End Review
-
EEA and Norway Grants 2004 - 2009

Final Report
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PREFACE

The report in hand covers the findings and analyses of the desk study:

End Review - EEA and Norway Grants 2004 - 2009

hereafter also referred to as "the Study". The Study was undertaken in the period November 2011-January 2012, by a team from Nordic Consulting Group (NCG) Norway (also referred to as the "the Team").

The Financial Mechanism Office (FMO), being part of the EFTA Secretariat in Brussels, is the contracting authority of the Study. FMO has been responsible for the administration of the EEA and Norway Grants during the period 2004-2009. The Study focuses on the projects in the four countries Czech Republic, Latvia, Poland and Romania, jointly representing around 55% of the total number of grants awarded during this period. The projects in the sectors Environment, Health and Childcare and Cultural Heritage have been studied in more detail.

Following an introductory chapter, the report presents an analysis of the results of the projects, as reported in the Project Completion Reports (PCRs) and Project Interim Reports (PIRs). Thereafter, contextual analyses of the main development trends in the four countries, with focus on the three sectors mentioned, are elaborated, with assessments on how the EEA/Norway Grants might have contributed to the key development trends.

The Draft Report was submitted 10 January 2012, and the final version in hand was prepared based on feedback basically from the FMO team and the Norwegian Ministry of Foreign Affairs.

The Study Team comprised the following members from NCG Norway:

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- ◊ Mr. Tore Laugerud (Team Leader)

The Team wants to thank all the key FMO officers for their patience and kind contribution during the Desk Study.

30 January 2012
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The analysis, conclusions and recommendations in this report are clearly those of the Study Team, and do not necessarily reflect the opinion of EEA FMO or the EEA partners.

LIST OF ACRONYMS AND ABBREVIATIONS

CH	-	Cultural heritage
EBRD	-	European Bank for Reconstruction and Development
EEA	-	European Economic Area
EFTA	-	European Free Trade Association
EIB	-	European Investment Bank
EPI	-	Environmental Performance Index
EU	-	European Union
EUR	-	€ - Euro
FMO	-	Financial Mechanism Office (in Brussels, Belgium)
GDP	-	Gross Domestic Product
GEF	-	Global Environmental Facility
GJ	-	Giga joule
GNI	-	Gross National Income
GOL	-	Grant Offer Letter (between the FMO and the national Focal Point)
HC	-	Health centre
HDR	-	Human Development Report
HRD	-	Human Resources Development
HPV	-	Human papilloma virus
H&CC	-	Health and childcare
IN	-	Innovation Norway
IOP	-	Integrated Operational Programme
IROP	-	Integrated Regional Operational Programme
MFA	-	Ministry of Foreign Affairs
NCG	-	Nordic Consulting Group
NGO	-	Non-Governmental Organisation
NOK	-	Norwegian kroner
NSRK	-	National Strategy for the Development of Culture
PCR	-	Project Completion Report
PIP	-	Project Implementation Plan
PIR	-	Project Interim Report
TA	-	Technical assistance
TL	-	Team Leader
ToR	-	Terms of Reference
UK	-	United Kingdom
UNDP	-	United Nations Development Programme
UNESCO	-	United Nations Educational, Scientific and Cultural Organization

EXECUTIVE SUMMARY

1. INTRODUCTION AND STUDY MANDATE

- The EEA and Norway Grants 2004-09 have supported around 1,230 projects, programmes and funds, with a total grant of more than € 1.3 billion.
- The Financial Mechanism Office (FMO) in Brussels has systematically recorded project results in Project Interim Reports (PIRs) and Project Completion Reports (PCRs).
- The desk study ("the Study") focuses on the four countries Czech Republic, Latvia, Poland and Romania, which constitute around 55% of the total number of grants given under 8 priority sectors, and almost 63% of the total allocations under the 2004-09 programme.
- The Team reviewed *all* the projects in the four countries and assessed the rate of completion (fully completed being >90% of result indicators fulfilled); the degree to which the projects had targeted disadvantaged and vulnerable (D&V) groups; and the reported success of the partnerships with EFTA country bilateral partners.
- The three priority sectors: Cultural Heritage, Environment and Health and Childcare, were analysed in more detail, related to a set of indicators defined by the FMO.
- In addition to analysing the completion reports, the Team tried to make an overall contextual analysis of the development trends in the four countries during the grant period with focus on the three priority sectors, and related the relevance and possible contribution of the projects to such trends.
- The following indicators were analysed:
  - Cultural Heritage: Immovable Items (religious buildings, castles, museums/manors, and cultural centres); Movable Items (paintings, sculptures, industrial heritage, musical instruments, manuscripts, furniture, and textiles); and Items Digitised.
  - Environment: Sub-sectors (pollution reduction, environmental monitoring, agriculture/biodiversity /forestry, and hazardous matters); kind of Buildings (schools/kindergartens, hospitals/health centres, and public buildings); and degree of Public Awareness raising.
  - Health and Childcare: Infrastructure improvements (hospitals, sports/recreational grounds and day care homes); Preventive measures/treatment (communicable diseases, cancer, and mental health); Target Groups (women, children, disabled, and minorities).

2. REVIEW OF PCRs AND PIRs

- The Team analysed a total of 672 projects (61% PCRs and 39% PIRs). 34 projects with a granted extension up to April 2012 were not analysed.

2.1 Czech Republic

- The Czech Republic (CR) receives 8.5% of the total Grants (almost 12% of the projects supported, in total 142 completed). 97% of the projects are fully completed, and 89% of the projects with EFTA partners (19) consider the partnership to be "fundamental" or "important". 32% of the projects target D&V groups. 67% of the funds are allocated to the three priority sectors analysed.
- Cultural Heritage: 90% of the 59 projects have Immovable Items included. Movable Items were not consistently reported on, but 61% of the projects contained such components. 7 projects included Digitisation of written/printed items, with more than 4 million pages digitised.
- Environment: 12 projects only, with the bulk within Environmental Monitoring/GIS. 92% of the projects include Awareness Raising activities, with inconsistent reporting.
- Health and Childcare: Of the 33 projects, 91% have a component of Infrastructure Improvement, amongst others 132 sports-/play-grounds have been renovated. Only 27% have targeted Preventive Health Measures (communicable diseases only), and 70% have been aimed at D&V groups, with few reporting on the *number* of people targeted.

2.2 Latvia

- Latvia is the smallest receiver of grants amongst the four studied countries, getting 4.1% of the EEA Grants (6.2% of the projects, in total 73 completed). 95% of the projects are fully completed, and 85% of the projects with EFTA partners (26) consider the partnership to be "fundamental" or "important". 19% of the projects target D&V groups. 37% of the funds are allocated to the three priority sectors analysed.
- Cultural Heritage: 4 of the 6 projects have Immovable Items included. 1 project only with Movable Items reported. 2 projects included Digitisation of written/printed items (5,100 items).
- Environment: 16 projects, with the bulk within Agriculture, Biodiversity and Forestry. 94% of the projects include Awareness Raising activities, with inconsistent reporting.
- Health and Childcare: All the 11 projects have a component of Infrastructure Improvement (hospitals/ health centres and day care homes). Only 3 have targeted Preventive Health Measures, and 4 projects have been aimed at D&V groups.

2.3 Poland

- Poland receives by far the largest share (43%) of the total Grants (almost 34% of the projects supported, in total 397 completed). 97% of the projects are fully completed, and 86% of the projects with EFTA partners (77) consider the partnership to be "fundamental" or "important". 34% of the projects target D&V groups. 49% of the funds are allocated to the three priority sectors analysed.
- Cultural Heritage: 90% of the 27 projects have Immovable Items included. Movable Items were not consistently reported on, but 63% of the projects contained such components. 6 projects included

Digitisation of written/printed items, with at least 2 million items digitised.

- Environment: 153 projects, with more than half having a component within Pollution Reduction/Prevention. Half of the projects also have a component of Building Renovation/Construction (374 buildings with 67% targeting D&V groups). 50% of the projects include Awareness Raising activities (more than 40,000 people targeted), with inconsistent reporting.
- Health and Childcare: Of the 72 projects, 83% have a component of Infrastructure Improvement, amongst others 122 sports-/play-grounds have been renovated, and 82 hospitals/health centres. Only 47% have targeted Preventive Health Measures, and 71% have been aimed at D&V groups, with lacking reporting on numbers. At least 320,000 children have been targeted, which is in the magnitude of more than 5% of the total number of children age 0-14 in the entire country, indeed significant.

2.4 Romania

- Romania receives 7.5% of the total Grants (almost 17% of the projects supported, in total 60 completed, of which 27 with Norway Grants managed by Innovation Norway (IN). 95% of the projects are fully completed, and 94% of the projects with EFTA partners (34) consider the partnership to be "fundamental" or "important". 30% of the projects target D&V groups. 68% of the funds are allocated to the three priority sectors analysed.
- Cultural Heritage: 3 projects, of a total of only 4 projects, have Immovable Items included, and 2 projects reported a component of Movable Items.
- Environment: 22 projects (of which 17 under IN), with 37% having a component of Pollution Reduction/ Prevention. All projects include Awareness Raising activities, but the total number of targeted people is very difficult to detect as the project reporting from IN is different from the EEA projects. Indicators formulated are also different.
- Health and Childcare: Of the 17 projects (of which 5 under IN), 65% have a component of Infrastructure Improvement with at least 9 hospitals/health centres renovated. 47% have targeted Preventive Health Measures, and 71% have been aimed at D&V groups, with inconsistent reporting. 69% targeted children, but none targeted minorities.

2.5 Overall Results

- The completion rate of all the projects is 97%, a very good achievement indeed. This might e.g. be attributed to several factors: the careful project selection process in the countries and FMO appraisals; proper procedures for reporting and monitoring by FMO and the Focal Points; and the projects being relatively small.
- 85-94% of the project promoters *with* partnership arrangements consider the partnership with organisations and institutions in the donor states to be *fundamental* or *important*. This shows that the partnership approach is commendable (only *desired* in the 2004-09 programme, not a formal objective), although the number of projects with partnership was relatively low (with by far the largest in Romania with 57%, due to the IN projects). The partnership modality is notably taken fully onboard in the 2009-14 programme with partners also actively participating in the planning stage.
- 1/3 of the projects in the Czech Republic, Poland and Romania have targeted Disadvantaged and Vulnerable groups, with only 1/5 in Latvia.
- Environment is the largest priority sector supported in Latvia, Poland and Romania, whereas Cultural Heritage is by far the largest in the Czech Republic. Health and Childcare is the second largest in both the Czech Republic and Romania.
- Cultural Heritage projects constitute 15% of the total project number in the four countries, with 88% having a component of rehabilitation/renovation of Immovable Items (188 items, museums/manor houses being the largest group). A very small part of the Grants have gone to "immaterial culture" (like e.g. in EU funds). Movable Items are very inconsistently reported on, but almost 6,000 manuscripts have been renovated. In 42 of the projects new Exhibition Space has been made available to the public. Reporting on Digitisation of items has also been inconsistent.
- Environment projects constitute 30% of the total project numbers in the four countries, with 75% having a component within Pollution Reduction/Prevention, and 66% having a component in Energy. 12% have a component of building rehabilitation, often including thermo-insulation of walls, roofs, etc. (76 projects in Poland alone), although clearly the long-term objective is reduction of greenhouse gas emissions. This also has an effect on local atmospheric conditions, and 67% of the buildings benefit Disadvantaged and Vulnerable groups. 60% of the projects have Awareness Raising activities, being commendable, although the reporting on the adjacent indicators (number of people, number of materials produced, number of seminars/workshops) are very scanty and inconsistent.
- Health and Childcare projects constitute 30% of the total project number in the four countries, all per definition targeting D&V groups. 84% have a component of Infrastructure Development (136 hospitals renovated, of which 60% in Poland), although from the reporting it is difficult to read the *extent* of development/renovation. 250 sports/ recreational grounds have been built/renovated (Czech Republic and Poland), mostly targeting children and youth, with an assumed high positive social effect locally. 40% have a component of prevention/treatment of diseases (63% in Poland). The reported 320,000 children targeted in Poland is a significant achievement indeed. None (except one) of the projects are reported as targeting minority groups, which is somewhat surprising considering the emphasis on targeting poorer regions in the Grants.

3. CONTEXTUAL TRENDS AND CONTRIBUTION OF PROJECT RESULTS

- The contextual analysis is based on easily available information only (selected websites and institutions, the latter not giving very substantial info). National statistics is not "straightforward" to access. A *full* analysis was not possible within the timeframe given.
- The GDP per capita ranges from € 19,400 (Czech Republic) to € 11,000 (Romania) in the countries studied (as compared to around € 24,400 as EU 27 average and € 44,200 in Norway).
- The EEA/Norway Grants (2004-09) have been seen either as a *supplement* or a *complement* to other financing, being equivalent to only around 2% of the EU funds (2007-13) in the four countries (although not directly comparable).

3.1 Czech Republic

- The Czech Republic is close to the EU average in socio-economic development, and is performing well.
- The Czech Republic has had the most successful transition of the four countries, with the least disparities compared with the original 15 EU countries, managing the financial crises 2008/09 rather well.
- Cultural Heritage was not a priority sector for EU funding (and here EEA/Norway Grants filled the gap). The Grants have been focused on highly practical and physical measures in *small* communities, being clearly complementary to other funds. Many historic buildings of national significance have been refurbished.
- The major emphasis of EU in the country in the Environment sector has been the pollution/emission reduction measures. The EEA/Norway Grants support to the sector is largely directed towards environmental monitoring.
- Health and Childcare: The social health system is rather well developed and based on health insurance funds. The country has the highest number of hospital beds per population of the four countries. Health is not a prioritised area for EU in the country. The Grants' support to the sector has been focused on infrastructure improvements (sports/recreational grounds, and day-care centres), in a commendable strategy of focussing and targeting disadvantaged and vulnerable groups. Such basic improvements have been overlooked in other programmes.

3.2 Latvia

- The Latvian GDP is half of the EU average, and the country is suffering from brain drain of highly qualified staff.
- Latvia has started a slow (and painful) recovery after the 2008/09 financial crises, although many challenges are still prevalent.
- Cultural Heritage projects are not given a high priority by EU funding to Latvia (1% to "culture"). EEA/Norway Grants support to the sector has been small, with digitisation of documents being the most important contribution, making them available to the public and securing them for the future.
- EU funding to Environment is relatively large (17%), and the environment has benefitted from the shift to service industries. Pollution has been reduced. Around 1/3 of the Grants to the sector has been in agriculture/biodiversity/forestry, a relevant and important focus in the country having a poor rural sector.
- Health and Childcare: The health sector has focused on decentralisation of services and partial privatisation, but experiences serious brain drain of qualified staff due to low salaries. All the small projects supported by the Gants have an infrastructure improvement component, being a relevant and targeted gap-filling approach towards vulnerable groups in remote areas, where projects are too small for EU (or other) funding.

3.3 Poland

- Poland avoided serious recession of the financial crises, and was the only country having economic growth in 2009, now being the 6th largest economy in EU.
- The total EEA/Norway Grants projects in the country are relatively small, jointly in 2004-09 being the same magnitude as *one* World Bank water project alone.
- Cultural Heritage: Trends in the cultural sector follows the objectives of the Council of Europe i.e.: decentralisation/ democratisation and transparency of decision-making, diversity/subsidiarity compliance, with focus on cultural heritage and tourism. The EEA/Norway Grants allocation to the sector is as much as 1/3 of the EU funding, a significant and relevant contribution indeed. A fair portion is going to rehabilitation of churches, castles and museums, several being large internationally recognised monuments.
- Conditions in the Environment sector have improved significantly over the last decade, partly due to closing of polluting industries and with large EU funding (e.g. the "Infrastructure and Environment" programme). The Grants to the sector are around 1% of the EU funding, but focussing on small targeted projects throughout the country (too small for EU). Projects in pollution reduction and thermo-modernisation of schools/ kindergartens are all relevant.
- Health and Childcare: The health services have been largely decentralised, but have been declining. EU funds have been used for modernising health establishments. The Grants to the sector have been complementary to EU funding, and are used to a large extent for e.g. training of medical personnel. Around 320,000 children have benefitted, being more than 5% of the national under 14 population, which is significant.

3.4 Romania

- The GDP per capita is 45% of the EU average, being the least developed of the four countries, but showed robust growth (8-10% in the period 2004-09).
- Romania has benefitted only 3 years from the EEA/Norway Grants. The Grants are around 1% of the EU funding.
- Cultural Heritage: After joining the EU, the country has instigated a decentralisation of cultural activities, with a policy focussing on protection of cultural heritage. It

is difficult to detect the contribution from the rather insignificant support to the sector from the Grants (4 projects only).

- 45% of the EU allocations to the country are in the Environment sector (highest proportion in EU), focussing on improving the water sector performance and reducing air pollution. The Grants to the sector prioritised pollution control, often with awareness raising components, being relevant in a country with poor environmental legacy.
- Health and Childcare: The health sector has been transformed based on the Health Reform Law (2006), e.g. in improving the accessibility and quality if services, but is struggling. The Grants in the sector have been directed to hospitals/health centres largely benefitting children, being relevant and targeted.

4. OVERALL OBSERVATIONS AND CONCLUSIONS

4.1 Reducing Disparities in Europe?

- Development in the four countries has been momentous since the break-up of the command economy era. In 1994, only the Czech Republic had a Gross National Income (GNI) per capita of more than 10% of Germany, whereas in 2011 all four have a GNI per capita of 20-45% of Germany. This represents a clear reduction in disparities.
- The EEA and Norway Grants have surely *contributed* to reducing the disparities in Europe, but the support is relatively small compared to the EU. The Grants are designed on a *project* basis rather than a *programme* basis (as the EU funds). The projects therefore do not give noticeable higher-level *synergies*, and neither was this anticipated.
- The contribution at local level of the EEA/Norway Grants has been *significant*, as such targeted Grants can make a huge impact regionally or locally. The difference e.g. between a rural town having a functional water and sewerage system and not having one is enormous. This is where the Grants do make an important contribution in reducing disparities.

4.2 Main Observations/Conclusions

- The very high completion rate (97%) of the projects could be attributed to ia.: the project selection process singling out the best applications; close follow-up by FMO and focal points; and the projects being relatively small.
- In spite of sizeable disparities still existing, the reduction in the four countries is apparent. The EEA/Norway Grants projects are smaller and much more focussed and targeted (e.g. special vulnerable groups) than the EU funding, and have clearly contributed to specific *local* reduction in disparities.
- It seems likely that the high success rate in the EEA/Norway Grants is considerably higher *locally* than in EU-financed programmes because of this targeting and clear focus.
- The EEA/Norway Grants moving from a *project* to a *programme* approach in 2009-14 has both advantages (joint overall objectives and possible synergies without spreading funds thinly out) and disadvantages (danger of less focussing on special locations and target groups).
- The usefulness of partnership with EFTA partners has been solidly confirmed, although this element was not an overarching objective in the 2004-09 programme. This success has been duly taken on board in the 2009-14 programme, with partners now participating from the beginning of the planning.

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APPENDICES:

1. INTRODUCTION AND STUDY MANDATE

1.1 Introduction and Background

The EEA and Norway Grants 2004-09 (the EEA Financial Mechanism (2004-2009) and the Norwegian Financial Mechanism (2004-2009)) represent the contribution of the three EEA/EFTA states (Iceland, Lichtenstein and Norway) towards reducing the social and economic disparities in the European Economic Area (EEA). An *intention* of the donor states was also to encourage the strengthening of bilateral relations between the donors and the beneficiary states, although this aspect was not a formal objective in the programme. During the period 2004-2009 grant assistance was given to 15 beneficiary states in Central and Southern Europe. In total 1,233 projects, programmes and funds, run by the private and public sector, NGOs, and research and academic institutions in Central and Southern Europe, were supported under the EEA and Norway Grants 2004-09. The total value of these Grants amounted to € 1,307 million.

The Financial Mechanism Office (FMO), being part of the EFTA Secretariat, with maximum 35 staff located in Brussels during this period, has systematically recorded project results as reported in the Project Interim Reports (PIRs) and Project Completion Reports (PCRs), completed by the Project Promoter and the Focal Point in each country. A PCR provides the basis for evaluating the *achievements* of a project in terms of its overall objective, purpose and results. A submitted PCR is normally compared with the latest registered Project Implementation Plan (PIP) and the processed and approved Project Interim Reports. The PCRs thus serve as the basis for the disbursement of the grant retention amount as defined in the Grant Agreement. The study and analyses of the projects in hand have been requested by the donors for the use for various purposes, and contracted through FMO.

1.2 The Consultant's Mandate and Approach

FMO contracted Nordic Consulting Group (NCG) of Norway to undertake the Desk Study ("the Study"), following a tender procedure under the *FM04-09 Framework Agreement for Monitoring Services* where a short timeline, competence and availability of experts on a short notice, in addition to price, were decisive. The Study was undertaken under a Special Services contract as part of the monitoring framework. The Terms of Reference (ToR) for the Desk Study are enclosed in *Appendix 8*.

The Desk Study focuses on four countries: Czech Republic, Latvia, Poland, and Romania covering a total of 672 completed projects, being 645 EEA and Norway Grant projects in all four countries, in addition to 27 Norway Grant projects in Romania only, managed by Innovation Norway. This selection of projects represents around **55% of the total number of grants awarded** and 62.9% of the total allocation (including the Norway Grants to Romania and Bulgaria) under the 2004-2009 programme (comprising individual projects and funds), under the following priority sectors:

1. Environment (including "protection of the environment", and "promotion of sustainable development")
2. Cultural heritage (incl. public transport and urban renewal)
3. Human resource development
4. Health and childcare
5. Academic research
6. Civil society
7. Schengen and judiciary
8. Regional policy and cross-border

The Team has reviewed *all* the projects in the four countries, and analysed in more detail projects in the following three priority sectors: Cultural Heritage, Environment, and Health and Childcare.

