibility tools given by the Donors in this edition pointing out that some of them should become standard tools in the new edition. It was indicated that the biggest challenge is the bureaucracy, like the necessity of MoU and PA modifications while each reallocation.

The minister emphasised that negotiations of the new edition of EEA and Norway Grants are important to Poland. Although protocols between EEA and EC haven't been signed yet, PL side hopes the agreements are to be signed asap, enabling start of the bilateral negotiations. It is very crucial for Poland, being the biggest beneficiary country of the grants, to start and run smoothly the bilateral negotiations with EEA countries. PL is open to share its lessons learned and experiences.

Mr Jon Erik Strøm, on behalf of the Norwegian side, thanked for another opportunity to meet with Polish side, underlined aid of Polish government and citizens to Ukraine refugees financed also by EEA and Norway Grants. Excellent long-term cooperation within EEA and Norway Grants between NFP, FMO, embassies and EFTA states was pointed out. NOR representative emphasized the opportunities of future cooperation after the elections, highlighting the importance of civil society and democratic backgrounds.

The donors realize this perspective was marked by challenges – war in Ukraine, COVID and financial turbulences - and flexibility measures were undertaken, where possible.

As regards the new perspective, Mr Strømø underlined delays in signing the protocols between EC and EEA countries. He presented Ms Ingrid Schulerud who will be responsible for the negotiations from donors side at the bilateral level.

Ms Alina Brunhart, Mission of Liechtenstein to the EU thanked Polish NFP and all parties for all the efforts while implementing the funds. Liechtenstein noticed positive developments in Poland since the election last year.

Representative of Icelandic Embassy to Poland, thanked for the organization of meeting and efforts in implementing FM and welcoming of Ukrainian refugees. It was highlighted that links between Poland and Island are strong thanks to Polish diaspora in IS – the biggest minority on the island.

2. EEA and Norway grants in Poland – overall status, approval of SR

Strategic report

Strategic Report which was submitted to FMO at the beginning of March 2024 (covering the period since July 2023 till February 2024) was assessed as excellent and comprehensive one and it was approved by donors with no remarks.

Overall status

PL side presented the overview of EEA and Norway grants in Poland, presenting the calls' status (42 calls for proposals, almost 3 600 applications submitted, over 900 projects granted for financing, more than 60% bilateral); outstanding bilateral cooperation; financing (over EUR 479 million grant - total certified expenditures till the end of March 2024 which is over 70% of the allocation, however, given the time left until the final eligibility date, managing the remaining funds within the allocation still presents a notable challenge). Final figures should be known in second half of 2024.

PL side raised the issue of latest delay in payments as this causes disorder in PL state treasury, especially at the end of the perspective when the transfers are the biggest.

NOR side explained the reasons of this impediment in payments (underestimation of the amounts by FMO as a result of too optimistic forecasts at the initial cycle) and declared drawing lessons learned for the future. The delayed part of payment will be done in June.

3. Lessons learned – programme by programme

- As for Research programmes PL side sees a great interest in the call for women, good bilateral cooperation (in polar research), limited participation of companies (need for introducing additional activities that will result in commercialisation of results), need for legal support for beneficiaries, necessity of evaluation of IdeaLab to mitigate disadvantages of the idea.
Donors are satisfied with high advancement in two Research programmes, great bilateral cooperation, high quality of programmes and good response for challenges – like those towards Ukraine.
The idea of division between Basic and Applied Research was discussed. NFP pointed out that this approach is efficient and worth to be continued in the sector.
- In Business Development and Innovation NFP points out efficient risk management – savings that were result of withdrawals were reallocated to other programmes (Local development, BF and Civil Society), an over-contracting mechanism was successfully used.

As lessons learned - the support of welfare technologies was challenging, on the other hand support of green technologies and innovations in the field of water were successful. The need for more flexibility in the Regulations regarding the procedures for selecting contractors for beneficiaries who are not subject to the Public Procurement Law was voiced by NFP (the issue of using tenders by small enterprises which are not obliged to do this by Polish law).

Donor side assessed the over-contracting mechanism as very successful being the best practice in the future. PL side underlined that the use of the mechanism for the future will be considered for Business and Innovation, nevertheless it depends on the decision of the Ministry of Finance.

- As for Culture NFP points out that bilateral cooperation gives a chance of exchange of knowledge, know-how and experiences. An advantage is a possibility of implementation soft and hard measures in the projects which gives a chance of popularisation of art and culture but short time for infrastructural investments makes them very challenging. Donors stated that the projects were excellent, as well as bilateral cooperation between parties engaged. The success of Polin project was underlined giving the high outreach (5 million people). The results of the investment projects in relation to the overall EEA and Norway grants goals within the sector are worth evaluating.
- In Education it was pointed out by NFP that COVID deeply influenced on the programme but the PO mitigated the risks. Best practices in international educational collaboration and the role of strategic instruments for fostering educational development were highlighted. The challenges of gaps between grants and difficulties in finding partners in EEA countries were indicated. Ms Brunhart on behalf of the Donors assessed the programme as successful with high quality of bilateral partnership. PL side declare that the evaluation of the programme is planned and the role of the bilateral partnership will be assessed.
- In Climate NFP indicated the complexity of the programme, necessity of modifications and efforts for the management of savings at the final stage. Lessons learned is among others a need to simplify - combining program areas; avoiding challenges in financing large infrastructure projects as these fits better to EU funds due to time frame, allocation, state aid rules; allowing umbrella projects as well as pilot projects; using one mechanism (EEA/NOR) in the program; lowering administrative burden for partners and giving longer implementation period (shorter programming). PL side assessed that the expectations for the programme were extremely high at entry (eg the ambitious condition CO2 reduction, financial instruments). Many stakeholders engaged made the programme challenging to agree on (long preparation of PA) and implement (detailed and not flexible PA). As for lessons learned, the financial instruments shouldn't be mandatory. Donors underlined the complexity of the programme and complemented the PO for mitigation of the challenges and restructuring of the programme. They see the energy part as challenging, environment and climate appeared to be more successful. As for the future relations, green transition was underlined as a Donors' priority for the sector.
- As for Health NFP outlined the reallocation as an important element of programme management. As lessons learned, the bilateral cooperation in the area is perceived as a chance of exchange of knowledge, know-how and experiences. As for challenges, long lasting procedures and delays were mentioned. Donors agreed with NFP that the most successful in the programme were PDP projects based on exchanging of experience between parties.

