

CITIZENS' SUMMARY: MID-TERM REVIEW OF THE EEA AND NORWAY GRANTS 2009-2014

BACKGROUND

The EEA and Norway Grants represent funding from Iceland, Liechtenstein and Norway to 16 European Union countries in Central and Southern Europe and the Baltics. For the funding period 2009-2014, €1.8 billion has been made available through 150 programmes. The EEA Grants (€993.5 million) are jointly financed by all three donor countries and available in all 16 beneficiary countries. The share of contributions is based on GDP, with Norway currently contributing 95.8%, Iceland 3.0% and Liechtenstein 1.2%. The Norway Grants (€804.6 million) are financed solely by Norway and available in the 13 countries that joined the EU after 2003.

This Mid-Term Review has included an initial review of evidence for all programmes in all 16 countries with the aim to assess the efficiency and effectiveness of the EEA and Norway Grants at the current stage of implementation.

KEY FINDINGS

The review produced 21 separate recommendations, covering programme design and management, immediate results, possible longer term impacts of the programmes, the added value (or additionality) of the EEA and Norway Grants and the usefulness of the programme model. The major findings are listed below:

1. The Mid-term Review found that the EEA and Norway Grants are progressing well overall, although with some exceptions. The extension process has mitigated to a large extent the possible adverse effects of a delayed start to many programmes. Countries which made a relatively early start and where management arrangements are most efficient had the most advanced programme implementation (eg Estonia and Poland), while countries such as the Czech Republic, Lithuania and Romania were rather more delayed in their implementation.
2. In terms of results across priority sectors, the Mid-term Review found that achievements were generally highest for “soft” interventions such as training, capacity building and strategy development, as well as numbers of people benefitting from new services. Achievements relating to physical investments or commercial viability of new products and processes are more likely to be seen towards the end of the implementation period.
3. Regarding longer term impacts of programmes, some results could lead to desired impacts without further intervention. These include for example investments in the energy efficiency of buildings, particularly in Bulgaria and Poland, which will ensure permanent reductions in emissions of greenhouse gases. The potential for impact is seen as greater in those programmes that have a specific focus, rather than attempting to address the full breadth of issues within a programme area. Having such a focus ensured that the selected projects constitute a “critical mass” of interventions sufficient to generate tangible and visible impact. The alignment of programmes with national policy objectives means that activities are more strategic and more likely to be sustained beyond the life of the funding. Where activities are less aligned with national policy objectives, they can still offer the potential to stimulate innovative projects with positive effects but the risk is that they do not generate wider and sustained impact.

4. Regarding the potential to reduce disparities, the Mid-term Review found that the Grants deliver short-term economic benefits in localities hosting projects (very often in poorer territories) through the expenditure of funds and the consequent multiplier effects. The Grants also have the potential to deliver long-term economic benefit as a by-product of improvements in environmental protection, energy efficiency, public health, etc., through a healthier population, lower energy bills, reduced costs of dealing with pollution, attraction of tourists, etc. They contribute to reducing social disparities where disadvantaged groups are specifically targeted by activities.
5. Additionality of the EEA and Norway Grants has been ensured by the specification of some programme areas that are not usually supported by EU Structural Funds, by support for organisations that would typically struggle to access EU funds (particularly small NGOs) and by focusing the Grants on areas and types of activities that are not well served by relevant Structural Funds programmes of each beneficiary state. Investments made through the Grants can also be seen as additional as they come at a time of significant reductions in public expenditure by some beneficiary states due to the continuing financial crisis.
6. The Mid-term Review found that the programme-based approach has improved the efficiency and the potential effectiveness of the Grants compared to the previous period. The programmes are generally considered to be strategic, focused, customised to the needs and priorities of each country and in line with national policy. In countries receiving small amounts of funding, it is efficient for the NFP to perform the role of PO, as this can reduce the costs of programme management. However, the evidence suggests that it may be beneficial to separate these roles in other countries, depending on the governance context of each country. There is otherwise an increased risk that programme management becomes unnecessarily centralised and, where the NFP/PO lack sufficient capacity to perform all roles, inefficient with a consequent impact on timeliness of programme implementation.
7. There is potential merit in aligning or co-ordinating programme management of the EEA and Norway Grants with that of the EU Structural Funds (with appropriate customisation to the requirements of the EEA Regulation), as these are familiar to programme management bodies and applicants alike. The benefits of such an approach are multiple: the processes have been accepted by EU bodies, they are established by or compliant with the national law of the beneficiary states, they are understood by applicants, and staff of the NFPs or POs are experienced in applying them.
8. Pre-defined projects have been an efficient way to allocate funds in certain circumstances, particularly in countries receiving relatively small allocations of funds where it would not be worthwhile to operate open calls. Open calls can be more beneficial than pre-defined projects where there is sufficient funding to justify them and where there is the potential for competition between applicants. They can offer equal access to funding for all potential applicants and more transparency in decision-making. They allow the possibility for strong but “unexpected” projects to emerge, as well as projects that are strategic and/or in line with national priorities.
9. National requirements on public procurement can help provide transparency and equal treatment of potential contractors. At the same time, public procurement processes can prove time-consuming and adversely affect timescales of implementation, particularly where programmes operate more than one public procurement process.
10. The Mid-term Review found a strong case for extending the programme period from 5 to 7 years, given the time taken to negotiate, approve and set-up programmes and the fact that nearly two-thirds of projects (within eligible programmes) have required an extensions. There is also a strong case for reducing the number of programmes, given the time taken to negotiate and approve programmes and the “fixed cost” associated with programme management and administration. In some cases, a reduction in the number of programmes should also be associated with a tighter focus.



A follow-up plan will be put in place by the donors to ensure that the relevant and applicable recommendations are taken into account in the 2014-2021 Financial Mechanism.

REVIEW OVERVIEW

The review was conducted by the Centre for Strategy & Evaluation Services LLP between August 2015 and September 2016. The study focused on 21 Priority Areas in seven case study countries.

Purpose of the review

- Assess effectiveness in terms of results and progress towards overall programme objectives; and
- Assess to what extent the current programme model is efficient, since there has been substantial effort to make the transition to a programme model between the former Financial Mechanisms 04-09 and the current 09-14).

Methodology

- Review of literature and programme documentation and data
- Interviews with stakeholders, including FMO, NFPs, POs and donor state representatives
- Online surveys for Programme Operators and Project Promoters.
- Selected project site visits and reviews

A representative sample of programmes from seven different priority sectors were analysed, which between them account for the majority of the funds committed through the EEA and Norway Grants. Seven country case studies were also compiled, providing summaries of progress, achievements, key issues and recommendations across selected priority sectors in each country. The case study countries were selected on the basis of size, location, governance and socio-economic context. The sectors and countries studied in-depth are as follows:

Priority Sectors and Programme Areas

- Environmental Protection and Management (PA01, PA2, PA03, PA04)
- Climate Change and Renewable Energy (PA05, PA06, PA07, PA09)
- Capture and Storage (PA20)
- Green Industry Innovation (PA 21)
- Human and social development (PA11, PA12, PA14, PA15, PA28)
- Health (PA13, PA27)
- Justice & Home Affairs (PA29, PA30, PA31, PA32)

Case study countries

- Cyprus, Czech Republic, Estonia, Lithuania, Poland, Portugal, Romania.