The projects in the four countries that were granted an extension up to April 2012 are *not* included in the analysis, amounting to 34 in total (Czech Republic - 2, Latvia - 2, Poland - 21, and Romania - 9).

The Study Team undertook the following main tasks during the Study, as indicated in the TOR and agreed

with the FMO:

- **Preparation of context analysis and identification of main trends in the four countries.** The aim of this exercise was to describe the social and economic context in which the EEA and Norway Grants were operating. This task included analysing readily available documents on national statistics and trends within the three sectors (Cultural Heritage, Environment, and Health & Childcare) for the four countries in the period 2004-2009. The analysis tried, to the extent feasible, to follow the 3-4 indicators selected in each sector (see below) as far back as 2004. This however proved to be somewhat difficult, as the available documents on the web and those made available to the Team by FMO only to a certain degree reported on the indicators agreed used for *this* Study. Also, many institutions contacted in the four countries did not readily answer the Team's request for data and/or just asked the Team to contact other institutions. As the time for the Study was very limited, the Team could not follow such sources through. The Team also visited the Statistics Norway Library and the Directorate for Cultural Heritage in Oslo to search for useful national statistics in the four countries in question[1]. The exercise largely provided some sort of baseline status of each country and sectors, and described the overall developments up to 2010[2].

- **Review of Project Completion Reports (PCRs) and Project Interim Reports (PIRs)** in the four countries (Czech Republic, Latvia, Poland, and Romania) and the three priority sectors (Cultural Heritage, Environment, and Health and Childcare). Where there existed approved PCRs, the Team reviewed these, and where a PCR was not available, the Team reviewed the last PIR, which also reported on the final results following the physical completion of the project[3].

  The aim of this exercise was to document and sum up the results from all the projects per country and aggregate data within the three sectors using the indicators established by the FMO (see section below). Firstly, the Team reviewed in detail the approved PCRs and PIRs available for the three priority sector projects in the selected four countries and filled in EXCEL sheets established with the agreed indicators (see *Appendices 3-6*). Thereafter, the Team reviewed the *result indicators* only for the rest of the projects *not* being in the three priority sectors. In general, the Team categorised the projects as "Completed as planned" or "Partly completed", where the former were the ones where around 90% or more of the results indicators have been met. As the indicators reported on being of different importance, the Team had to use sound judgement in the assessment of the completion rate.

  Specifically, the Team looked at:
  - whether the projects contributed to improvement of bilateral relations via a partnership between either Norway, Iceland or Liechtenstein and the beneficiary country concerned;
  - to what extent the projects have reached their planned targets with the indicators developed for each project and reported on the number/percentage of projects which were completed as planned, and which were completed partially;
  - whether the projects addressed disadvantaged or vulnerable (D&V) groups, and to the extent possible reported on how many people in D&V groups that have been targeted in the four countries.

  In this project review process, as many PIRs did not contain the required information, FMO provided useful assistance in acquiring the required data. The "Total Project Costs" given in the tables are the total project *budgets* as appearing in the Application and Grant Offer Letter (GOL, from FMO). It should be noted that the final *real* costs of the projects will be revealed in the PCRs and will all probably deviate from the budgets. However, it is assumed that in most cases the deviation is *not* significant, and thus the costs listed give a good enough indication of the magnitude of financial input in the projects.

  It was noted that projects undertaken by Innovation Norway (IN) in Romania have a totally different reporting format to the one used by FMO, which made the review/assessment more challenging. IN however assisted the Team in establishing some key parameters on e.g. people trained under the

[1] This search however did not result in substantial input to the Study.

[2] It should be noted, as mentioned later in the report, that a more appropriate approach would have been to review all the PCRs and PIRs *before* the contextual analysis, as the review result would have guided a more focused search for overall development indicators in the countries. Once the contextual analysis was done, it was however not time to redo this.

[3] As such the last PIR and the PCR, being submitted up to 6 months after the PIR, when the latter is approved, reports identical *results* on the same indicators. PCRs also report on *purpose* level indicators.

respective projects, for the purpose of this review.

- **Analysis on how the project results have *contributed* to the key trends both at national and sector level.** This included an overall country analysis for each of the four countries and sector analysis for the three priority sectors (Cultural Heritage, Environment, and Health and Childcare). The Team tried, as far as possible, to link EEA and Norway Grants project results to the economic and social trends in the beneficiary states and trends within the three sectors, established in the context/trend analysis. The analysis focused on *relevance* of the Grants, using information established from the background analysis and the results of the PIRs and PCRs reviewed.

(It should be noted that analysis of the contextual trends in the countries and priority sectors, and the possible contribution of the EEA/Norway Grants to these trends, have been joined in one *Chapter 3* to facilitate the reading)[4].

The Team Leader of the Study Team had a kick-off meeting in Brussels with the key FMO officers on 25.11.2011, where the approach of the Study was discussed and the indicators to be used for each priority sector when reviewing the PIRs and PCRs were concluded (see below). During the Study, there was close communication between the Team and FMO (on telephone and email) who willingly answered all queries and supplied additional data and information when required. Two members of the Team also had a brief information meeting with key officers in MFA[5], Oslo on 3 January 2012, where the main findings of the Team were discussed.

1.3 The Indicators Analysed

During the Kick-off Meeting in Brussels on 25 November 2011, the key FMO officers and the Team Leader of the Study agreed to the indicators to be studied in detail for each of the three priority sectors in the four countries (reference to the Memo from the meeting in *Appendix 7*):

a) Cultural Heritage
The following indicators were agreed to:

1. Number of projects implemented in the four countries and Immovable Items (counted), with the following sub-indicators (number of buildings):
   a) Religious buildings/centres of faith (e.g. churches, synagogues, mosques)
   b) Castles/fortifications
   c) Museums/historical buildings/manor houses
   d) Cultural centres/urban renewal and parks

2. Movable Items (art), with the following sub-indicators (number of items/artefacts counted, where mentioned in the report):
   a) Paintings, photos
   b) Sculptures
   c) Industrial heritage/tools
   d) Musical instruments (organs)
   e) Manuscripts
   f) Furniture
   g) Textiles

3. Number of projects involving Digitisation– (with the aim of public access to previously unavailable objects of cultural heritage) with the following sub-indicators:
   a) Number of pages digitised
   b) Number of items digitised

[4] In the Draft Report, these two were separate chapters.
[5] Anne Mette Stand and Steinar Hagen.

b) Environment

This category also includes project categorised under "sustainable development". It was emphasised that most PCRs contain a varying degree of information, and e.g. the projects related to energy efficiency (e.g. thermo-insulation of buildings in Poland) do not report consistently on reduction of pollutants emissions (e.g. CO_2, SO_2, NO_x, etc.). Thus, CO_2 reduction could not be used as an indicator. The following indicators were agreed to:

1. Number of projects falling under Environment and under the <u>following Sub-sectors</u> (tick-off, with Sub-Sector Codes and headings from *Task Manager Manual* shown in brackets):
   a) Pollution reduction/prevention (1.17 - integrated pollution prevention and control, 1.18 - water pollution reduction and water management, 1.19 - air pollution reduction, 1.20 - noise reduction, 1.21 - waste management)
   b) Environmental monitoring/GIS (1.22 - Environmental monitoring and geographic information systems)
   c) Energy-related (1.23 - renewable energy, energy efficiency and reduction of greenhouse gases)
   d) Agriculture, biodiversity and forestry (1.24 - agriculture and forestry, 1.25 - biodiversity)
   e) Hazardous substances (1.26 - hazardous substances).

2. <u>Kind of Buildings</u> where infrastructure has been renovated/rebuilt, with the following sub-indicators (number of buildings counted):
   a) Number of schools/kindergartens
   b) Number of hospitals/recreation centres/retirement homes
   c) Number of Public buildings

3. <u>Public Awareness raising</u>:
   a) Number of people participating (counted or tick-off)
   b) Number of educational materials produced (such as brochures/leaflets, books, DVDs; articles, environmental plans, etc.6)
   c) Number of training courses/seminars/congresses held.

c) Health and Childcare

The following indicators were agreed to:

1. Number of projects that have <u>Infrastructure Improvements</u>. The following are the types of infrastructure improvements (number of items upgraded must be counted):
   a) Number of hospitals/health centres, etc.
   b) Number of sports and recreational grounds (incl. playgrounds)
   c) Number of day-care homes and foster homes.

2. <u>Preventive Measures, Diagnosis and Treatment</u>, with the following sub-indicators (no. of people benefitting/capacity counted):
   a) Number of people treated, benefiting from the project with communicable diseases (incl. HIV/AIDS)
   b) Number of people treated or benefitting from the project with cancer
   c) Number of people treated or benefitting from the project related to a mental health disease.

3. <u>Target groups</u>, with the following sub-indicators (no of people directly benefitting/capacity or tick-off):
   a) Women
   b) Children
   c) Disabled
   d) Minorities (incl. Roma)

As seen from later sections, the individual project indicators did not always easily fit into the overall selection of reporting indicators.

[6] *Not* the number of copies produced for distribution

2. REVIEW OF PCRS AND PIRS

2.1 Introduction

A total number of 672 completed projects in the four countries have been reviewed, being distributed on Project Completion Reports (PCRs) and Project Interim Reports (PIRs) as follows:

Country	PCR	PIR	Total no of projects
Czech Republic	65	77	142
Latvia	26	47	73
Poland	306	91	397
Romania	12 [1)]	48 [2)]	60
Total	**409** (61%)	**263** (39%)	**672**

1) All projects managed by Innovation Norway 2) Out of which 33 from EEA Grants

An additional 34 projects (Czech Rep. - 2, Latvia - 2, Poland - 23, Romania - 9), supported by EEA and Norway Grants, have been extended till April 2012, are still ongoing at the time of undertaking the Study and are thus *not* included in the analysis of the completed projects (*Table 2.1* in *Appendix 1* refers). The total number of projects supported by the Grants in the four countries is therefore 706. (*Appendices 3-6* list all the projects in the four countries and the three priority sectors having been analysed in the Study).

It should be noted that many projects in the four countries did not consistently report on indicators readily fitting into the agreed *overall indicators* to be analysed in this Study, listed in *Section 1.3*. In several cases, it has in fact *not* been possible from the PCRs and PIRs to identify the *number* of outputs "produced" during the implementation of the projects. This could partly be due to the fact that the different countries were left with some freedom to individually design their own version of certain indicators (with reference to the guideline indicators from FMO).

It is also observed that the national Focal Points (and partly the FMO) refined some of the "standard" indicators during the course of the programme, based on experienced gained underway. This means that the *last* projects approved during the programme had indicators formulated somewhat differently from the first projects approved in the programme. Maintaining some flexibility during the course of a 6-year programme, and also being willing to adjust various parameters/indicators underway, is commendable indeed, although in general it is noted that mastering the "art of indicator formulation" is always challenging. When starting the 2004-09 programme, FMO and the Focal Points all went through a "steep curve of learning", through trials and errors, and did not in the beginning fully see what could be useful at end of the programme period related to reporting.

For example: in spite of it being clear from the final reporting that training/awareness raising seminars under the priority sector "Environment" have taken place, the *number* of events or participants are not consistently reported in all projects. Likewise, under "Cultural Heritage" it is in some cases clearly stated that a castle has been renovated, but not the number of individual buildings in the castle complex, nor the number or kind of movable items (e.g. paintings, sculptures, etc.) that have been restored. Under "Health and Childcare" it is not always reported on *how many* patients were treated for e.g. communicable diseases, although it is clear that *some* patients have[7]. It is thus, in most cases, impossible to establish the exact aggregated output numbers from the projects, and this necessarily has to be borne in mind while reading the reporting below.

2.2 Czech Republic

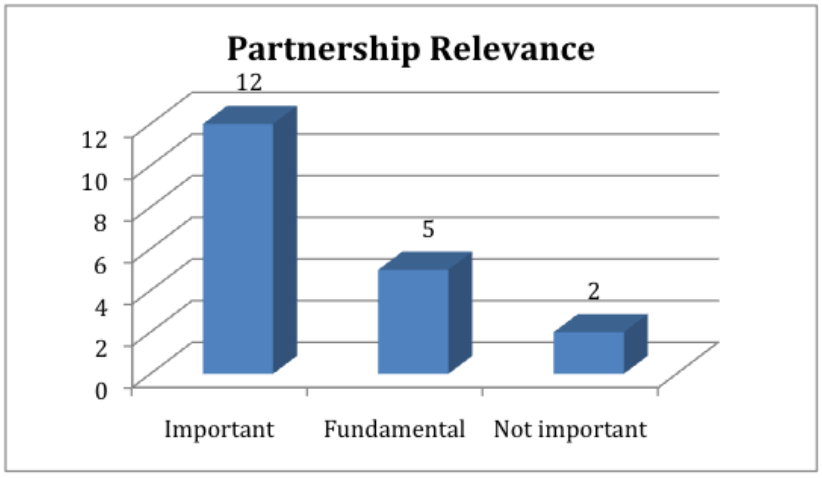
2.2.1 General

The Czech Republic is the third largest recipient of funds from EEA and Norway Grants, constituting around 8.5% of the total EEA and Norway Grants to EU, it accounts for around 11.7% of the total number of

[7] PCRs usually report *capacity* level while PIRs number of people *reached/treated*.

projects to all the countries[8] and 20.4% of the supported projects (completed and ongoing) in the four beneficiary states being analysed. There are 144 grant decisions (individual projects and block grants/programmes) supported by EEA and Norway Grants in all sectors in Czech Republic. Two of these projects were granted an extension till the end of April 2012 – and are thus still ongoing, and are consequently not included in the analysis below. Of the 142 projects completed (with total project costs/budget being around € 122 million), 97% are "fully" completed (90% or more fulfilment of result indicators) and only 3% are "partly" completed.

Nineteen projects have EFTA partners, constituting 13% of the number of projects and 13% of the total project costs. It was reported by the Norwegian Directorate of Cultural Heritage that it had proved particularly difficult for Czech project promoters to find suitable Norwegian partners in the cultural heritage sector.[9] From the project promoters own assessments, the relevance/importance of the partnership to the projects are rated as follows, amongst projects *with* partnership[10]:



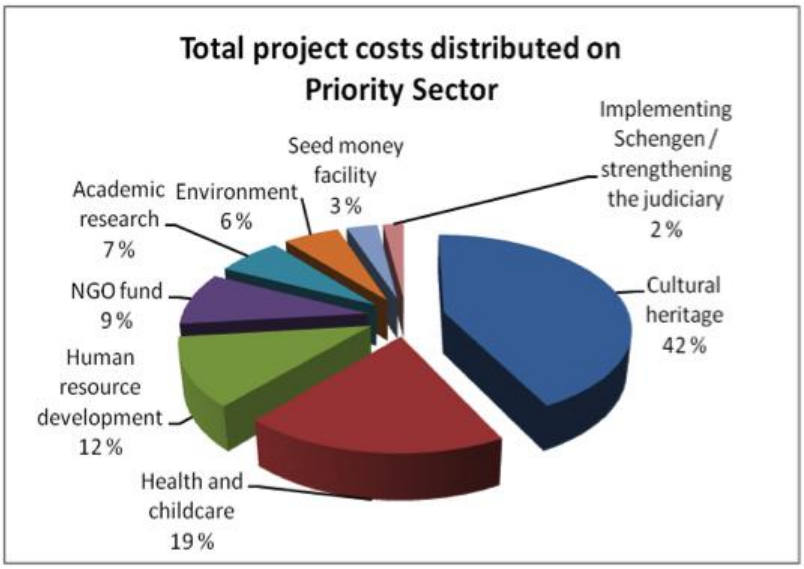
It is noted that 27% of the project funds (being 32% of the number of completed projects) are fully or partly, in one way or the other, targeting disadvantaged and vulnerable groups (comprising children, schoolchildren (up to secondary school level), disabled, sick people, elderly, ethnic minorities). This appears to be a sound achievement as this share is probably greater than the actual share of the targeted groups in the general population.

The costs of the completed projects are distributed on the various priority sectors as shown in the figure below. The figure shows that Cultural Heritage is by far the largest sector supported in Czech Republic, followed by Health and Childcare and Human Resources Development. The report by the Norwegian Directorate of Cultural Heritage referred above suggests that, because of the pre-existing close cooperation between the cultural heritage authorities in both countries, the cultural heritage sector was given priority in the Czech Republic. Thus it could probably be said that a pre-existing bilateral partnership shaped the contours of the programme.

[8] Given as 1,233 projects and funds

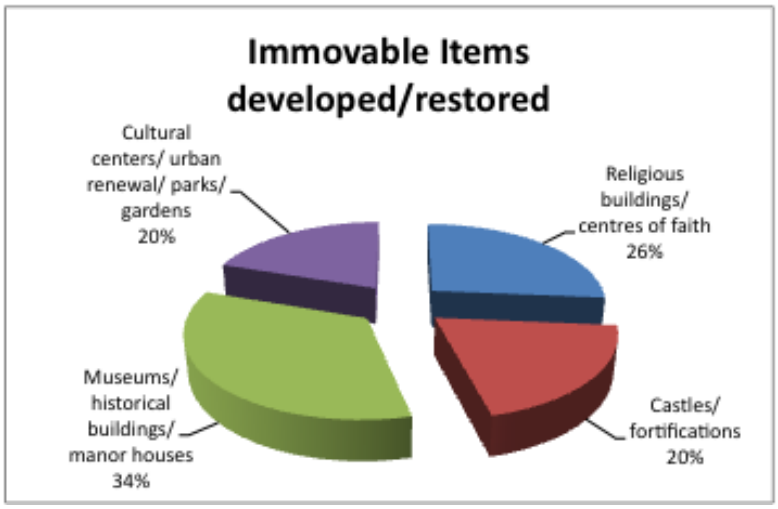
[9] See: "*A report on the experiences in the cultural heritage sector, including summaries by country*" – The Norwegian Directorate for Cultural Heritage, September 2009 (in Norwegian only)

[10] The shares are: Fundamental to the project-26%, Important to the project-63%, and Not Important or insignificant part of the project-11%.

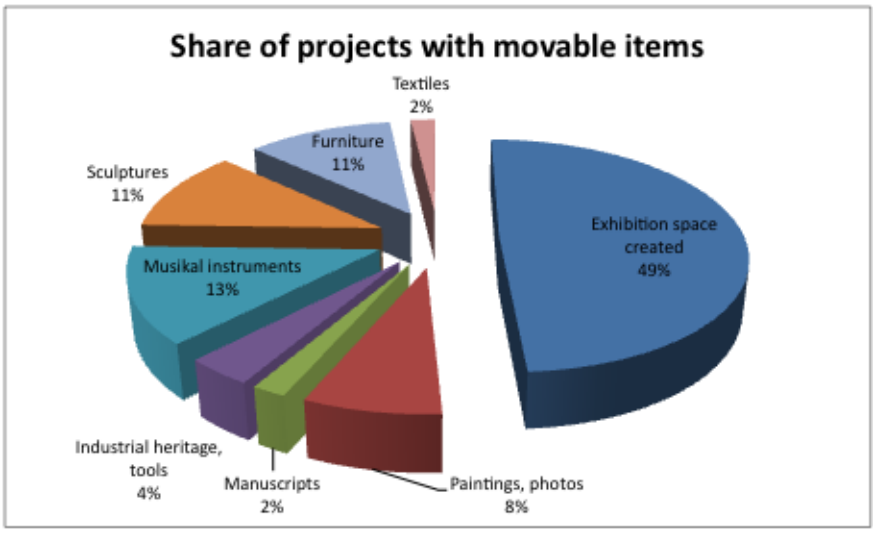


2.2.2 Cultural Heritage

In total there are 59 cultural heritage projects completed in the Czech Republic. Out of these, 90% (53 projects) have one or more elements of *immovable items* included. In total, 91 immovable items have been renovated/built with support of the EEA and Norway Grants, distributed on the four main types of items (indicators identified) as follows:



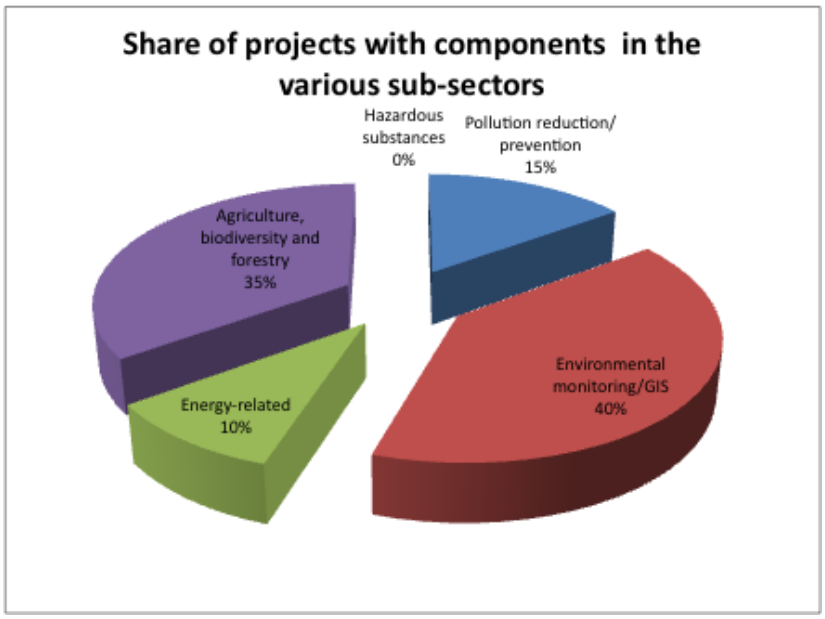
The *movable item*s restored in the projects were not consistently reported on, as in several project reports there are statements that various movable items have been restored, but the type and numbers are not given. There are 23 projects registered with one or more types of movable items (being 61% of the total number of cultural heritage projects). 26 of the projects (44%) have reported that new/renovated exhibition space has been made available and open to the public where earlier areas were closed to the public or exhibits were not displayed openly. The number of items under the various movable item indicators is distributed as follows (where "musical instruments" are all church organs):



An interesting component of 7 cultural heritage projects (12%) is the digitisation of documents, photos, newspapers, etc., often also including procurement of equipment making the recipient able to continue this work post-project. Most of these items have not previously been available to a wider public, as they were kept protected in closed files due to their bad state of condition (aging, wear and tear, falling apart). Through digitisation of the items, their contents have been preserved "forever" and are made available to interested researchers and the public alike. A total of 277,000 items of various kinds have been digitised in the projects that have reported numbers, and total of more than 4 million pages of documents have been digitised. As not all projects have reported figures, the real numbers are obviously higher.