- In Home Affairs programme excellent bilateral cooperation was outlined (BF budget was doubled) by both sides. Strong points of the programme is a cooperation between stakeholders, development of PDP projects. Complexity of programme due to 3 programme areas included was mentioned, nevertheless NFP assessed it works very well.
- As for Justice, the initial programming challenges were mentioned, nevertheless the programme works well. As strong points NFP outlined the international cooperation, the interest at the political level on both sides PL and NOR, great engagement of correctional services.
Donors noticed that implementation of investment projects within PDP framework is efficient. The final success of the programme is noticeable and they commend PO for the efforts made. Reallocation to BF is appreciated by the Donors (Ambassador programme being implemented and the reintroduction of cooperation with NCA).
- As for Local Development programme, NFP outlined its absorption capacity as the programme consumed reallocations from Innovation and Health.
Strong points of the programme are the model with the support of Association of Polish Cities, great engagement of KS, flexibility in projects implementation, great interest of beneficiaries. The challenges regard limited timing and bureaucracy.
Donors appreciate remarkable development in this programme and commend PO for their efforts, outlining that PO capacity and engagement marks the programme very well. Very good cooperation with DPP is noticeable.
- 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 are operating well. The role of both FO of ACF (Batory Foundation and Foundation in Support of Local Democracy) is assessed very positively. Last reallocation towards ACF was appreciated by Donors.
It was agreed, Donors will share with NFP the lessons learned from programmes managed by them, as the experiences might be useful for PL side.

4. Risks and mitigation measures

PL side pointed out the main areas of risks:

- 1) Work overload by the end of the perspective - risk of failure to complete the project in case of delays and the risk of partial completion (to be assessed in FPR) in case those projects that will not deliver the results on time (no experience of POs on that), cumulation of work with settlements of the projects, where advance payments are certified and the task are to be delivered later on.
Non -use on the allocation in total remains here a main risk factor.

Donors emphasised that the issue of non-completed project was clarified in letters as much as possible but NFP concerns in this regard are understandable. Closing Guidelines has been prepared and trainings will be conducted. Cumulation of work in NFP is clear for the Donors as this experience is common.

- 2) Reallocation savings from programmes to the Bilateral Fund means short time for implementation of the initiative and administrative burdens in MoU modification (cumulating modifications is not an issue as POs want to implement initiatives asap).

Donors underlined their flexibility on the issue nevertheless pointed out clear bilateral aspect that needs to be seen while BF reallocations. They mentioned that due to workload delays in reallocations may occur.

They confirmed the scope of details in MoU text is lessons learned for the future and they duly noted NFP proposals in this regard.

- 3) Exchange rate risk - continued appreciation of PLN - could result in exceeding allocation limits and result in a lack of funds in some Programmes (like Applied Research where project contracts are in PLN). NFP request for a consolidated settlement (submitted already to FMO) was outlined.

The issue is in the pipeline and is to be decided by Donors.

- 4) Management costs – due to increase of salaries in the public sector in Poland by 20% the management costs within programmes might not be enough to cover the salaries of staff. Some POs (LD for sure) is working on the request for increasing the management costs.

The PA modification requests will be proceeded on a regular basis.

- 5) A gap between Financial Mechanisms – risk of lost experienced human resources. The extension of eligibility period for POs management costs without the modification of FPR date makes the full use of funds impossible.

The Donors are aware that a gap between FM and challenges in this regard. The final date for the programme report must be kept for April 2025. The final date for management cost is April 2025 and NFPs decide when the final reports should be submitted internally.

- 6) NFP lessons learned for the future already shared with all stakeholders. The modifications regarding flexibility and simplifications are inevitable.

Lessons learned were duly noted by Donors.

5. Communication and Bilateral Fund

PL side outlined that BF is important tool, worth to be financed and very appreciated for the future. Cooperation with JCBF is working very well – 99% of fund contracted. There are expected reallocations from the programmes into BF - part managed by POs.

As lessons learnt it would be more efficient to add BF allocation to POs programmes, EEA/NOR source of financing is challenging.

For communication, FM are visible in media and social media including Facebook and Instagram. A closing conference of FM is planned on 3rd December 2024 in The Grand Theatre in Warsaw. In June, an event on the occasion of 20th anniversary of EEA and Norway grants in Poland is to be organised. An outdoor campaign is planned for September 2024.

The Donors were invited for the events as well as for other closing conferences in programmes. It was emphasised that the anniversary should be visible in promotion of grants.

6. Conclusions and closing remarks

It was agreed that good cooperation and flexibility in handling the grants is to be maintained – to make them efficient and satisfactory for both sides and to use the allocation as full as possible. The next Annual Meeting is scheduled for Spring 2025 (tbc). There will be no Strategic Report as the Final Report will be submitted in August 2025.