2.2.3 Environment

There are only 12 completed projects within the priority sector Environment in the Czech Republic. Eight of these projects have components that fall into 2 sub-sectors, so the *total* number of sub-sectors hits counted are 20. The distribution of these registered sub-sectors are as follows:



It should be noted that the largest group of environmental projects in the Czech Republic is within Environmental Monitoring/GIS. There is only one project in the country (CZ0075, 8%) dealing with renovation of building infrastructure (insulation, etc.) being registered under both the *pollution* and *energy* sub-sectors. Thus only *one* building has been renovated.

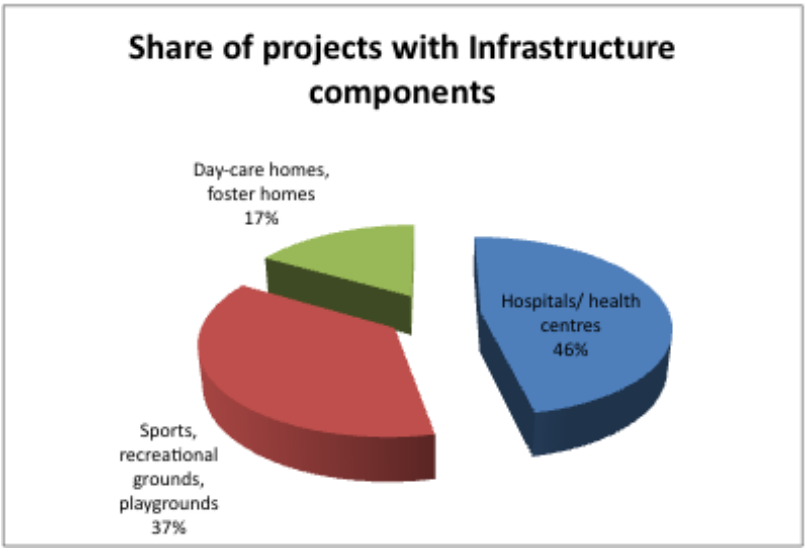
All but one project (92%) reported a component of *public awareness raising*. The 3 indicators under this topic show the following quantities: only 81 *people* directly targeted (but notably only 2 projects reported

figures, whereas 6 projects did not); 53 items of *educational materials* (e.g. brochures/leaflets, books, DVDs; articles, environmental plans, etc.) have been produced (only 1 project not reporting figures); and at least 28 *seminars/workshops/courses* have been held (1 project not reporting figures). As the reporting in the projects on the Public Awareness indicators seems to have been somewhat "inconsistent", it is assumed that the figures could be higher, as some projects have chosen *not* to report on these elements in the result indicators.

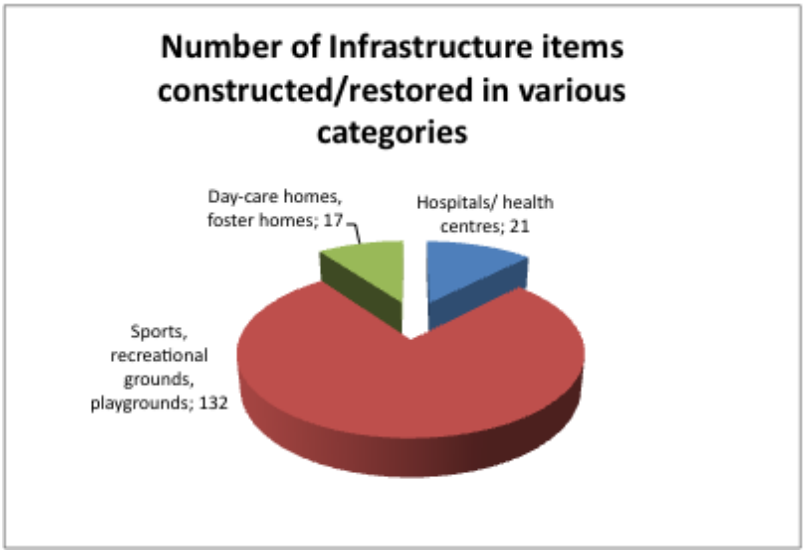
Several projects have reported on one or more of the public awareness indicators, and this is logical, because when a course/seminar is held, there is automatically a certain number of people participating (thus "ticking-off " 2 indicators).

2.2.4 Health and Childcare

There are 33 projects within the priority sector Health and Childcare in the Czech Republic. Out of these, a total of 30 projects (91%) have a component of *infrastructure improvement*, distributed on the 3 indicators as follows:

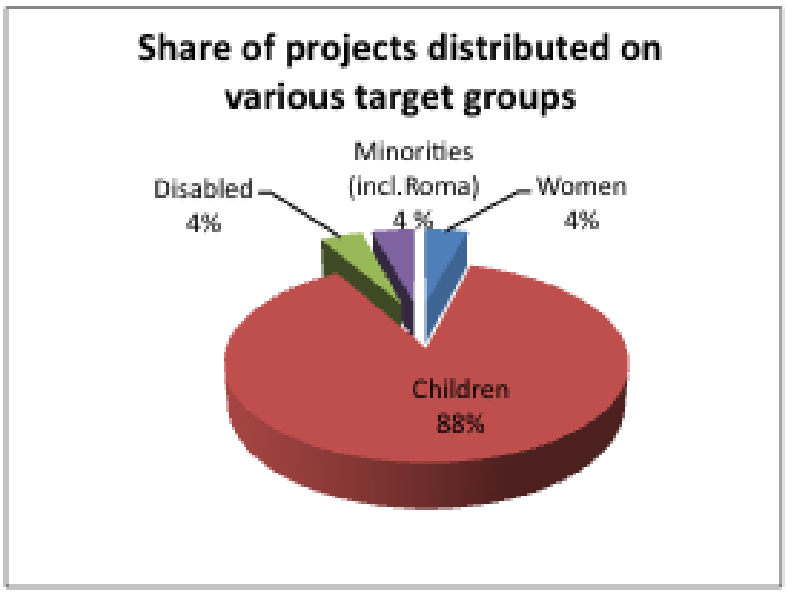


The total *numbers* of infrastructure items supported are:



In total 9 projects (27%) include a component of *preventive health measures*, all of which are under *communicable diseases*, targeting/treating a total of 6,772 people, reported in 3 of the projects only. However, as 6 of the projects did *not* report any figures, the total number of treated persons is probably significantly higher. There are no projects targeting *cancer* or *mental health diseases* under the category of preventive measures in the Czech Republic.

It is noted that a total of 23 projects (70% of total number) are aimed at specific (vulnerable) *target groups*. Amongst these projects, the distribution is as follows on the various groups:



The "cake" shows that by far the majority of projects target children, in total reported to be almost 14,900 benefitting. However, the total number is probably significantly higher, as 6 of the projects targeting children (out of 21 in total) did *not* report any figures. The number of women (1 project), disabled (1 project) and minority people (1 project) targeted are not reported on. The principal target group for any Health and Childcare programme is likely to be "vulnerable groups". However, achieving a rate as high as 70% coverage of vulnerable groups suggests that the EEA/Norway Grants programme in this sector has been well focused.

2.3 Latvia

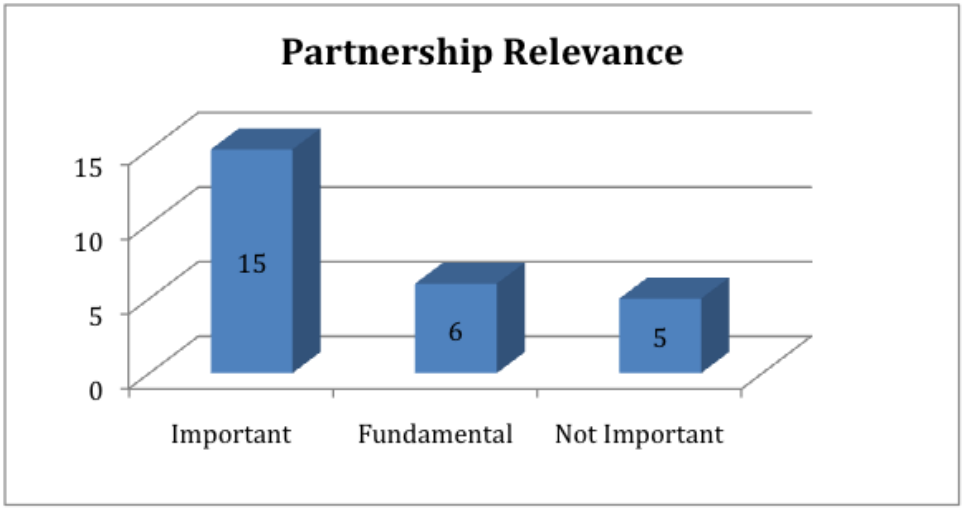
2.3.1 General

Latvia is the smallest recipient of funds from EEA and Norway Grants amongst the four countries reviewed, constituting around 4.1% of the total EEA and Norway Grants, around 6.1% of the total number of projects to all the countries[11] and 10.6% of the supported projects (completed and ongoing) in the four states being analysed. There are 75 grant decisions (individual projects and block grants/programmes) supported by EEA and Norway Grants in all sectors in Latvia. 2 of these projects were granted an extension till the end of April 2012 - thus they are still ongoing, and are consequently not included in the analysis below. Of the 73 projects completed (with total project costs being around € 59 million), 95% are "fully" completed (90% or more fulfilment of result indicators) and 5% are "partly" completed.

Twenty-six projects have EFTA partners, constituting 36% of the number of projects and 27% of the total project costs, meaning the individual partnership projects are in average relatively small. This is quite surprising given Latvia´s proximity to Norway and the strong business connections that have developed between the two countries since Latvian independence in 1991. From the project promoters own assessments, the relevance/importance of the partnership are rated as follows, in projects *with* partnership[12]:

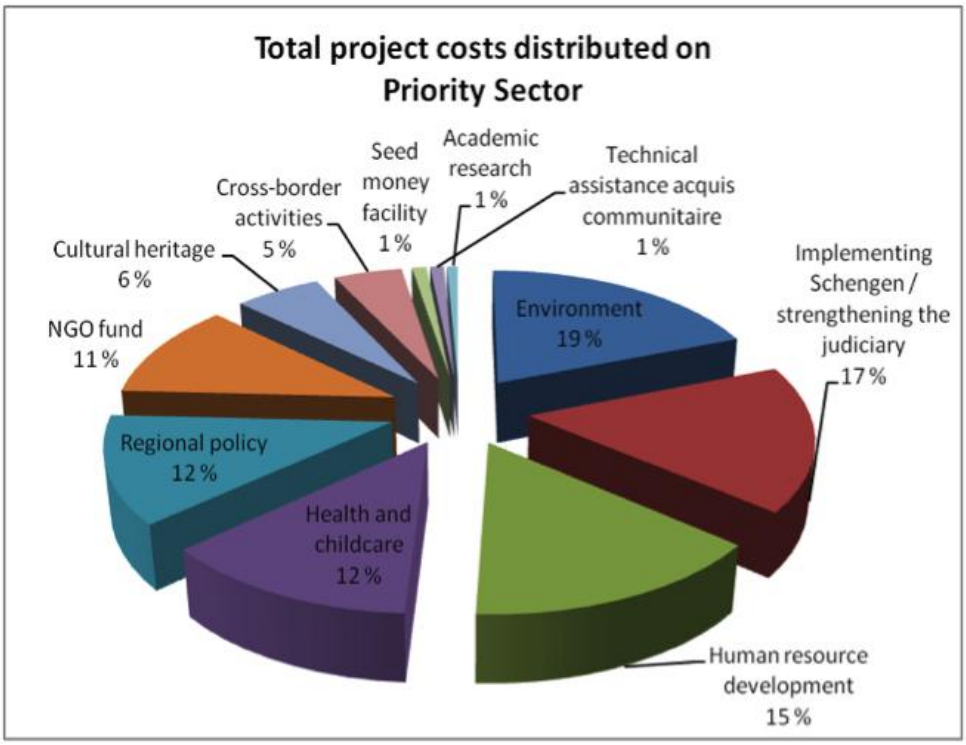
[11] Given as 1,233 projects and funds

[12] The shares are: Fundamental to the project-23%, Important to the project-62%, and Not Important or insignificant part of the project-15%.



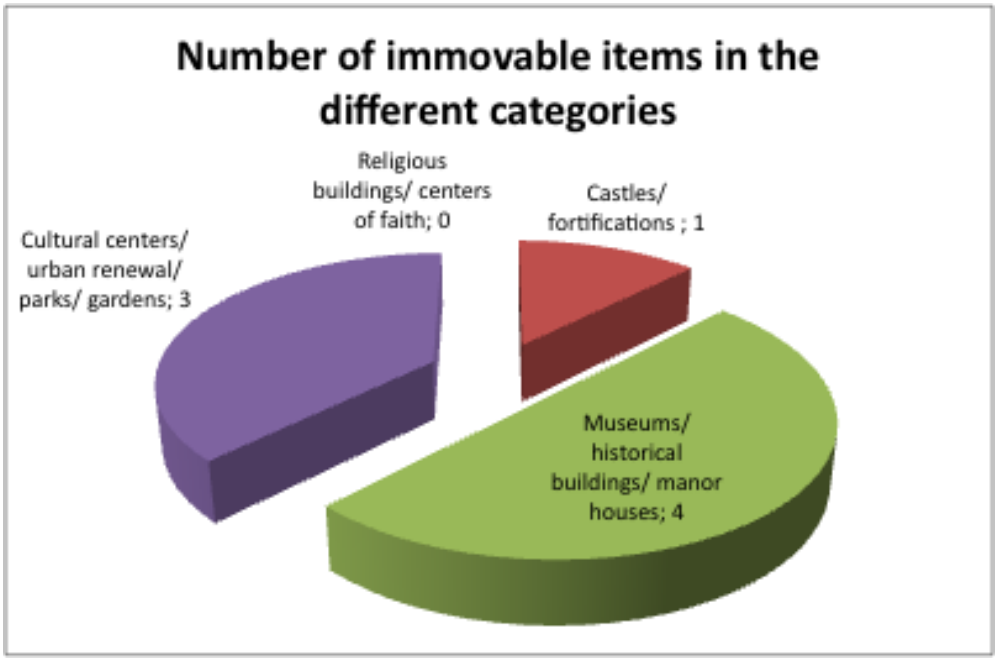
It is noted that only 16% of the project funds (being 19% of the number of completed projects) are fully or partly, in one way or the other, targeting disadvantaged and vulnerable groups (comprising children, schoolchildren (up to secondary school level), disabled, sick people, elderly, ethnic minorities). The extent of targeting vulnerable groups is, of course, very dependent on the sectoral composition of the programme. In Latvia no *one* sector is particularly dominant which perhaps explains the relatively low share of targeting.

The costs of the completed projects are distributed on the various priority sectors as shown in the figure below. The figure shows that Environment is the largest sector supported in Latvia, closely followed by Schengen/Judiciary and Human Resources Development. However, it is clear that Latvia has chosen to spread the assistance from the EEA/Norway grants widely over a number of sectors. It should be noted that in Latvia only 37% of funds are allocated to the three sectors of Cultural Heritage, Environment and Health and Childcare, whereas in the e.g. Czech Republic this share is 67%. This illustrates the very different approaches to setting priorities adopted by the different countries.



2.3.2 Cultural Heritage

In total there are only 6 cultural heritage projects completed in Latvia. Out of these, 4 projects (67%) have one or more elements of *immovable items* included. In total, 8 immovable items have been renovated/built with support of the EEA and Norway Grants, where the number of items is distributed on the four main types of indicators identified as follows (too few for a %-diagram to make any sense!):



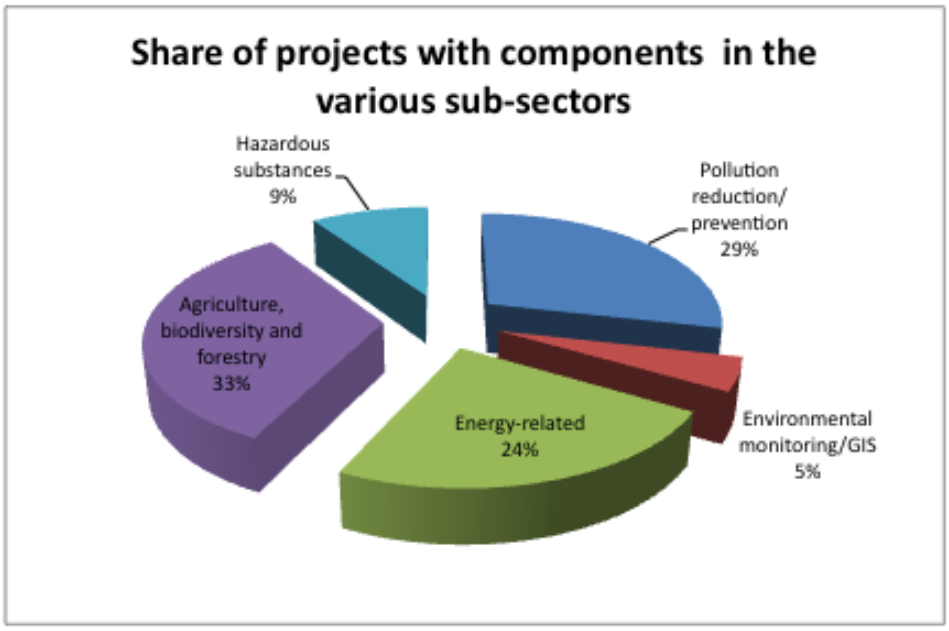
It is noted that in Latvia no religious buildings were included in the completed projects.

There is only one project with *movable item*s restored (LV0034 – "Riga Museum of Contemporary Art"). The reported numbers of items renovated are: Paintings, photos – 53; and Manuscripts – 14. In 2 projects, new/renovated *exhibition space* has been made available and open to the public where earlier areas were closed to the public or exhibits were not displayed openly.

2 cultural heritage projects (33%, LV0034, se above, and LV0092 - "Conservation and digitisation of nonconformist Soviet period graphic issues") have components of digitisation of drawings, posters, engravings, etc. (LV0092 is a project entirely focusing on digitisation, whereas LV0034 also has the mentioned component of restoration of paintings etc.). A total of 5,100 items of various kinds have been digitalised in these projects, preserving the items and making the item available (on-line) to available to interested researchers and the public alike.

2.3.3 Environment

There are 16 projects within the priority sector Environment in Latvia. Half of these projects have components that fall into 2 sub-sectors, so the *total* number of sub-sectors hits counted are 21. The distribution of these registered sub-sectors are as follows:



There are only 3 projects (19%) with a component of building renovation/construction, covering 5 schools/kindergartens and 1 sport stadium.

94% of the projects (all but one) under Environment have reported a component of *public awareness raising*. The 3 indicators under this topic show the following quantities: 4,839 *people* directly targeted (4 projects did not report figures); 137 items of *educational materials* (e.g. brochures/leaflets, books, DVDs; articles, environmental plans, etc.) have been produced; and at least 66 *seminars/workshops/courses* have been held (2 projects not giving figures). As the reporting in the projects on the public awareness issue seems to have been somewhat "inconsistently" handled, it is assumed that the figures could be higher, as some projects have chosen *not* to report on these elements in the result indicators. There is little doubt that environmental awareness raising is an important function of external assistance in Latvia. This is because of the widespread environmental damage, remaining from the Soviet era in the country. This is particularly true in the industrial environment sector.

2.3.4 Health and Childcare

There are only 11 projects within the priority sector Health and Childcare in Latvia. All projects have a component of *infrastructure improvement*, comprising 7 projects that include hospitals/health centres (in total 13 items) and 4 projects that include day-care homes/foster homes. There are no areas/grounds for sport/recreation supported in Latvia.

Only 3 projects include a component of *preventive health measures* (27% of total number of projects), 1 project under *communicable diseases* and 2 under *mental health disease*. The number of people treated/benefitting is not reported for these projects.

Four projects (36% of total number) are aimed at specific (vulnerable) *target groups*, all of them targeting people with *disabilities*. In total only 123 people were directly benefitting, the total of 3 projects only, as the fourth project did not report any figure. The total number of people benefitting is thus probably slightly higher. None of the projects are targeting women, children or minorities.

2.4 Poland

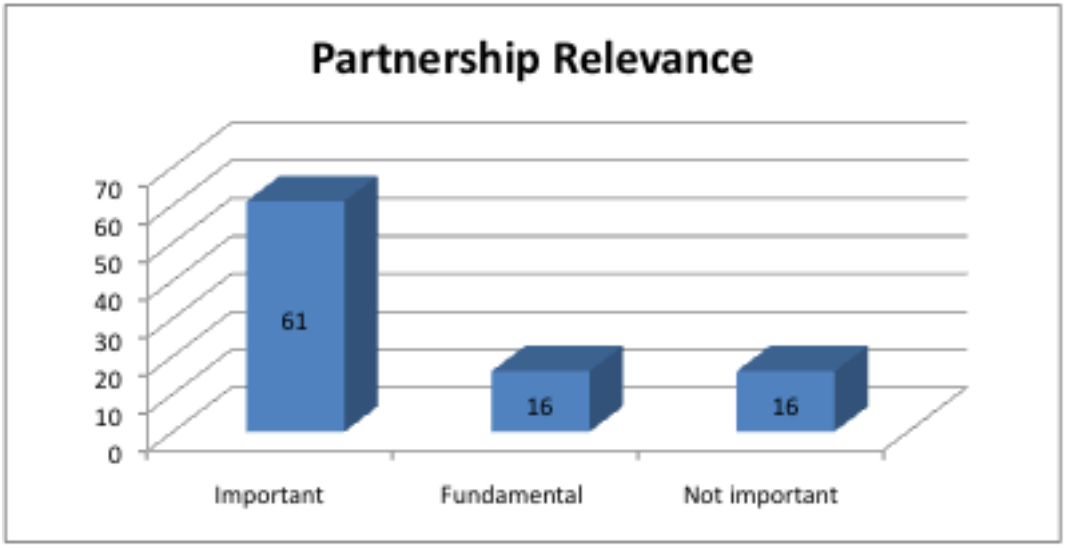
2.4.1 General

Poland is by far the largest recipient of funds from EEA and Norway Grants, constituting almost 43% of the total EEA and Norway Grants to EU, almost 34% of the total number of projects to all the countries[13] and 59.1% of the supported projects (completed and ongoing) in the four states being analysed. There are 417 grant decisions (individual projects and block grants/programmes) supported by EEA and Norway Grants in all sectors in Poland. 20 of these projects were granted an extension till the end of April 2012 – and are thus still ongoing, and are consequently not included in the analysis below. Of the 397 projects completed (with total project costs being around € 620 million), 97% are "fully" completed (90% or more fulfilment of result indicators) and only 3% are "partly" completed. This must be said to be a great achievement.

Ninety projects have EFTA partners, constituting 23% of the number of projects and 26% of the total project costs. From the project promoters own assessments, the relevance/importance of the partnership are rated as follows, in projects *with* partnership[14]:

[13] Given as 1233 projects and funds

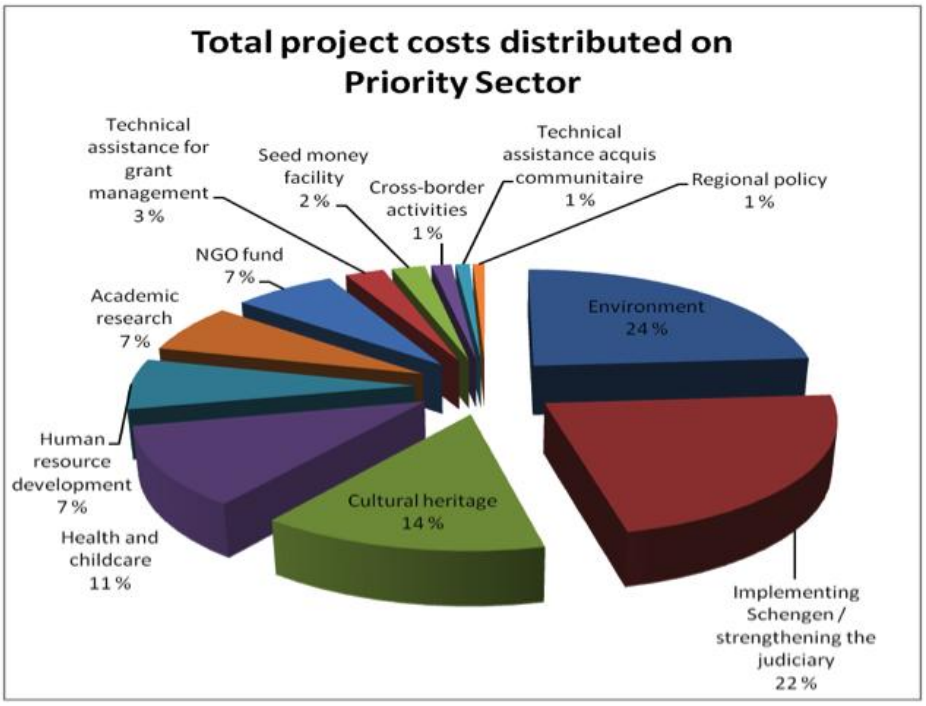
[14] The shares are: Fundamental to the project-18%, Important to the project-68%, and Not Important or insignificant part of the project-14%.



Because of its physical proximity and because of important historical and trading links, it ought to be easier for Poland to develop partnership links with Norway in particular. Some Norwegian research institutions, for example, have had longstanding partnership agreements with their Polish counterparts.

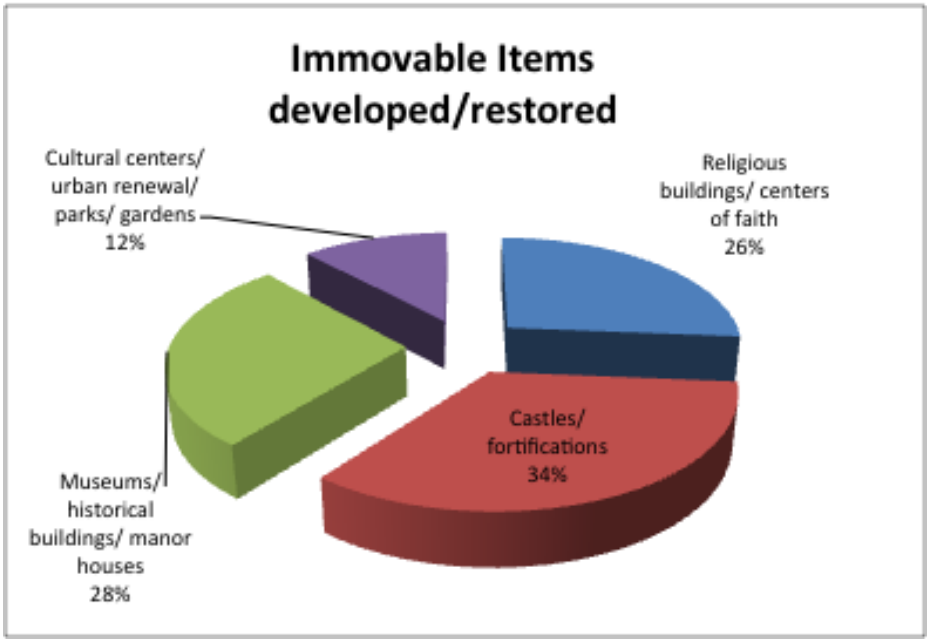
It is noted that 19% of the project funds (being 34% of the number of completed projects) are fully or partly, in one way or the other, targeting disadvantaged and vulnerable groups (children, schoolchildren (up to secondary school level), disabled, sick people, elderly, ethnic minorities).

The completed projects are distributed on the various priority sectors as shown in the figure below. The figure shows that Environment is the largest sector supported in Poland, followed by Schengen/Judiciary, Cultural Heritage and Health and Childcare.

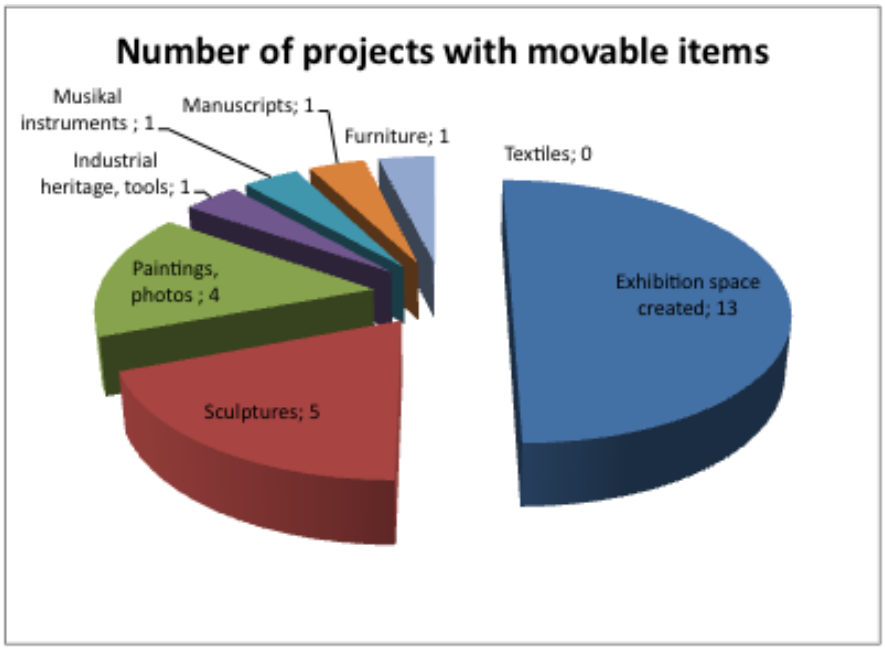


2.4.2 Cultural Heritage

In total there are 30 cultural heritage projects completed in Poland. Out of these, 90% (27 projects) have one or more elements of *immovable items* included. In total, 76 immovable items have been renovated/built with support of the EEA and Norway Grants, distributed on the four main types of items (indicators identified) as follows:



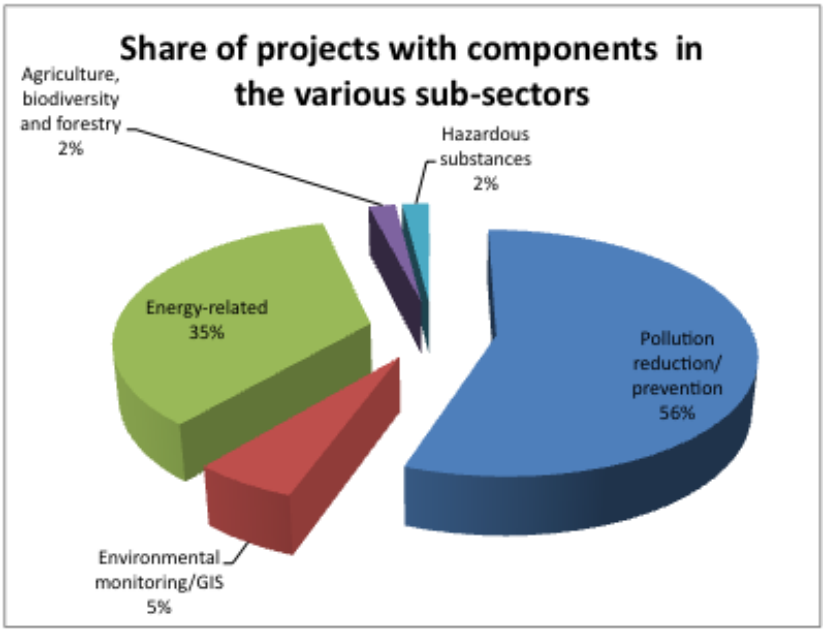
The *movable items* restored in the projects were not consistently reported on, as in some project reports there are statements that various movable items have been restored, but the type and numbers are not given. There are 19 projects registered with one or more types of movable items (being 63% of the total number of cultural heritage projects). 13 of the projects (43%) have reported that new/renovated exhibition space has been made available and open to the public where earlier areas were closed to the public or exhibits were not displayed openly. The number of items under the various movable item indicators is distributed as follows (where "musical instruments" all are church organs, and there are no textiles):



An interesting component of 6 cultural heritage projects (22%) is the digitisation of documents, photos, newspapers, etc., often also including procurement of equipment making the recipient able to continue this work post-project. Most of these items have not previously been available to a wider public, as they were kept protected in closed files due to their bad state of condition (aging, wear and tear, falling apart). Through digitisation of the items, their contents have been preserved "forever" and are made available to interested researchers and the public alike. A total of 1,986,560 items of various kinds have been reported in 2 of the projects alone. In the other 4 projects the numbers are not given, meaning that the *total* number is of course higher.

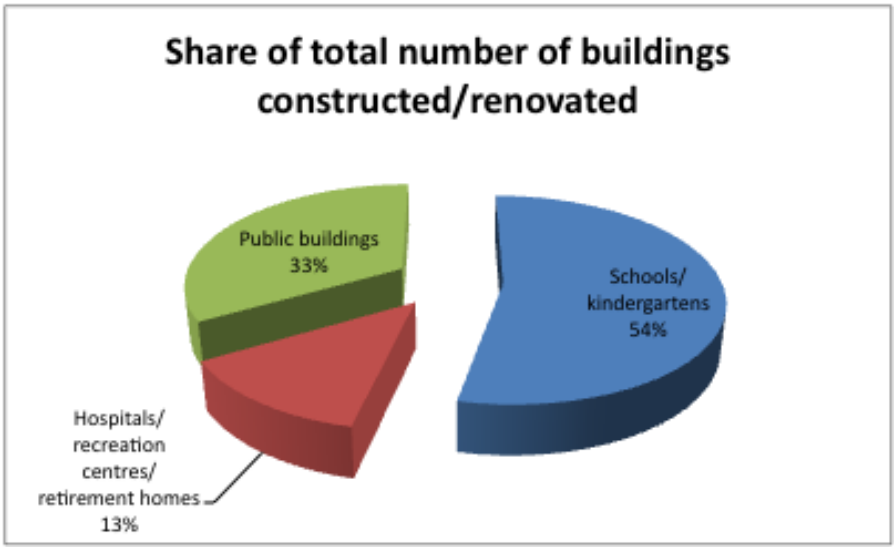
2.4.3 Environment

There are 153 projects within the priority sector Environment in Poland. Several of these projects have components that fall into *more than one* of the sub-sectors, so the *total* number of sub-sectors hits counted are 252[15]. The distribution of these registered sub-sectors are as follows:



It should be noted that the projects in Poland dealing with renovation of building infrastructure (insulation, new boilers and heat distribution systems, etc.) are registered under both the *pollution* and the *energy* sub-sectors. This constitutes by far the largest group of projects under Environment in Poland. The second largest group deals with remediation of pollution from wastewater (treatment and/or new sewerage systems).

There are 76 projects (50%) with a component of building renovation/construction, covering 374 buildings distributed on types as follows:



It should be noted that a majority of the buildings (67%) has in one way or the other targeted vulnerable /disadvantaged groups.

Fifty percent of the projects under Environment have reported a component of *public awareness raising*. The 3 indicators under this topic show the following quantities: almost 40,000 *people* directly targeted (only 3

[15] It is noted that the Scanteam/PROEKO report on "Review of energy saving and renewable energy production in Poland" from January 2009, lists some 285 school buildings and 21 buildings belonging to hospitals and health institutions that are being modernized. The discrepancy between the numbers is not properly understood.

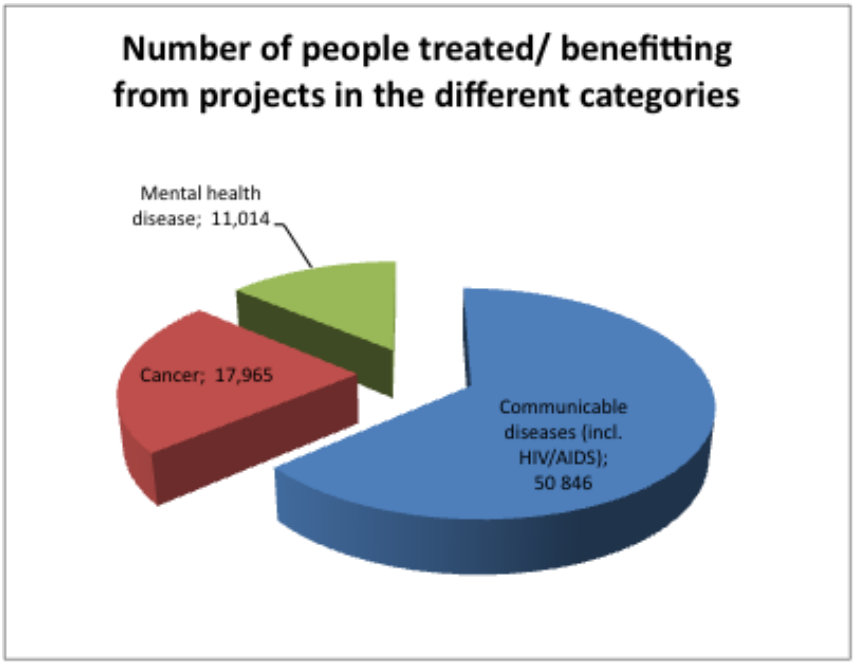
projects did not report figures); 413 items of *educational materials* (e.g. brochures/leaflets, books, DVDs; articles, environmental plans, etc.) have been produced (only 1 project not giving figures); and at least 918 *seminars/workshops/courses* have been held (4 projects not giving figures). As the reporting in the projects on the public awareness issue seems to have been somewhat "inconsistently" handled, it is assumed that the figures could be higher, as some projects have chosen *not* to report on these elements in the result indicators.

Several projects have reported on one or more of the public awareness indicators, and this is logical, because when a course/seminar is held, there is automatically a certain number of people participating (thus "ticking-off " 2 indicators). As remarked for Latvia, environmental awareness raising is probably an important function of external assistance in Poland because of the huge legacy of environmental destruction in the country.

2.4.4 Health and Childcare

There are 72 projects within the priority sector Health and Childcare in Poland. Out of these, a total of 60 projects (83%) have a component of *infrastructure improvement*, comprising 40 projects that include hospitals/health centres (in total 82 items, where 4 projects do not list the item number) and 21 projects that include areas/grounds for sports/recreation/playing (122 items in total). There are no day care/foster homes supported in Poland. The emphasis on infrastructure improvement is interesting as it indicates a definite policy preference by the Polish authorities towards infrastructural support, notably also in smaller, regional centres.

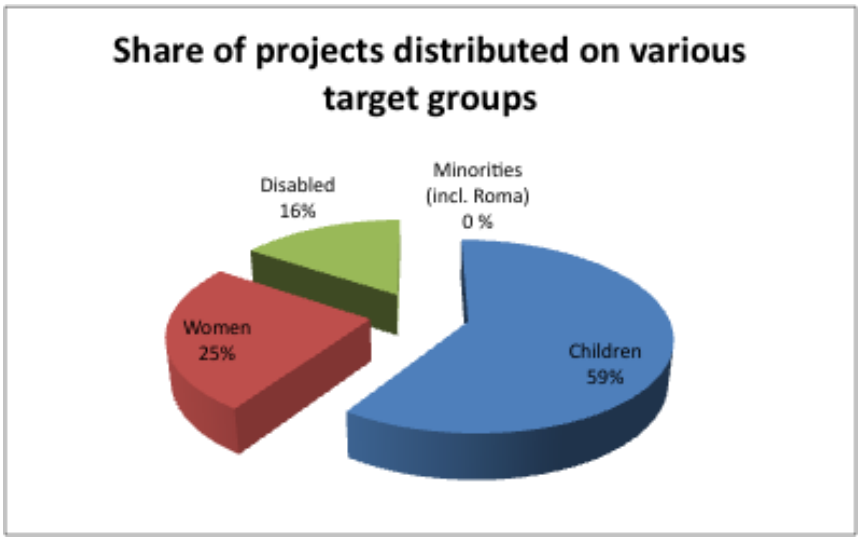
In total 34 projects include one or more components[16] of *preventive health measures* (47% of total number of projects). In the projects with preventive measures, and which have indicated the number of patients treated/targeted in their reports, the following numbers of patients are treated (or benefitting):



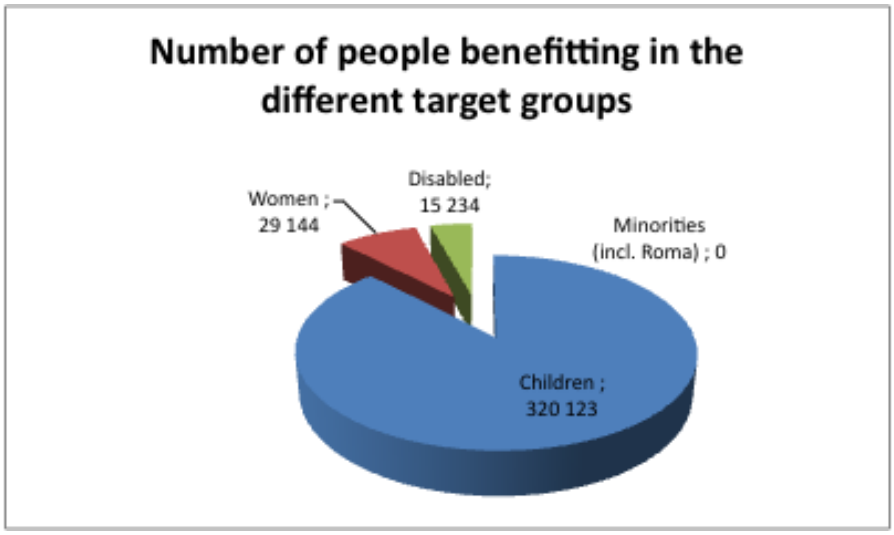
The real total number of patients targeted is probably significantly *higher*, as 14 projects in the "Communicable Diseases" category have not given numbers in their reports, and likewise 7 projects in the category "Cancer".

It is noted that a total of 51 projects (71% of total number) are aimed at specific (vulnerable) *target groups*. Amongst these projects, the distribution is as follows on the various groups:

[16] Only 5 projects have more than one component.



There are notably no projects targeting minority groups[17]. In the projects targeting these special groups, and which have indicated the number of targeted people in their reports, the following numbers of targeted people prevails:



The real total number of people targeted is surely significantly *higher*, as 7 projects in the "Women" category have not given numbers in their reports, and likewise 6 projects in the category "Children" and 4 projects in "Disabled". It is clear that support to the Health and Childcare sector has been significant in terms of numbers. Polish demographic statistics [18] show that there are 5,772,000 children aged 0 to 14 in Poland so that EEA/Norway Grant support to the sector has reached at least 5.5% of these (if not more). This is a significant achievement. It may be due to the emphasis on Health and Childcare infrastructure (including playing fields) that reaches a significantly wider target group than, say, medical equipment.

2.5 Romania

2.5.1 General

Romania receives 7.5% of the EEA and Norway Grants, and almost 17% of the total number of projects to all the countries[19] and 8.9% of the supported projects (completed and ongoing) in the four countries being analysed. There are in total 42 projects supported by EEA Grants in all sectors in Romania[20]. Nine of these

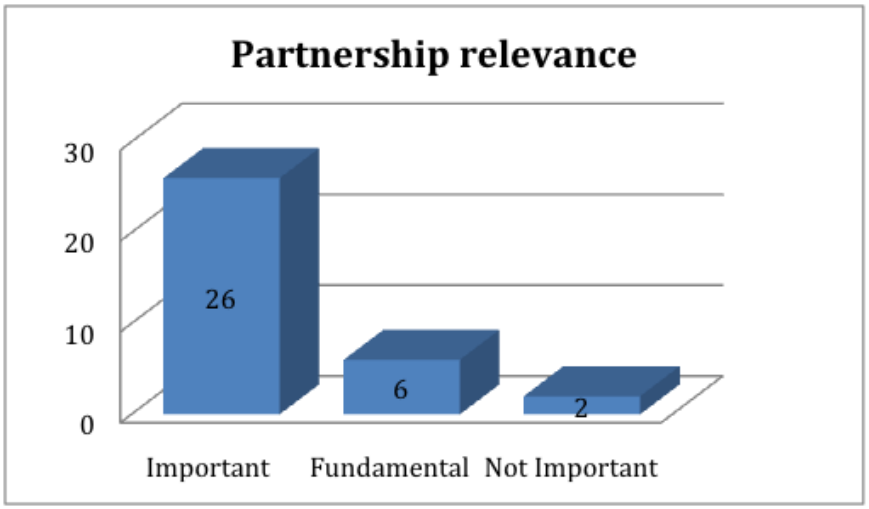
[17] Neither was this expected, as the minority groups in Poland are indeed very small: around 12,000 Roma (Wikipedia) and some 1,000 Jews.
[18] Central Statistical Office "*Demographic Yearbook of Poland 2011*", Warsaw, 2011
[19] Given as 1233 projects and funds
[20] Notably no "Norway Grants" as these are managed under Innovation Norway (IN)

were granted an extension till the end of April 2012 (out of which 4 are with Norwegian partners) - thus they are still ongoing, and are not included in the analysis. This means that over 20% of the projects were delayed in their implementation and required an extension, being a high number. Of the 33 projects *completed* (around € 45 million), 7 projects have partners from EFTA countries (read: Norway).

Additionally, there are 27 projects ("Norway Grants") managed by Innovation Norway (around € 47 million), and all these projects have partners from Norway. None of the projects have submitted PCRs, although they have *physically* completed the project activities and PIRs have been prepared. The reason for this late PCR reporting is that most projects in Romania started relatively late, as compared to other countries.

In total therefore, 69 projects (total project cost around € 92 million) are supported in Romania where 60 projects are completed. Of these projects, 95% are fully completed (90% or more fulfilment of result indicators) and only 5% are partly completed.

34 projects (57%) have Norwegian partners (in terms of project costs, the rate is 62%). From the project promoters' own assessments[21], the importance of the partnership are rated as follows in projects with partnerships[22] (showing number of projects):



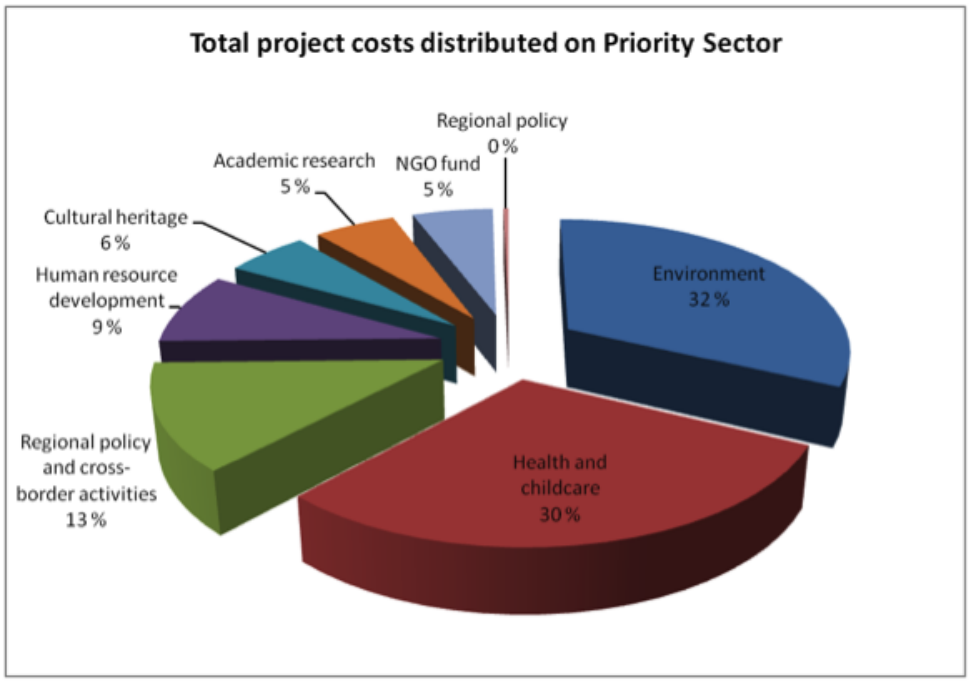
(It is noted that the 2 projects where partnership has *not* been considered important, are under the EEA Grants (RO0029 and RO0031)).

It is noted that 29% of the project funds (30% of the total number of projects) are fully or partly targeting disadvantaged and vulnerable groups (children, schoolchildren (up to secondary school level), disabled, sick people, elderly, ethnic minorities).

The project costs of the completed projects are distributed over the various priority sectors as shown in the figure below. The figure shows that Environment with 32% is the largest sector in Romania (22 projects), closely followed by Health and Childcare with 30% (17 projects).

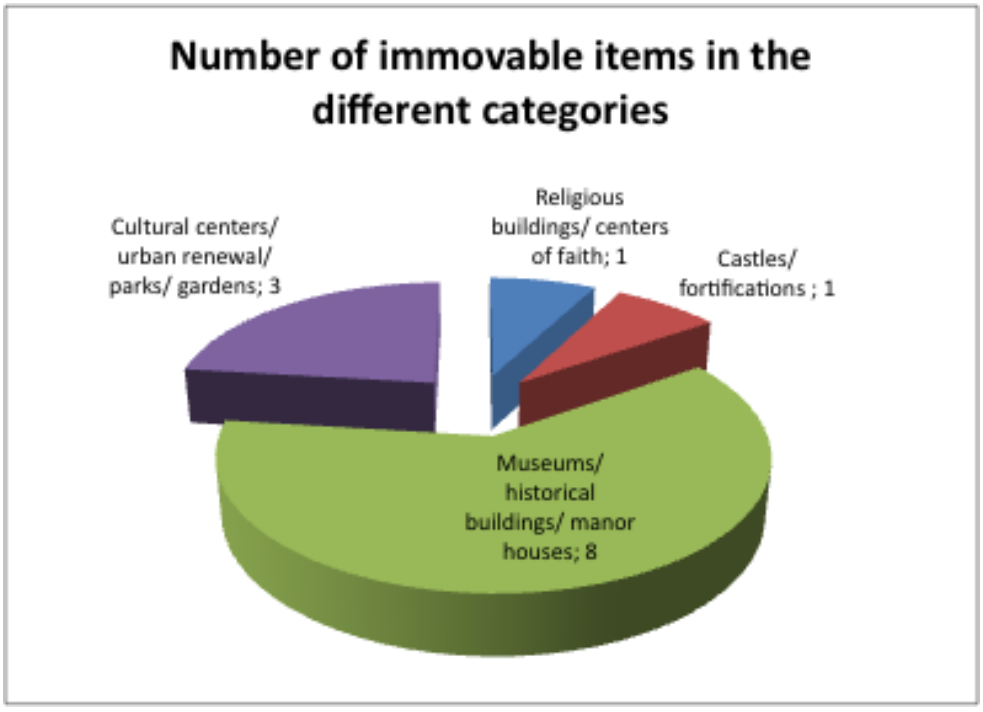
[21] One IN staff in Romania stated. "*Based on the feed-back we have from our promoters/partners, experience workshop etc. I would say that the partnership have been important in all projects*".

[22] The shares are: Fundamental to the project-18%, Important to the project-76%, and Not Important or insignificant part of the project-6%.



2.5.2 Cultural Heritage

There are only 4 cultural heritage projects completed in Romania (all under the EEA grants). Out of these, 3 projects (75%) have *immovable items* reported. In total, 13 immovable items have been renovated/built, distributed on the four main types of items (indicators identified) as follows:

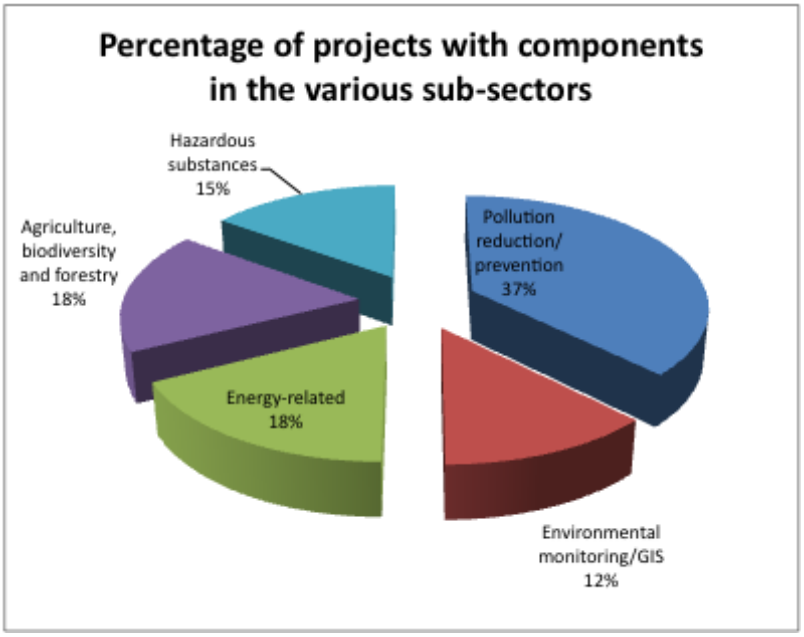


Only 2 projects have reported that *movable item*s have been restored (RO0029 and RO0031), being 45 pieces of furniture and 3 sculptures. Only *one* project reported that new exhibition space has been made available and open to the public. There are no projects comprising digitisation of items in Romania.

2.5.3 Environment

There are 22 projects within the priority sector Environment in Romania (5 under EEA Grants and 17 under IN). Most of these projects have components that fall into *more than one* of the sub-sectors, so the *total*

number of sub-sectors hits counted are 40. The distribution of these registered sub-sectors are as follows:



The largest group fall under Pollution Reduction/Prevention, followed by Agriculture/Biodiversity/Forestry and Energy.

There is only *one* project with a component of building renovation/construction under the IN group (2009/100057 – "Romania small communities, schools and NGOs promoted climate friendly solutions", being a rural sustainable development centre.

All but one of the projects under Environment has reported a component of *public awareness raising* (95%, meaning 21 projects). The 3 indicators under this topic show the following quantities: 7,334 *people* directly targeted (1 EEA Grants project only has reported figures out of 3, and the total of 17 IN projects has been reported[23]); at least 23 items of *educational materials* (e.g. brochures/leaflets, books, DVDs; articles, environmental plans, etc.) have been produced under the EEA Grants (4 projects, whereas IN has not reported figures on such items although all those projects surely have produced such material); and at 4 *seminars/workshops/courses* have been reported held in 2 of the EEA Grants projects (1 EEA project not giving figures, and none of the IN projects giving figures, although all have surely had seminars/courses).

As the reporting in the projects on the public awareness issues has been very different on EEA projects and IN projects, it is considered somewhat "irrelevant" to analyse the *reported* figures, as they only captures a small part of the *real* figures. It is unfortunately very difficult to get a *quick* overview of the IN project numbers, as the last project reports reviewed are listing the outputs from all the previous reports in addition to the last period efforts (could be up to six different reports shown in the last reporting) and do not give easily detectable *aggregated* figures on the various output indicators.

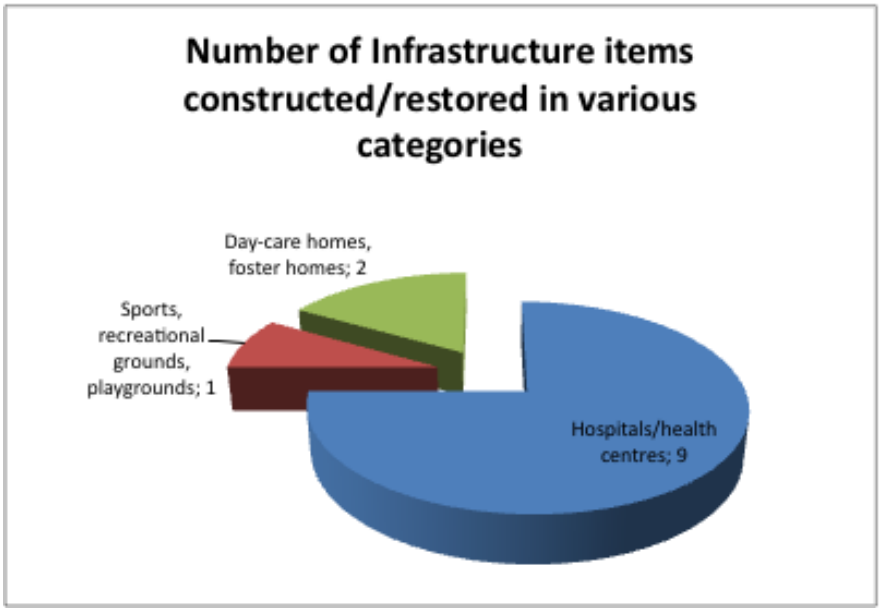
It also seems that the formulation of indicators used is somewhat different in the IN projects from the EEA ones, making the two systems difficult to readily compare. More detailed studies of the IN reports would have been required to aggregate the real figures, but the time set aside for the Study did unfortunately *not* allow for such research work. The lesson learned from this review is however that greater conformity in reporting should be required from projects run by different management institutions, where funds come from the same source (read: Norwegian taxpayers' money).

2.5.4 Health and Childcare

There are 17 projects within the priority sector Health and Childcare in Romania (12 under the EEA Grants and 5 under IN). Out of these, a total of 11 projects (65%) have a component of *infrastructure improvement*, altogether 24 items distributed as follows on the 3 indicators (3 tick-offs without figures in each of the

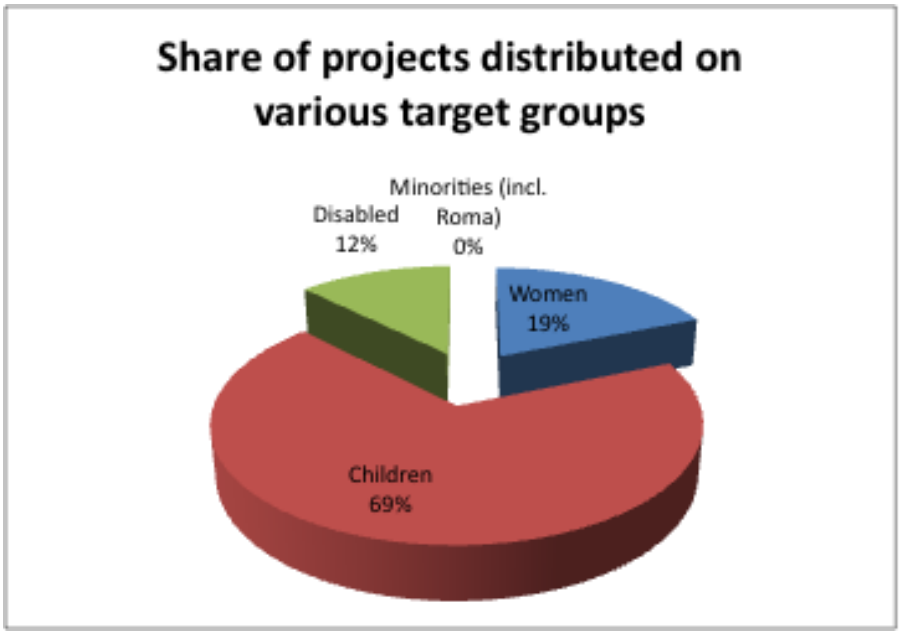
[23] Has been reported as "trained" by IN.

categories):



In total 8 projects include one or more components[24] of *preventive health measures* (47% of total number of projects, 5 projects from EEA and 3 from IN), with the total number of sub-indicator "registrations" being 9 (communicable diseases - 2, cancer - 1, mental health - 9). However, none of the projects are listing figures on the patients treated/targeted.

It is noted that a total of 12 projects (71% of total number) are aimed at one or two of the specific (vulnerable) *target groups*[25], where the following distribution on indicators:



There are notably no projects targeting minority groups, although there are several minority groups in Romania (1.5 million Hungarians, 500,000 Roma and 60,000 Saxon-Germans). In the projects targeting these special groups, the following figures are reported: children – 9,530; and disabled – 1,030. However, 6 projects targeting women; 3 projects targeting children; and one project targeting disabled, have not reported any figures, so the real number of people targeted is probably significantly higher than reported.

[24] Only 1 project (2008/115272 from IN) has 2 components.
[25] 2 projects from EEA and 2 from IN are reporting on two indicators.

2.6 Aggregated Data from the Four Countries

2.6.1 Overall Status

Based on the above review, the general data can be synthesised as follows for easy reference:

Country	Total project costs [1] (budgets in mill. €)	No. of projects completed (per 4/2011)	Share of projects fully completed (<90% indicators fulfilled) [2]	Share of projects with partner-ship	Share of projects where partnership is "*fundamental" and "important"* [3]	Share of projects targeting disadvantaged /vulnerable groups
Czech Rep.	122	142	99%	13%	26% + 63% = 89%	32%
Latvia	59	73	95%	36%	23% + 62%= 85%	19%
Poland	620	397	97%	23%	18% + 68%= 86%	34%
Romania	92	60	93%	57%	18% + 76%= 94%	30%
Total:	**893**	**672**	**95 – 97%**	**-**	**-**	**-**

1) The cost only includes the budget figures for the projects *completed*.
2) Share of *costs* fully completed: Czech-97%; Latvia-91%, Poland-89%, Romania-97%
3) The first figure is "fundamental"

The completion rate (> 90% of result indicators fulfilled) is **very good** in the four countries (varying between 93-99%, with a weighted average of **96.8%** for all four jointly). This might be attributed to several factors, amongst others the selection process in the countries where clearly the best projects were chosen, which also include the external FMO appraisals of the projects. It is noticed that a high proportion of projects selected for appraisal were finally approved by FMO, suggesting that the *quality* of the projects implemented was generally high. Additionally, the close follow-up and monitoring of the projects by the Focal Points and FMO during project *implementation*, and the actions instigated to correct problematic projects, has been instrumental for this success. Finally, the clear reporting and reimbursement *procedures* instigated by FMO have surely also been a contributing factor to this high completion rate (although the *quality* of the reporting, needless to say, varies from country to country and partly between priority sectors). The fact that most projects are relatively small most likely also contributed to the success.

It should be emphasised that the *result-based* management and monitoring have been strong elements in the 2004-09 programme, and this element is even more in focus in the 2009-14 programme. It is a commendable priority to strengthen this obvious success factor in the coming activities. The very high completion rate reported for all sectors and for all countries suggests that the approach to project implementation adopted in the 2004-2009 programme has been highly effective and efficient.

It is noted that the high share of projects with partnership in Romania is due to the fact that all 27 Innovation Norway projects have partners, and this was in fact a precondition for the IN projects – enhancing cooperation across border through project partnerships. 94% of all partnerships in Romania are considered "fundamental" or "important", whereas in the other three countries, this percentage is in the magnitude of 85-89%, all being very high indeed. This shows that the partnerships are appreciated by the beneficiary countries. However, the rate of partnership to the total number of projects have been rather low, with e.g. only 13% in Czech Republic. Romania, due to the high rate of IN projects has the highest with 57%. Partnership was clearly *not* a formal objective in the 2004-09 programme, so the variation in figures shows that the *countries themselves* have put different emphasis on partnership. In some countries partnership has notably not been a priority, or even wanted, element in the projects. This element has however been developed further and incorporated into the 2009-14 EEA and Norway Grants Programme as a formal objective, where partners are involved in almost all the 140 programmes in the 15 countries from the very start of the planning.

Also, the table shows that the countries Czech Rep., Poland and Romania all have around 1/3 of the number of projects targeting disadvantaged and vulnerable groups, whereas Latvia has only 1/5 of the projects. Romania however, has put most emphasis on the Health and Childcare as seen from the table below showing distribution of funds on the on the priority sectors in the four countries. (However, as seen under the section on Health and Childcare below, the *reporting* of achievements has not been satisfactory in Romania).

Country	Environment	Cultural heritage	HRD	Health & Child care	Academic research	Civil Society (incl. NGO funds)	Schengen & judiciary	Reg. policy & cross-border
Czech Rep.	6%	42%	12%	19%	7%	9%	2%	0%
Latvia	19%	6%	15%	12%	1%	11%	17%	12%
Poland	24%	14%	7%	11%	7%	7%	22%	2%
Romania	32%	6%	9%	30%	5%	5%	0%	13%

Note: the sums of percentages are not necessarily 100%, as some seed money and TA facilities, etc. come in addition to what is shown in the table.

The table shows that Environment has been the largest sector (related to fund allocations) in Latvia, Poland and Romania. In the two former countries however, this sector is *not* significantly higher than the second largest sectors (Schengen and Judiciary). In Romania, the share to Health and Childcare (H&CC) is almost as large as to Environment, and this share is significantly larger than the other countries' share for H&CC. In the Czech Republic, the Cultural Heritage is by far the largest sector, followed by Health and Childcare, with the latter having a significantly smaller share. It has to be remembered that these shares by sector largely reflect the countries´ own sectoral priorities so that the beneficiaries have relatively limited influence in priorities.

Below follows an aggregated overview of reported indicators on the three priority sectors analysed in this Study.

2.6.1 Cultural Heritage

The following table shows the aggregated figures on the overall indicators:

Country	Contribution to the sector	No. of projects	1. Immovable Items		2. Movable Items			3. Digitisation		
			No. of projects	No. of items	No. of projects	No. of items	Exhibition area	No. of projects	No of pages	No. of items
Czech Rep.	42%	59	53	91	36	5 342	26	7	4 083 643	277 077
Latvia	6%	6	4	8	3	67	2	2	0	5 114
Poland	14%	30	27	76	19	460	13	5	0	1 986 560
Romania	6%	4	3	13	2	48	1	0	0	0
Total		**99**	**87**	**188**	**60**	**5 917**	**42**	**14**	**4 083 643**	**2 268 751**

Immovable Items: Religious buildings/centres of faith, castle/fortifications, museums/historic buildings/manor houses, and cultural centres/urban renewal/parks/gardens.
Movable Items: Paintings/photos, sculptures, manuscripts, industrial heritage/tools, musical instruments (organs), furniture, and textiles

The following table shows the breakdown of the number of *immovable* and *movable items* into sub-indicators:

Country	1. Immovable Items				2. Movable Items						
	Religious build	Castles/ fortif.	Museums/ manors	Cult centr./ partks.	Manuscr.	Sculptures	Paintings/ photos	Indust. Herit	Music.	Furnitures	Textiles
Czech Rep.	24	18	31	18	5 230	61	37	0	7	6	1
Latvia	0	1	4	3	1	0	1	0	0	0	0
Poland	20	26	21	9	145	96	216	1	1	1	0
Romania	1	1	8	3	0	3	0	0	0	45	0
Total	**45**	**46**	**64**	**33**	**5 376**	**160**	**254**	**1**	**8**	**52**	**1**

The Cultural Heritage (CH) projects in the four countries constitute around 15% of the total number of projects. 88% of the CH projects have a component of rehabilitation/reconstruction of various kinds of buildings and infrastructure ("*immovable items*"), with a total of 188 structures targeted, with museums/manor houses being the largest group. This would indicate that the definition of "Cultural Heritage" in the EEA/Norway Grants context is (or construed to be) limited largely to construct/rehabilitation. It appears to include very little of what is known as "immaterial culture" e.g. traditional art, music, dance, theatre. It appears that other donors, e.g. the EU, operate with wider definitions of the concept of "culture", including cultural exchanges[26]. This makes it particularly difficult to assess the

[26] A the recent "Evaluation of the sector cultural heritage under the EEA/Norway Grants 2004-09" (2011) confirms that

contribution of the EEA/Norway Grants in cultural heritage in comparison with others[27].

The total number of *movable items* is around 5,900, with manuscripts constituting by far the largest group (91%), followed by painting/photos and sculptures. It is difficult to obtain the total number of items in each sub-indicators category of movable items as the reporting is inconsistent or lacking. The category "furniture" is in many projects not quantified, so the number in the table does not really reflect the real situation on ground, and is therefore assumed to be underestimated. All the musical instruments renovated are church organs.

In some projects, the *category* of sub-indicator is identified, but it is not possible to read the *number* of items from the reports reviewed without studying other documents under the same project (not made available to the Study Team). This study has not allowed for such detailed reviewing, due to the limited time-frame. However, in 42 of the projects (6.2 % of the number of projects in the four countries) new exhibition space have been opened to the public, which is a very interesting achievement. Artefacts not available to the public earlier will now be on public display. Communities have got room for intermittently changing exhibitions of art, and new space could be used for other cultural activities, etc. The secondary impact of making such space available is probably a great deal larger than the reported square meters themselves.

Neither have the relatively few, but interesting, projects on digitisation (2% of total number in the four countries) been reported in a consistent manner. Sometimes it is not fully clear whether the numbers given are items (single or multi-pages documents, scripts, posters etc.) or single-pages documents. Nevertheless, the reported number digitised items/documents is still truly impressive. The items digitised have previously not been available to the public because of their fragile state of preservation (old screen plays, books, posters, photos, newspapers), with a high risk of the items being worn and torn in the course of human handling. Now, the contents of the items are preserved forever and can be enjoyed by the public and researchers alike, through the open web or through computer in the libraries. The Study Team indeed is very enthusiastic about these achievements, as such activities will surely be sustainable once the benefits are discovered by a wider audience, and especially with the equipment purchased through the projects still remaining with the project promoters and the practical training of staff surely being carried on! However, with digitisation projects it is very important to make the general public aware of the availability of the digitised documents so that they can appreciate and utilise them to the full.

2.6.2 Environment

The following table shows the aggregated figures on the overall indicators:

Country	Contr. to the sector	No. of proj	1. Sub-sectors					2. Buildings				3. Public Awareness			
			Pollution	Monit./ GIS	Energy	Agri./ biodiv/ forest	Haz. Subst.	No. of proj	Schools/ K. gartens	Hosp/ recreat.	Pub. Build.	No. of proj	People	Educ. Matr.	Courses/ Semin.
Czech Rep.	6%	**12**	3	8	2	7	0	1	0	0	1	11	81	53	28
Latvia	19%	**16**	6	1	5	7	2	3	5	1	0	15	4 839	137	66
Poland	24%	**153**	140	14	88	5	5	76	200	49	125	76	39 751	413	984
Romania	32%	**22**	15	5	7	7	6	1	0	0	1	21	7 334	23	4
Total		**203**	**154**	**28**	**102**	**26**	**13**	**81**	**205**	**50**	**126**	**123**	**52 005**	**626**	**1 982**

It should be noted that several projects have components in more than one sub-sector.

Thirty percent of the total numbers of projects in the four countries are within the environmental sector. The largest sub-group is related to Pollution Reduction/Prevention (w/sustainable development at large), where 75% of the projects in this priority sector have one component hereunder. The second largest sub-group is Energy, in which 66% of the projects have a component. Around 17% of the projects have a component in Environmental Monitoring/GIS-related activities, with a similar figure in Agriculture/Biodiversity/Forestry.

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a majority of funds are allocated to investment in "immovable heritage" or to investment into "surrounding infrastructure" in order to develop the cultural heritage into tourist attractions. While EU funding has focused on investments in relation to environmental infrastructure (sewage systems, roads, parking lots, parks) or internal infrastructure (like water pipes), the EEA and Norway Grants on the other hand have supported culture heritage *objects*.

[27] In the 2009-14 EEA and Norway Grants programme, culture is divided in two: Cultural heritage and "immaterial" culture.

12% of the projects have a component of building rehabilitation, often thermo-insulation and improvement of the heating systems in the buildings. It should be noted that as many as 76 projects in Poland concern thermo-renovation of buildings only (insulation of walls/ceiling/roof, changing of doors and windows, etc.) and these projects have a component both under Pollution and Energy. The long-term objective of these projects has in many cases been the reduction of greenhouse gas emissions from heating stations fired with coal or (crude) oil (this is also an indicator in a few of the projects, but the *effects* are not reported on consistently by the project promoters and it is indeed complicated). The rationale is that through insulation of houses the need for energy is reduced and the polluting energy production is also assumed to be reduced. This is however a relatively "obscure" line of cause-and-effect, as it is not guaranteed that the reduced demand for energy in those houses is not "taken up" by other customers with higher uncovered demand.

Reduced contribution to greenhouse gas emissions to the atmosphere will also have a positive local health impact on the population in the vicinity of the heating plants. By and large, the formulated long-term objective (goal) of these projects is noble and indisputable, although the *real* rationale behind the projects (the short-term objective or "purpose") has mostly been a wish to reduce the *costs* of heating, which also in effect will go immediately down directly following the project activities. An added value to these projects is that many of the rehabilitated buildings are directly benefitting vulnerable groups (improving the well-being of sick people and children), constituting 67% of the buildings, which is "killing two birds with one stone".

60% of the environmental projects in the four countries had a component of awareness raising/training, (including seminars, congresses, workshops, etc.), which indeed is commendable. Through training of project staff and spreading the "gospel" to specific target stakeholder groups, or the wider public at large, the *impact* of the projects is surely much wider than "meets the eye" in the first place. It is however impossible to detect how many people have been reached through such activities during the project period and the real impact of it on a wider public thereafter. The number of education materials produced is largely under-reported, as many projects do not list or quantify such material under indicators (or they are assumed to "go without saying"). The benefits of awareness raising in the environmental sector should not be under-estimated, as public awareness and public participation are recognised as key elements in successful environmental project implementation.

The conclusion is that reporting on all these issues is very inconsistent and scanty and some projects have not identified such result indicators at all, although the component is obviously somehow *included* in all the projects. The figures shown therefore, are assumed to represent the "tip of the iceberg" only and many more people have been targeted in the four countries than e.g. the 52,000 accounted for. On the other hand, the impact of such activities of course depends on *who* are given awareness rising: if it is school children being told not to throw away plastic; or if it is active, dynamic decision-makers likely to influence thousand of others. There is likely to be a mixture of categories of people participating in such activities depending on the nature of the projects, but this is not readily identified in the reports and not consistently reported on at all.

2.6.3 Health and Childcare

The following table shows the aggregated figures on the overall indicators:

Country	Contribution to the sector	No. of Proj	1. Infrastructure				2. Preventive measures				3. Target Groups				
			No. of proj	Hospit./ HC	Sport/ recrea.	Day care	No. of proj	Com. dis.	Cancer	Ment. health	No. of proj.	Wom.	Child.	Disabl.	Minor.
Czech Rep.	19%	**33**	30	21	132	17	9	6772	0	0	23	14 898	-	-	-
Latvia	12%	**11**	11	13	0	4	3	-	0	-	4	0	0	123	0
Poland	11%	**72**	60	82	122	0	34	50 846	17 965	11 014	51	29 144	320 123	15 234	0
Romania	30%	**17**	11	20	0	4	8	-	-	-	12	-	9 530	1 030 [1)]	0
Total		**133**	**112**	**136**	**254**	**25**	**54**	**57 618**	**17 976**	**11 014**	**80**	**44 042**	**329 653**	**16 387**	**0**

1) Only one project (RO0045)
Where "-" is inserted, none of the components have reported any figures, although they have a component within that category.

Twenty percent of the projects in the four countries are in the field of Health and Childcare, where *all*

projects by definition target disadvantaged and vulnerable groups in society. Of these projects, 84% have a component of infrastructure improvement. There are 136 hospitals/health centres renovated with 60% of them in Poland, and 25 day-care homes from smaller children with 68% being in the Czech Republic. There are notably no day care homes prioritised by the Focal Point in Poland. The nature of renovation of buildings is somewhat difficult to read from the reviewed reports, however some of them are related to "*improvement of quality and availability of medical services*", amongst others installation of software and control systems in addition to training of staff in hospitals, and some including purchase of medical equipment. There are several projects directed towards "Mother and Child"/newborn children, especially in Poland. Also projects related to "health promotion" are prevailing, both within the "preventive measures" and "sports and recreation"). The emphasis on *infrastructure* in the Health and Childcare sector in the EEA/Norway Grants is interesting, as there is often a tendency to prefer *medical equipment* in the health sector and this may reach very much fewer people.

In the Czech Republic and Poland around 250 sports and recreation grounds have been renovated, built new and/or supplied with various equipment. This also includes playing grounds for smaller children. Although it has not been consistently reported how many children are targeted, such infrastructure obviously have a large impact in the local societies, as most of them are open to the wide public and especially children and youth for use in after-school activities. Although the impact on the local communities has not yet been systematically registered, a general experience from almost every country is that organising sports and recreation activities for young people in their spare time will keep them away from idling and in some cases embarking on criminal–related activities. The Study Team considers that this represents an effective targeting exercise. School playgrounds and after-school activities often tend to be ignored, as they are not always regarded as intrinsic parts of the mainstream pedagogical curricula. Only a handful of projects are related *directly* measures for crime-prevention and reduction of narcotics use amongst young people (e.g. PL0062 and CZ0036), but this is largely not explicitly mentioned as an objective in projects with sports/playgrounds included.

Forty percent of the projects have components of prevention/treatment of diseases, with 63% of these being in Poland. The aggregated number of patients reached is impossible to establish as the projects have more or less inconsistently reported figures. (Some of the projects ticked-off include components with an increased *capacity* to treat patients, without mentioning the actual number of patients treated during the project period). In Poland more than 57,000 patients treated/targeted in connection with communicable diseases, which also include HIV/AIDS (although the number within this sub-group is rarely reported). 18,000 patients with cancer have been "targeted", which largely comprises 8 projects in Poland giving the number of patients *examined* in connection with prevention of various types of cancer. 8,000 of these patients in Poland have been screened for lung cancer and 2,200 young girls have received vaccination against human papilloma virus (HPV). 2,000 women have been examined for breast cancer as part of preventing deformity with fetals/infants. 11,000 patients with metal health disorders have been targeted in Poland. Additionally, it is noted that the Czech Republic targeted around 6,800 people with communicable diseases, whereas both Latvia and Romania have implemented several projects within the Preventive Measures category, but no figures are reported.

12% of the projects in the four countries were aiming at *special* target groups identified (women, children, disabled and minorities) with 64% of these being in Poland. The reporting also here has been very inconsistent, again with Poland submitting figures in their reports. It is noted that around 320,000 children have been targeted in Poland, 30,000 women and 15,000 people with disabilities. In most projects where children are targeted, there are also components of building restoration and/or establishment of sports and recreational areas. Around 15,000 women have been targeted in the Czech Republic, but figures of the other groups are lacking, although some projects surely have been targeting these. No people have been *reported* targeted under the ethnic minority group in any of the countries. This is a somewhat surprising and disappointing discovery, although this was clearly not a *formal* objective in the 2004-09 programme (as it is in the 2009-14 programme). The objective was however to support the poorer regions in Europe, where often the ethnic minorities are located, and the "sentiment" in the donor countries (read: Norway) has really been towards the most disadvantaged in Europe (e.g. Roma people)[28]. Only one project in Romania has reported

[28] An example could be Hungary, where the Norwegian Embassy, being an active part in "marketing" and pursuing the Grants, clearly encouraged Roma-related project proposals so be submitted.

on number of *disabled* (RO0045) and 4 projects on *children*. It is also noted that all the 4 projects in Latvia were targeting *disabled*.

Notwithstanding the partly scanty reporting on Health and Childcare projects mentioned above, the Team notes that the EEA and Norway Grants presumably give a higher *relative* priority to this sector than the EU at large. Surely, the projects directly contribute to the fulfilment of reducing *social* disparities in Europe, targeting vulnerable groups indeed, and as such are relevant and good projects. From the reports the Team could read that the outputs in the projects are normally *larger* than the target values of the indicators, which is a strong indication of the projects meetings felt needs in society!

Where projects are *relatively* small (say from € 250,000 to € 3 million) it must be much easier to target specific vulnerable groups than it is in very much larger programmes of the type favoured by the EU, the World Bank and others.

3. CONTEXTUAL TRENDS AND CONTRIBUTION OF PROJECT RESULTS

3.1 Overall Backdrop and Introduction

The 1st May 2004 enlargement of the European Union (EU) comprised the following countries: Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia. In 2007, Romania and Bulgaria followed, and this Eastern enlargement challenged a deeper integration among the member states in how to reduce the social and economic disparities in the EU area. The expectations were high that the countries, integrated in the union, would converge towards pre-existing EU members.

The analysis below focuses on the four countries studied (the Czech Republic, Latvia, Poland and Romania) and the analysis aims to give a brief social and economic contextual overview of the trends in the four countries. The trend backdrop has been prepared by reviewing easily available information on e.g. national statistics related to three chosen priority sectors (Cultural Heritage, Environment, and Health and Childcare), especially by scanning the overall picture of funding to these sectors. As such, the analysis seeks to describe the context into which the EEA and Norway Grants were operating and hence provide a backdrop for the analysis of projects reviewed in the previous chapter and their possible contribution on development trends.

In addition to reviewing selected websites (amongst other suggested by the FMO in the ToR to this Study), the Team contacted several national institutions in the four countries to seek information. The response was however mixed, as some contacted persons could not provide readily available answers and directed the Team to other institutions[29]. The information revealed through this exercise therefore only partly gave the required input to the analysis.

Another limitation relates to the fact that national statistics is not always "straightforward" to access, and the available sources may show different numbers for the same indicators. There are also various funding sources, making it difficult to identify the *total* amount of national funding in the sectors. The cultural heritage sector is a good example: The overall impression in the four countries is that the cultural heritage sector, as referred to in literature on *project* level (largely being EEA and Norway Grants projects), is well covered in the countries. What is missing however, is more detailed data on the *overall* cultural heritage situation and cultural context in the countries. A suggestion therefore (in the future), would be to map the priority sectors in each country in order to establish the appropriate baseline data, perhaps in the form of a preliminary sector survey reports.

The analysis focuses mainly on the period between 2004-2009. The timeline is interesting because of the accession of the countries to the EU. However, many programmes and policies are recently being implemented and last until 2014 (e.g. in Romania), thus making it more difficult to identify clear trends in this period.

The persons that have contributed with information, and the reference documents used in the trend and backdrop analysis, are listed in *Appendix 2*. This appendix also contains additional background information to the analysis (partly referred to in the text below), for easy reference.

The following table is showing the nominal GDP in Euro per capita for EU and the four countries (at market prices, Purchasing Power Standard, compared to EFTA countries), as a useful reference for the analysis:

Country	**2008**	**2009**	**2010**
EU, 27 countries	25,000	23,500	24,400
Czech Republic	22,200	19,300	19,400
Latvia	14,100	12,000	12,500
Poland	14,100	14,300	15,300
Romania	11,700	11,000	11,000
Island	30,900	27,700	27,200
Norway	48,000	41,200	44,200

[29] Some institutions did not respond at all.

Source: Eurostat 2011[30]. (Data for Lichtenstein not available. NOTE: The figures might differ between various documents/tables, partly due to rounding-offs, but the relative difference between the countries remain in the same magnitude)

The contextual analysis, under each country and sector, is followed by a brief assessment of the how the EEA/Norway Grants 2004-2009 might have contributed to the key trends of the development at national and sector levels in the four countries. Have the 670 projects been *relevant* in the endeavour of reducing social and economic disparities in the countries?

An important function of the EEA/Norway Grants has been seen as being a *supplement* or a *complement* to EU and other funding (e.g. World Bank, the European Bank for Reconstruction and Development (EBRD) and others) which, compared to the EEA/Norway Grants, needless to say has been massive. As a reference the funds are put into perspective in *Table 3.1* in *Appendix 1*, showing the total distribution of EEA/Norway Grants to the EU countries during 2004-09, totalling € 1,307 billion. The table below shows, for easy comparison, EU funding (2007-2013) compared to EEA/Norway Grant funding (2004-09) per capita/per year:

	EU Funding (2007-13)		**EEA/Norway Grants (2004-09)**	
Country	Total (million Euros)	Per capita per year (Euros)	Total (million Euros)	Per capita per year (Euros)
Czech Republic	26,700	353	111	1.7
Latvia	4,600	298	53	4.0
Poland	67,000	250	559	2.4
Romania	19,700	312	99	1.6
Total	**118,000**	**234**	**822**	**1.9**

Source: "EU: Structural Funds Regulations 2007-2013" (see http://www.ec.europa.eu/regional).

Of course the EU funding and the EEA/Norway Grants funding are of different scales of magnitude and are as such in no way directly comparable. Also EU funding is much more wide ranging and incorporates many different financing sources and mechanisms, with all beneficiary states paying *into* the EU funds (relative to the country's GDP), contrary to the EEA/Norway Grants where only the three donors are contributing. It is also important to bear in mind that the countries contributing to EU funds comprise about 502 million persons (about 100 times the population of the 3 EFTA donors).

Comparison between the two would also be directly *misleading* as the volumes of funding are incomparable. Also, it is realised that the *efficiency* and the *degree of focussing* in the projects is a clear success factor in the EEA/Norway Grants. *Chapter 2* shows that over half of the projects implemented in the 2004-2009 programme (those reviewed in the four countries (reference countries) by this Study) have been 97% successful in meeting their planned results. This is a truly impressive figure and has clearly been achieved by a highly developed appraisal, reporting and monitoring system, both nationally and in the FMO, to ensure project success. (It seems highly unlikely that EU funding, with its block grants and large-scale programmes, has been equally successful in focussing and targeting at project level). As shown in the following analysis, the EEA/Norway Grants have also been very relevant to the development trends in the four countries during the period and have been able to make clear, identifiable interventions despite their (in relative terms) limited funds.

3.2 Czech Republic

3.2.1 General Trends

The Czech Republic is often referred to as one of "the most stable and prosperous of the post-Communist states of Central and Eastern Europe", and the closest to the EU *average* in terms of socio-economic development. Economically, the country performs well, having one of the most industrialised developed economies among the new EU members[31].

Among the four countries covered in this analysis, GDP per capita ranges from € 19,500 per person in Czech

[30] http://epp.eurostat.ec.europa.eu/tgm/refreshTableAction.do?tab=table&plugin=1&pcode=tec00001&language=en
[31] http://www.euro.who.int/data/assets/pdf_file/0010/97633/E92968.pdf

Republic, to € 11,000 per person in Romania. Eastern European countries were hit by the global financial crisis to various degrees, where e.g. the Czech Republic recorded a drop of GDP by 4-5% (see Annex 3 in *Appendix 2*). The country however has the highest UNDP Human Development Report (HDR) position of the four countries, namely in 2004 - 32 and in 2011 - 27.

In terms of funding, the Czech Republic has been allocated € 26.7 billion in total from the EU for the period 2007-13. A major part of the allocation will be devoted to improving the sectors environmental protection and transport. Other funding priorities include entrepreneurship, research and technological development. In comparison, the EEA/Norway Grants have allocated € 131.8 million during the 2009-2014 period, up from € 110.9 million in the previous 5-year period[32].

To some extent the Czech Republic is in a different category from the three other countries in this Study. It is the country where the transition has been greatest in terms of narrowing the gap between "East" and "West", and where the disparities with the established EU countries are least (its GNI per capita in 2009 was about 40% that of Germany's). Because of the advanced state of the transition, both the World Bank and the EBRD ceased investment in the Czech Republic in 2006 and 2007 respectively, whereas they are still active players in the three other countries. The Czech Republic weathered the financial crisis of 2008/2009 well and again exhibits solid growth.

As a backdrop of understanding the funding priorities in the Czech Republic, it should also be borne in mind that the Czech Focal Point exercised a deliberate policy of declaring EEA/Norway Grants project applications ineligible in areas where the projects could be covered by the EU Structural Funds. Also, a large proportion of the funding decisions were delegated to *regional* authorities, shown in the local (and regional) nature of the investments.

3.2.2 Cultural Heritage

a) Contextual Trends

The first strategic document in the field of culture was elaborated in 1996 for the Ministry of Culture, followed by the first government policy on culture in the history of the Czech Republic, in 1999 (Strategy of Effective Cultural Support). Another important development in cultural policy came in 2008 when the Government issued the National Cultural Policy 2009-2014, a document that focuses on "*understanding culture as a discipline in which it is useful to invest time, energy, and human and financial potential*"[33].

However, the Czech Government did *not* select Cultural Heritage as one of the priority sectors for funding under the EU Structural Funds. As such, the EEA and Norway Grants have been important external funding sources in this area in addition to allocations from the state budget[34]. Around 40% of the EEA/Norway Grants funds to the Czech Republic (€ 43.3 million + € 21.5 million) were allocated to cultural heritage, which is more than for any other country.

This is an interesting observation, suggesting that *without* the EEA/Norway Grants, the country would have had limited means of boosting its cultural heritage preservation, hence saving the many historical monuments that the Czech Republic is famous for. The country has a rich and diverse cultural heritage, which reflects a long tradition of political and religious development. Indeed, the country has 12 properties included on the World Heritage list, and 15 on the tentative list. These national assets were partly left to deteriorate during the Soviet era and were to a large degree neglected during the subsequent reconstruction of the economy. The importance of support to cultural heritage in this sense cannot be underestimated. A recent evaluation found that EEA/Norway Grants and the restoration of cultural heritage as "*highly relevant in order to reinforce national identity, cultural and religious history and to hinder irreversible decay*" (reference to the mentioned Cross Czech/NCG report).

b) EEA/Norway Grants Contribution

The above description shows that the amount of funding available for the Cultural Heritage sector from national and EU sources has been limited, and focussed on large projects. The EEA/Norway Grants

[32] EEA Grants Status Report, 2011, p. 67

[33] http://www.culturalpolicies.net/web/czechia.php).

[34] Review of Conservation of Cultural Heritage Projects in the Czech Republic, NCG report, 2009, p. 14.

supported around 40 projects involving the repair, reconstruction or rehabilitation of 20 churches/synagogues/cathedrals, 16 castles, 15 museums, manor houses and numerous cultural centres and gardens/parks. These were relatively small projects, ranging from € 250,000 to € 500,000, mainly in smaller towns and cities, and none of them seem to have involved the 12 prestigious historic sites inscribed on the UNESCO World Heritage list in the Czech Republic. In other words, the EEA/Norway Grants seem to have been invested in small, highly *practical* measures (re-wiring old buildings, repairing brickwork, etc) in small communities (reference to decentralised decision-making mentioned above).

The 2009 Review of Cultural Heritage Support to the Czech Republic[35] also concluded that the EEA/Norway Grants constituted "*needed complementary financial support*" to the Structural Funds (e.g. the Integrated Operational Programme (IOP)) and other EU programmes (bigger monuments only) and commended the EEA/Norway Grants approach of supporting revival/rehabilitation of *smaller* historic buildings and movable items. Further, the Review stated that the Grants have had a very positive impact on both *condition* and *use* of the objects supported, and confirmed that the number of buildings renovated supersedes the numbers in the project applications. The positive results from digitisation of endangered documents, making them accessible to the public and experts, were also highlighted in this Review. This report thus emphasised the aspects confirmed in the Study.

3.2.3 Environment

a) Contextual Trends

The EU funding to the Czech Republic has focused on pollution/emission reduction. Also, when looking at some of the environmental trends, there has been a noticeable reduction of greenhouse gas emissions reported in the Czech Republic. For instance, as *Figures 5 and 6* in Annex 2/*Appendix 2* show, in the period 1994-2008 there has been a reduction in the amount of air pollution with 27%. Similarly, the evaluation of the overall achievement of the EEA/Norway Grants programme in terms of CO_2 emissions shows a reduction of 380 tonnes each year and a total energy saving of 5,806 GJ per year[36]. (The 2010 Environmental Performance Index (EPI) ranks 163 countries on their national achievements towards environmental target indicators related to environmental public health and ecosystem vitality. Compared to the top performer Iceland (score 93.5), the Czech Republic is ranked as No. 22 (score 71.6), making it the second best of the four countries in this analysis[37].

b) EEA/Norway Grants Contribution

EEA/Norway Grants support to the Environment sector has not been significant in the Czech Republic, with only 6% of funding going to the sector (12 projects). This is almost certainly because of the major concentration by the EU and national authorities in funding the environment sector, particularly the restoration of industrial environments blighted by pollution and emissions (e.g. the coalfields of Bohemia). The EEA/Norway Grants have been concentrated on *environmental monitoring* and e.g. the biggest of these projects was monitoring of trans-boundary air pollution by isotope fingerprinting of sources, implemented by the Czech Geological Survey, partnered by the University of Bergen. Support to the environmental sector in the Czech Republic therefore seems to be limited, specialized and "diffuse"/dispersed, although all being fully relevant. (Any higher-level synergy from the projects can of course not be found, and neither was this planned for).

[35] Cross Czech and Nordic Consulting Group AS: "*Review of Cultural Heritage Support to the Czech Republic*", Prague April 2009.
[36] COWI Report, p. 24 & 25.
[37] http://epi.yale.edu/Countries/CzechRepublic

3.2.4 Health and Childcare

a) Contextual Trends

Key facts about the Czech healthcare system:
Population: 10.5 million
Life expectancy at birth: 77.1 years (OECD 2007)
Healthcare expenditure as % of GDP: 6.8% (OECD 2007) (Average in EU 15: 7.6% (2008))
Public sector healthcare expenditure as % of total healthcare expenditure: 85.2% (OECD 2007)
WHO ranking of healthcare systems: rank 48 (1997 figures from the World Health Report of 2000. WHO discontinued the ranking after this report.)
Per Capita: USD 1,469 (World Development Indicators, 2011) (Average in EU: USD 2,867 and Norway: USD 5,625 (www.oecd-ilibrary.org), 2010)
Hospital Beds per 1000 people 2004-2009: 7.2 (World Development Indicators, 2011)
Physicians per 1000 people 2004-2009: Midwives - 3.6 /Nurses - 8.6

Sources: S.Bartova, U Walossek, S.Giest,J. Dumortier, J.Artmann EC Report
http://ehealthstrategies.eu/database/documents/CzechRepublic_CountryBrief_eHS_FinalEdit.pdf
World Development Indicators, 2011

From the early 1990s till today, significant changes have been implemented in the Czech healthcare system. Indeed, the liberalization of the society as a whole was followed by a rapid introduction of a new system of healthcare financing, and the start of privatization. The Czech Republic currently has a system of social health insurance based on compulsory membership in on of the *health insurance funds*, of which there were 10 as of early 2010. These funds are quasi-public, self-governing bodies that act as payers and purchasers of care. Eligible residents may freely choose their health insurance fund and healthcare providers[38].

Primary healthcare is seen as well functioning compared to the size of the population (10.5 million) by European standards: the number of physicians is high, with 3.6 physicians per 1,000 inhabitants in 2007[39]. Inpatient treatment is provided by hospitals, and there are 11 university (teaching) hospitals, 152 general hospitals, and 28 specialized hospitals throughout the country. Further, the number of hospital beds per 1,000 inhabitants is 7.2, which is the highest of the four countries in this Study. The Czech Republic also has an extensive public health services network providing a variety of services, and has markedly improved its score of efficiency in the period 2004-2010, making it No. 22 at the Euro Health Consumer Index (being a system how to evaluate healthcare in European countries, see figure in *Appendix 2*). Expenditures in the health sector amounts to € 497 million or € 47 per capita[40]. A recent review of the health and childcare sector in the country[41] also confirms that the differences between the country and its Western neighbours decreases in the sector, with e.g. a similar infant mortality rate. The review however mentions the problem of aging general practitioners (doctors) in primary health care, with 1/3 older than 50 years, a result of lower salaries than in other medical professions.

Health is *not* a prioritized area from the EU funding to Czech Republic, whereas the EEA/Norway Grants funded the Czech Republic with € 18.3 million for Health and Childcare projects during the period 2004-2009[42] (33 projects), and this has had visible impacts locally. A fundamental reform of the healthcare system in the country is planned in the near future, including restructuring of hospitals, providing definitions for standard of insurance coverage and increased patient payments. Child healthcare is however not a specific focus area in the health reform discourse (the COWI Evaluation refers).

b) EEA/Norway Grants Contribution

As shown above, the general health conditions and infrastructure in the Czech Republic appear to be amongst the best in the "new" EU members. It could be argued therefore, that this might be the main reason for the EU funding not giving priority to the Health and Childcare sector. From the analysis made in *Chapter*

[38] S. Bartova, U. Walossek, S. Giest, J. Dumortier, 2010.
[39] eHealth Strategies
[40] Statisticka Rocenika: Statistical Yearbook of the Czech Republic 2010.
[41] "Evaluation of the sector health and childcare under the EEA/Norway Grants. Country Report Czech Republic. October 2011", by COWI
[42] EEA Status Report, 2011, p. 66.

2 it appears that EEA/Norway Grants support to the sector have been focused on *infrastructure* and in particular on *sports/recreational facilities* and *daycare centres* for small children, although related to the health sector. At least 132 sports fields and playing fields have been implemented and over 14,000 children have benefitted. Over 70% of the beneficiaries have been vulnerable/disadvantaged persons. This would suggest that because of their emphasis on the *individual* project, and because of their ability to focus special needs through the mentioned delegated prioritizing to the regions/local communities (additional to e.g. detailed/hands-on project management), the EEA/Norway Grants could target disadvantaged and vulnerable groups much more specifically than larger funding sources e.g. the EU. This has been a commendable strategy.

The COWI evaluation of the sector (report from October 2011) states that it is "*likely that EEA/Norway grants have contributed*" to the positive development and high standard in the health and childcare sector, although it is not possible to assess the size of the contribution. At the same time it confirms that "*the programme has contributed to reducing health inequalities between the Czech Republic and donor countries*" and that "*the programme has addressed the needs defined by national priorities and …. support children with specific needs"*. The evaluation also concludes that the programme has contributed to increasing institutional capacity (meaning: capacity to treat patients).

3.3 Latvia

3.3.1 General Trends

Following an economic stagnation in the early 1990s, Latvia exhibited Europe-leading GDP growth figures during 1998–2006. Notwithstanding this achievement, in the global financial crisis of 2008–2010, Latvia was the hardest hit of the European Union member states, with a GDP decline of 26.5% in that period. However, by 2010 commentators[43] noted signs of stabilisation in the Latvian economy. Still however, the Latvian GDP is only half of the EU average and the latter was ranked at 50/43 in the UNDP Human Development Report (HDR) ranking of 2004/2011. Latvia has been badly hit by a brain drain and extensive outward migration to the rest of Europe. The population of the country has fallen by 7% since the year 2000.

The EU has in the period 2007-2013 funded Latvia with € 4.6 billion, of which € 227 million (5%) has been allocated to the health sector, € 33 million (1%) to culture, and € 776 million (17%) to environmental projects.

Latvia, with just over 2 million inhabitants, is by far the smallest of the four countries in the Study. Despite experiencing the major collapse in the economy during the financial crisis of 2008/2009, it seems to be slowly recovering and has made good headway in reducing disparities (see the table below, in spite of experiencing the mentioned brain drain at present). EBRD is active in Latvia with 76 projects and a total portfolio of € 571 million. The World Bank ceased activities in Latvia in 2007 but returned with loans in 2009 and 2010 to assist with Latvia´s banking crisis.

3.3.2 Cultural Heritage

a) Contextual Trends

During the first half of the 1990s, Latvia experienced major changes that resulted in the introduction of democratic processes; administrative reforms; liberalisation of the economy and introduction of a free market; stabilisation of the new political and economic institutions through privatisation of cultural enterprises; decentralisation of cultural processes; and introduction of new legislation.

There are 8,519 cultural monuments registered in Latvia, and the country became a member of UNESCO in 1991[44]. Of important cultural policies, "The National Programme Culture" developed in 2000 defines the general cultural priorities as "*provision of continuity of cultural process and encouragement of the development of new cultural processes in the future; improvement of the cultural administration system and infrastructure and decentralisation of the cultural administrative system*", amongst others[45].

[43] Wikipedia
[44] http://www.mantojums.lv/?cat=710&lang=en
[45] http://www.culturalpolicies.net

Whereas the EU has allocated € 33 million (1%) to this sector, EEA/Norway Grants have supported Latvia with € 2.7 million and € 10 million in the periods 2004-2009 and 2009-2014 respectively. The amount allocated by the EEA/Norway Grants is not very significant in the wider context.

b) EEA/Norway Grants Contribution

Assistance from EEA/Norway Grants to the Cultural Heritage sector in Latvia has thus not been significant with only 6 projects financed. This would be around 10% of what the EU support, and neither the EBRD nor the World Bank support the sector. It is noted that *digitisation of documents* has been an important contribution, and this is a highly visible and relevant output indeed, where documents in a vulnerable state are saved for the future and made available to the public and experts for research and studies.

3.3.3 Environment

a) Contextual Trends

Latvia's environment has benefited from a shift to service industries after the communist period, yet the country maintains various environmental concerns that have been addressed by the EU (and EEA/Norway Grants), for example: improvement of drinking water quality and sewage system; hazardous waste management; and reduction of air pollution. EU funding to Latvia's environment is € 776 million for the period 2009-2014, being 17% of the total EU funds to the country (the EEA/Norway Grants to environment and climate change amount to € 21 million). An important environmental issue in Latvia, which has received a great deal of attention, is the cleaning up of the Baltic Sea, and particularly the Gulf of Riga.

In the EPI Latvia ranks No. 21, scoring the highest value of the index among the East European countries that joined the EU (and just before Czech Republic being No. 22). Latvia seems to have managed to reduce discharge of organic water pollutants with 71% since 1994 (see Annex 2 in *Appendix 2*). Total expenditure on environment increased from 2005 to 2009 from € 90 million to € 183 million, that is, from € 40 per capita to € 82 per capita[46]. Total environmental-related expenditure, as a share of GDP, is a good indicator of the governmental *commitment* to the environmental sector, as it shows the share of income that the country is willing to devote to environmental purposes. It reflects the priority assigned to environment in the country's economy, subject to what it can afford.

b) EEA/Norway Grants Contribution

The EEA/Norway Grants portfolio is spread over many sectors in Latvia so that no *one* sector is dominant. Latvia has a legacy of industrial, agricultural and urban pollution from the Soviet period, which it has been struggling to combat. The Environment sector has therefore been given priority by the Latvian authorities. EU funding to the sector is about € 110 million per year whereas EEA/Norway Grants have been about € 4 million per year. Over 1/3 of the EEA/Norway Grants projects have been in *agriculture, biodiversity and forestry*, and this is an important and relevant focus in a country that is very urbanised and with a very poor rural sector.

3.3.4 Health and Childcare

a) Contextual Trends

Key Facts about the Latvian healthcare system:

Population: 2.2 million
Life expectancy at birth: 71.2 years
Healthcare expenditure as % of GDP: 6.41% (WHO 2005) (Average in EU 15: 7.6% (2008))
Public sector healthcare expenditure as % of total healthcare expenditure: 60.5% (WHO 2005)
WHO ranking of healthcare systems: rank 105 (1997 figures from the World Health Report of 2000. WHO discontinued the ranking after this report.)
Per Capita: USD 979 (World Development Indicators, 2011) (Average in EU: USD 2,867 and Norway: USD 5,625 (www.oecd-ilibrary.org), 2010)
Hospital Beds per 1000 people 2004-2009: 6.4 (World Development Indicators, 2011)
Physicians per 1000 people 2004-2009: Midwives - 3.0/Nurses - 4.8

Source; M. Šitcs, S. Giest, J. Dumortier, J. Artmann (2010) EC Report
http://ehealthstrategies.eu/database/documents/Latvia_CountryBrief_eHStrategies.pdf
World Development Indicators, 2011

[46] Latvijas Statistikas Gada granata: Statistical Yearbook of Latvia 2010

Following Latvia's independence and the end of a vastly centralised system that prevailed during the Soviet period, the country has focused on decentralisation of healthcare delivery; administration and financing full or partial privatisation of some types of provider institutions; and the establishment of independent primary care practices. This has led to a wide variety of legal forms of healthcare providers and institutions, both public and private[47], and this transformation is a continuous ongoing process. Although the number of hospital beds decreased from 18,034 to 14,434 (decline of 20%) during the period 2004-2009, the number per 1,000 inhabitants is still higher in Latvia than e.g. Romania. The number of health specialists also fell from 8,087 to 7,964 (decline of 1.5%) from 2004 to 2009, and the current rate per 1,000 inhabitants is below the EU average[48]. The "brain drain" from the country, including medical doctors, is still continuing with the cut in public salaries following strict regime instigated by the IMF[49]. The Norwegian newspaper "Aftenposten" of 2 January 2012 confirms that a brain drain of medical staff constitutes a serious threat to the country's health sector, because of the very low salaries available to health personnel.

b) EEA/Norway Grants Contribution

There are 11 Health and Childcare projects in Latvia, all of which have an *infrastructure* component. Most of these are relatively small projects, around € 300,000, with very specific targeting e.g. assistance for the purchase of equipment and education materials to mentally handicapped children in a specific school in a rural area of the country (example: Dauguli Special Elementary School). Again, it appears that the emphasis on small, specifically targeted individual projects for vulnerable individuals in remote areas would make effective reductions in disparities locally. This sort of assistance is often too small for major donors like EU, and too large for the local municipality, which in this case is the project promoter. The EEA/Norway Grants is thus filling a gap here, being a relevant approach indeed.

3.4 Poland

3.4.1 General Trends

Poland is largest of the beneficiary states in terms of population, (38.4 million) and also the state that has received the largest funds both from the EU (€ 67.0 billion) and from the EEA/Norway Grants (€ 578.1 million and € 558.6 million respectively in the periods 2004-09 and 2009-14). Even if Poland's GDP level is not yet close compared to "EU 15" (being the average of the 15 "old" EU countries), Poland was the only country in the EU to register economic growth in 2009, at 1.2%[50].

In fact, as mentioned above, it is argued that Poland is the only country in the EU that avoided the recession during the global financial crisis. This is said to be due to a combination of skilful economic policy, relatively small exposure to exports, flexible exchange rate policy, and high financial stability[51]. According to the European Commission's economic forecast (2011) the level of real GDP in Poland has increased by 11% since 2007, much more than in any other EU country[52]. Poland is however relatively low in the UNDP HDR ranking (39 in 2011), but shows good scores on its health system[53]. EU accession is widely cited as having a positive influence on the economy, which is now the sixth largest in the EU. However, despite its relatively sound economic performance, Poland has also lost population, having declined by 1.2% since the year 2000. This is because of out-migration to Germany, France, UK and Scandinavia.

Of the four countries under review, Poland was as such most successful in weathering the financial crisis of 2008-2009. Unlike the other countries, the economy of Poland continued to grow and this might have made the EEA/Norway Grants more effective there. The EBRD is active in Poland in the energy and financial sectors and invested € 640 million in the country in 2010 (as compared to EEA/Norway Grants with about € 100 million), and the World Bank is still active in Poland with investments in energy, transport and the financial sector. A typical ongoing World Bank project in Poland is the Orda River Flood Protection project

[47] M. Šitcs, S. Giest, J. Dumortier, J. Artmann (2010), p. 9
[48] Latvijas Statistikas Gada granata: Statistical Yearbook of Latvia 2010
[49] Article in the Norwegian newspaper Aftenposten 2 January 2012
[50] The European Commission, Economic Forecast (2011, p.142).
[51] The PWC report, 2010, p. 8
[52] The European Commission, Economic Forecast (2011, p.142).
[53] EEA Status Report 2011, p. 81

costing USD 663 million (€ 511 million), which is approximately the same magnitude as the entire EEA/Norway Grants portfolio for Poland for 419 projects during the period 2004-2009.

3.4.2 Cultural Heritage

a) Contextual Trends

Before 1989, cultural activities were organised under a system with a high level of centralisation, and of state property monopoly. Decisions made on the development of cultural activities were strongly politicised and the creative arts were under political censorship. After EU accession however, the National Strategy for the Development of Culture (NSRK) for 2004-2007 was developed, with the aim of a "*balanced development of culture in the regions*"[54]. The sector of Cultural Heritage today is the duty of the Minister for Culture and National Heritage Protection in Poland.

The contemporary cultural policy in Poland seems to reflect the major objectives of the Council of Europe, namely: decentralisation and democratisation of the decision making processes; observing the principle of transparency of the decision making; compliance with the rules of diversity and subsidiarity; and departing from the idea of placing culture on the periphery of public administration. Indeed, more and more attention is being drawn to the connections between cultural heritage and tourism. This trend is arguably linked with the Polish accession to the EU, or more specifically, with the opportunity to benefit from structural funding[55].

In 2004, Poland was given access to the European Union Structural Fund, and in the period 2007-2013, € 490 million has been allocated to the sector Culture[56]. Among the 7 Operational Programmes for the years 2004-2006, the most important for Polish culture was the Integrated Regional Operational Programme (IROP)[57], financed from the European Regional Development Fund and the European Social Fund. Most of the projects were related to "*development and modernisation of the infrastructure to enhance the competitiveness of regions"* and measures for the "*development of tourism and culture*".

b) EEA/Norway Grants Contribution

EEA/Norway Grants assistance to the Cultural Heritage sector in Poland comprised 30 projects, about 14% of the entire country portfolio, amounting to € 95 million. This amounts to about 1/3 of what the EU has contributed to the sector, which is significant indeed. A fair portion of the support went to 67 significant targeted buildings i.e. churches, castles and museums. Several projects e.g. Malbork Castle, Krakow Historic Centre and Wilanow Royal Palace in Warsaw are internationally known cultural monuments, and which have great tourist potential. Here the EEA/Norway Grants certainly were relevant and made a *significant* contribution[58].

3.4.3 Environment

a) Contextual Trends

The natural environment condition in Poland improved considerably in the last decade as the result of drop in activity of industrial enterprises ("a blessing in disguise"), which earlier had the most devastating influence on the environment. This improvement is thanks to the increase of investment in the environment protection, and to the introduction of modern technologies. Poland scores the lowest value of all the reference countries in the EPI rank of environment, being No. 61. Despite progress recent years, the emissions from the energy and industry remain among the highest in the EU. Expenditure on environment was about € 1,768 million per year during the period 2005-2010, which equals about € 46 per capita[59].

Out of EU's € 67 billion funding to Poland, investments for "*general improvements of the environment*" amount to € 17.8 billion, which is 27% of the total EU contribution. For instance, Poland's major

[54] Compendium, 2010, p. 3-4
[55] Compendium, 2010, p. 7 - http://www.culturalpolicies.net
[56] http://www.pois.gov.pl/English/About_Programme/Strony/About_the_Programme.aspx
[57] Zintegrowany Program Operacyjny Rozwoju Regionalnego - ZPORR
[58] It should also be mentioned that one grant for "living culture" (PL0382, the Cultural Exchange Fund), not included in the Review, has been supported (including activities like music/stage art, "soft" cultural heritage projects, visual art, literature, etc.). This project has notably strengthened the contact between Poland and Norway in the cultural sector (Erfaringsrapport, Riksantikvaren, September 2009, in Norwegian language).
[59] Rocznic Statystyczny: Statistical Year Book for 2010

environment project (Water and Waste Heading the Right Way) was allocated € 78 million, which represents 74% of the total programme cost of € 105 million. This suggests that the EU supports a *substantial* part compared to national/public funding to the sector[60]. The largest national programme is Infrastructure and Environment, which receives almost € 28 billion from the European Regional Development Fund and Cohesion Fund. € 4.8 billion of this goes solely to environmental projects, and € 350 million to health security and improving the efficiency of healthcare system[61].

EEA and Norway Grants have largely therefore focused on "environment and climate change" (€ 118.6 million for 2004-2009 and € 247 million for 2009-2014). More specifically, the aim during the 2004-09 period has clearly been to improve energy efficiency and energy savings in public buildings (thermo-modernisation and modernisation of heating systems), and through that reduce pollutant emissions to the atmosphere, as seen in later sections.

b) EEA/Norway Grants Contribution

EU support to the Environment sector in Poland is about € 2.5 billion per year compared to EEA/Norway Grants' annual contribution of about € 20 million (less than 1% of the EU funding). There were over 150 projects in the environment sector and the large majority of these have been relatively small, on average about € 700,000. This again may be seen as a strength of the EEA/Norway Grants approach focussing on smaller, targeted projects distributed throughout the country, and often supporting projects that are too small for international donors and too large for municipal/regional government financing, thus clearly filling a gap. Pollution reduction and the renovation of schools/kindergarten buildings (thermo-modernisation) were important and relevant elements of the environment programme. A typical project could be the building of a heating system based on solar receptors for the Sports and Recreation Centre for the municipality of Wielka Nieszawka, where the total project cost was about € 500,000.

According to the Scanteam/Proeco review[62], the thermo-modernisation projects are "*performing well*", with around 3 million m^3 of buildings benefitted from the thermo-modernisation projects, of which 80% was "*schools and similar public buildings*" (with similar rate of grants) and 12% was hospitals/health-related institutions. The calculated reduction in CO_2 emissions from reduced use of coal was estimated to 52,000 tonnes/year, which was characterised as a "*visible and significant contribution*" to emission reductions. The review also refers to the positive health effects on the population from these energy projects, although states that this is not possible to measure in the short-term.

It is also interesting to mention that another review (COWI, 2010)[63] states that "*calculations show that changes of heating systems have the lowest CO_2 reduction cost*", being around half of the cost of energy efficiency measures in building (€ 25/tonne, against € 49/tonne), where the latter is a more complex and comprehensive intervention. As regards CO_2 *emission*, energy efficiency measures in buildings give 56% reduction and even higher combined with change in heating systems, being the case on most of the EEA/Norway Grants projects. Notably, the average reduction costs was found to be lower in the EEA/Norway Grants than other financial support schemes (€ 29 against € 35/tonne CO_2), being a commendable finding indeed, especially considering that the Grants did not have this parameter as a specific objective. The Review further concludes: "*the EEA and Norway Grants strengths are their openness and their width and ability to combine several targets and interventions and address small communities and projects*", and confirming the gap-filling function concluded by the Study.

3.4.4 Health and Childcare

a) Contextual Trends

[60] The PCW report p. 51

[61] http://www.pois.gov.pl/English/About_Programme/Strony/About_the_Programme.aspx

[62] "Review of energy saving and renewable energy projects in Poland. January soo9". Scanteam, Norway and Proeco, Poland.

[63] Review of Support to Greenhouse Gas Reduction, Final Report, March 2010. COWI.

Since 1999 the healthcare system in Poland has undergone major structural changes, and moved from a centralised system of national health services financed with state budget to a decentralised mandatory health insurance system, ensured by local authorities (based on concept of "family medicine" and general practitioners)[64]. The essential strategic document in force is the *Health Care Development Strategy for 2007-13*. Even though Poland scores well on health indicators compared to other European countries, a recent EC study however notes that reforms have unfortunately *not* prevented the Polish health system from declining[65]. Some of the current reforms are addressing challenges such as tackling the aging population; reducing hospital debts; restructuring the health sector; introducing alternative sources of revenue for healthcare financing; optimisation of the health insurance system; and improving the control of rising health expenditures[66]. According to the COWI evaluation (October 2011), in 2008 72% of the medical services were financed from public funds (OECD data).

Yet, Poland ranks highest of the four countries studied (No. 21) in the Euro Health Consumer Index. There has been a very slight increase in health personnel during the period 2005-2010. Furthermore, the number of hospital beds per 1,000 inhabitant is 6.6, being the second highest of the four countries in this Study.

As regards funds to the health sector, the EU has focused on modernizing health establishments, such as for instance covering purchase costs of almost 4,000 items of medical equipment to nearly 450 health care establishments, prevention of various diseases, etc. The core of the national programmes are mass screening test and not health education. The EEA/Norway Grants support has e.g. gone to projects training medical staff, thus increasing patients' capacity.

b) EEA/Norway Grants Contribution

As shown above, EU support and EEA/Norway Grants appear to be complementary in the Health and Childcare sector in Poland. EU appears to contribute about € 50 million per year to the health sector whilst the EEA/Norway Grants amount to about € 10 million per year. EU assistance has, in short, gone to modernizing facilities whilst EEA/Norway Grants have to a large extent e.g. been used for *training* of medical personnel (in addition to infrastructure improvement of hospitals/health centres and some support to preventive health measures). What seems particularly significant is how health and childcare projects have benefitted at least 320,000 children, being more than 5.5% of the country's children under 14. This is a significant achievement, particularly as it has been widely distributed geographically, reaching poor children in poor regions. Again, the local relevance and contribution in the project locations surely has been *significant*. A recent evaluation[67] concludes that the projects sustain national strategies and policies and "*are in synergy with national and international funding*". It also states that the projects fill the gaps in other

[64] "Evaluation of the sector health and childcare under the EEA/Norway Grants. Country Report Poland. October 2011", by COWI

[65] EC E-health strategy, 2010, p. 9

[66] Ibid, p. 12. http://www.mrr.gov.pl/english/Strategies/npr/Documents/npr_complete_final.pdf

[67] "Evaluation of the sector health and childcare under the EEA/Norway Grants. Country Report Poland. October 2011", by COWI

programmes and activities, and the projects would most likely not materialise without the EEA/Norway Grants.

3.5 Romania

3.5.1 General Trends

Romania entered the European Union on 1 January 2007, and faced many challenges in endeavouring to narrow the economic gap between itself and its EU neighbours. The per capita GDP of Romania is among the lowest of the EU, being 45% of the EU average[68]. Romania also has the lowest position of the four studied countries on the UNDP HDR ranking (No. 69 and No. 50 respectively in 2004 and 2011 respectively).

Despite the need to still adjust to EU and structural reforms, Romania shows robust economic and investment growth. For instance, in 2004 the economy grew by an impressive 8.4%[69]. The country has also benefitted from EU accession funding, which led to the acceleration of the GDP with a growth of approximately 8-10% from 2004 to 2010[70]. When the financial crisis came however, Romania, together with the rest of the EU members, felt the recession.

The support from EU funds amounts to € 19.7 billion, and it has been suggested that these funds may increase the GDP by 15% for the period 2007-13. Main priorities of EU funding are environment, improving basic transport and infrastructure, but also social inclusion programmes for disadvantaged groups will be supported with some € 1.2 billion[71]. Approximately 65,000 participants in these programmes are expected to be from the Roma community. This is about 10% of the total Roma population.

Romania, in addition to Bulgaria, has only been a beneficiary of the EEA/Norway Grants for a 3-year period (2007-2009) of the original 6-year period (2004-2009) for the other countries. It is fair to say that Romania is the poorest and least developed of the four countries in the Study, and thus where the greatest reduction in disparities is required. EU funding amounts to about € 2.8 billion per year (compared with about € 30 million per year for the EEA/Norway Grants, being 1%). Both EBRD and the World Bank are currently active in Romania.

2.5.2 Cultural Heritage

a) Contextual Trends

Until 1989, there was a firm control of all cultural life in Romania, but after joining the EU in 2007 the country has made progress in this sector. For instance, the Ministry of Culture and National Heritage has drafted a decentralisation strategy for culture, including national cultural heritage, and participated in the drafting of the *National Strategy for Sustainable Development*.

Since 2009, the Ministry of Culture and National Heritage (outlined mainly by the provisions of *Government Decision 90/2010*) is responsible of establishing the principles, general objectives and functions of the Ministry and its decentralised services, as well as the organisational structure of the institutions subordinated the Ministry. The key policy is however set in the Government Decision where cultural policy is centered on the protection of cultural heritage, including the heritage of national minorities, and on "intangible heritage".

b) EEA/Norway Grants Contribution

EEA/Norway Grants support to the Cultural Heritage sector in Romania was not significant during the period 2007-2009 and only 4 projects were supported. These were quite diverse and spread out so a synergetic effect on the sector cannot be said to have been very large thus far. There is a potential for complementary funding for the projects supported by EU and the EEA/Norway Grants, which is a practical approach.

[68] EEA Status Report
[69] http://ec.europa.eu/economy_finance/een/005/article_4326_en.htm
[70] The PWC Report, 2010, p. 8
[71] EU Cohesion policy leaflet, Romania

3.5.3 Environment

a) Contextual Trends

Several decades of industrial development have left Romania with a legacy of major environmental challenges, most importantly: ensuring a reliable and clean water supply for both domestic and commercial use; and controlling air pollution, as well as reducing greenhouse emissions. In the EPI ranking, Romania comes out as the second lowest score (No. 45) among the four countries studied, only with Poland maintaining a worse record. Expenditure on environmental protection in Romania in 2008 was € 64 million, that is, only € 3 per capita[72].

The total allocation of EU investments directly contributing to improving the environment (including water treatment) in Romania is € 8.6 billion (almost 45% of total EU allocations to the country), representing the highest proportion in relative terms of any Member State. Some of the biggest initiatives supported by EU funds in the environment sector of Romania include the Extension Environment and Rehabilitation of Water and Wastewater Systems in Tulcea County, which has a total cost of € 114 million, of which the EU contributed with € 91 million (80%).

b) EEA/Norway Grants Contribution

EU makes about € 600 million available annually to the Environment sector in Romania. This compares with about € 9 million per year from the EEA/Norway Grants in the period 2007-2009 (being 1.5%). The EEA/Norway Grants give priority to *pollution control*, a very significant field in such a large country with a poor environmental legacy. *Awareness raising* has also been a significant part of the environmental support to Romania, and this is often achieved in connection with the relatively small projects financed under the EEA/Norway Grants. Awareness raising may be of particular significance and relevance in a country like Romania, which has a relatively large share of its population (43%) in the rural areas.

3.5.4 Health and Childcare

a) Contextual Trends

Key facts about Romanian healthcare system:

Population: 21.9 million
Life expectancy at birth: 73.4 years
Healthcare expenditure as % of GDP: 5.5% (WHO 2008) (Average in EU 15: 7.6% (2008))
Public sector healthcare expenditure as % of total healthcare expenditure: 81.7% (OECD 2007)
WHO ranking of healthcare systems: rank 99 (1997 figures from the World Health Report of 2000. WHO discontinued the ranking after this report.)
Per Capita: USD 517 (World Development Indicators, 2011) (Average in EU: USD 2,867 and Norway: USD 5,625 (www.oecd-ilibrary.org), 2010)
Hospital Beds per 1000 people 2004-2009: 6.5 (World Development Indicators, 2011)
Physicians per 1000 people 2004-2009: Midwives - 1.9/Nurses - 4.2

Source: D. Farcas, J. Artmann, J. Heywood, J. Dumortier EC Report
http://ehealthstrategies.eu/database/documents/Romania_CountryBrief_eHStrategies.pdf

During the past 20 years the Romanian healthcare system has undergone a transformation, a process that is still ongoing. More recently, the Government introduced a healthcare reform, outlined by a *Health Reform Law* in 2006. This aims at improving the current access to and quality/performance of the primary healthcare system, which, according to an EC report[73], at present is struggling. Primary healthcare is provided by around 11,000 family doctors. Under-five mortality rate is more than the double of EU average, although decreasing. With a 2010 healthcare budget of 3.6% of the GDP, Romania comes last in the European Union in terms of healthcare financing[74]. Among the four countries in the Study, Romania has the lowest number of physicians per 1,000 people (1.9 per 1,000 people), but is slightly better than Latvia regarding coverage of hospital beds (6.5 per 1,000 people). The number of acute care hospital beds in Romania decreased

[72] Anuaral Statistic Al Romanei 2008: Statistical Yearbook for Romania 2008
[73] EC E-health strategy, 2010
[74] "Evaluation of the sector health and childcare under the EEA/Norway Grants. Country Report Romania. October 2011", by COWI, The COWI Report, 2011, p. 2

dramatically between 1990 and 2010 (according to the COWI evaluation).

Key areas for improvement outlined by the Government include accessibility, quality of healthcare services and improving the overall health of the nation to bring it closer to the EU level. Other challenges include suspicions about corruption within the healthcare system, as well as dealing with the brain drain whereby qualified healthcare professionals are leaving the country, hoping for better future prospects elsewhere (like in Latvia).

b) EEA/Norway Grants Contribution

The EEA/Norway Grants have supported 17 projects in the Health and Childcare sector in Romania and these constitute 30% of Grants' funding to the country. As stated above, health conditions in Romania are close to being the worst in the EU. EEA/Norway Grants support has been directed largely to *hospitals and health centres* and the main beneficiaries have been *children* (almost 70%). Generally speaking it is difficult to draw major significant conclusions on the sector contribution of projects implemented in Romania, because of the short period 2007-2009, and thus because of the many delayed projects. However, the projects seem to have been relevant and targeted well, especially regarding *beneficiary groups*. A recent evaluation[75] concludes that the EEA/Norway Grants projects have helped to implement national strategies and policies and "*are in synergy with national and international funding*".

[75] "Evaluation of the sector health and childcare under the EEA/Norway Grants. Country Report Romania. October 2011", by COWI

4. OVERALL OBSERVATIONS AND CONCLUSIONS

4.1 Reducing Disparities in Europe?

The period 2004 to 2009 was a momentous one in Eastern and Central Europe. The four countries that are subject of this Study (Czech Republic, Latvia, Poland and Romania) had already experienced more than a decade of market economy when the EEA/Norway Grants were instigated. Latvia, however, was the only country (of the four) that had a history as a Soviet Republic.

By 2004, the most challenging times of changes had passed. Eastern and Central Europe countries were slowly catching up on their neighbours in the West. The atmosphere was optimistic in the Czech Republic, Latvia and Poland with the prospect of joining the European Union on 1st May of that year. A similar optimism reigned in Romania at the end of 2006 just before that country's accession to the EU. The time was therefore both ripe and opportune to launch the EEA Grants and Norway Grants (the latter managed by Innovation Norway) in the country. The Grants were clearly designed to further reduce the disparities between East and West in Europe.

In 2004 however, the disparities within EU were still considerable. Gross National Income (GNI) per capita (according to the "GNI Atlas Method") is generally recognised as a suitable measure for plotting disparities. In Romania in 2004 GNI per capita was around 10% that of Germany, and Poland´s GNI per capita was just on 20% of that of its Western neighbour. However, things changed quickly from 2004 onwards. In 1994, only two countries had a GNI more than 10% of Germany´s (the Czech Republic on 13% and Poland on 10%). In 2009, all of them had a GNI per capita between 19% and 45% of Germany´s, so a lot has happened in these past 5 years.

The table below (and *Table 4.1* in *Appendix 1*) shows how disparities in GNI per capita in the four countries of the Study have been steadily reduced (as a percentage of Germany's GNI):

Country/Year	**1994**	**1999**	**2004**	**2009**
Czech Republic	13.3%	22%	30%	45%
Latvia	7.3%	11%	18%	28.4%
Poland	10.3%	17%	20%	28%
Romania	4.8%	6%	10%	18.6%

Source: World Bank: World Development Indicators: Open Data, 2010

There is no doubt whatsoever that disparities between the 4 countries and the wealthier parts of the EU in *relative* terms have been reduced considerably between 1994 and 2009, and also between 2004 and 2009 major reductions in disparities continued to take place. Reduction in disparities is also likely (read: surely) to continue as countries grow closer together politically, socially and economically. GNI per capita does not grow as fast in the advanced EU countries as it does in the four countries in the Study. This is partly because the 4 countries still have a lot of "catching-up" to do.

Table 4.1 shows that there has been an *increase* in disparities in *absolute* terms between Germany and Latvia, Poland and Romania. For example: in 1994 the disparity in GNI per capita in absolute terms between Poland was USD 23,810 and in 2009 it was USD 29,000. However, the difference in the Czech Republic GNI per capita and that of Germany was *reduced* from USD 23,020 in 1994 to USD 22,138 in 2009. Surely what counts is the reduction in disparities in *relative* terms. The average Romanian would surely notice that his income used to be less than 1/20 of that of a German. Now it is almost 1/5. The Team's reflection is that if 15 years of assistance from the EU had *not* achieved this it would indeed be very surprising, and the whole "EU approach" would largely have been a failure.

Surely, the EEA/Norway Grants have *contributed* to reducing disparities in Europe, although of course on a much smaller scale than the EU funding. Another conclusion would have been very surprising indeed! The reason is mostly of course to be found in the *design* of the Grants, as the EEA/Norway Grants 2004-09 were implemented on an individual "project" basis rather than a "programme" basis. The projects were not part of a coherent and holistic programme of assistance, and this was clearly no objective during the programme.

Also, the projects were spread out in several geographic locations so there has been no noticeable higher-level *synergy* between the projects. Following implementation of the 2009-14 programme, having a clear *programme* approach" such sector synergies would probably be more visible.

For the 2004-09 programme, it is much more relevant, and indeed more rewarding, to look at the contribution of the projects in the *local* environment. Feedback from the projects (not only in the four countries), and the Team's own inspection of several projects e.g. through FMO monitoring assignments, almost without exception show that the benefits locally have been significant. It makes a big difference when a small municipality gets a new sewerage systems and wastewater treatment plant, where there earlier was nothing, and the small local stream/environment was polluted by raw sewage. Or a local church is renovated/upgraded to receive more tourists and local visitors alike, meaning more income to the area and at least a higher self-esteem for the local population, with the feeling that their needs are seen and supported. A new sports ground for young people's after-school activities will surely be used, and will hopefully be a good basis for preventing idling and even criminality/crime locally. When people's local habitats are improved, and people are trained, there is larger probability of the local services being more effectively performed and people might think twice before they move to larger cities. Many examples like this go without saying, showing a clear local impact from the EEA/Norway Grants.

4.2 Main Observations/Conclusions

Below, the Study Team has attempted to summarise some of the main observations and conclusions drawn from the Study:

1. The projects examined in this Study demonstrate a very high completion rate (in average 97% of projects being "fully completed"). This is indeed commendable and could be due to at least three factors. *Firstly* they have been selected in a highly competitive process. For example: In the first Open Call for project proposals in Poland, only 100 out of 1,200 applicants were selected (due to limitations in funds). The best projects, with the highest *quality* application documents, were thus selected. *Secondly*, FMO operates a close result-based monitoring and follow-up of all projects through the national focal points, including detailed appraisals and monitoring assistance from independent outsiders (consultants, like the Study Team). Implementation control is thus found to be thorough and actions to remediate problem projects were taken when required. *Thirdly*, the projects are relatively small making project management simpler for the project promoters and the agreed results easier to achieve.

2. There are still sizeable disparities (as measured in per capita income) between the four countries in the Study and the more established (donor) countries of the European Union (EU). Per capita incomes are still between 19% (Romania) and 45% (Czech Republic) of those in Germany. However, national statistics show that a discernible *relative* reduction in disparities has taken place between 1994 and 2009, and further on between 2004 and 2009. In 1994 none of the four countries had a per capita income of more than 13% that of Germany.

3. EEA/Norway Grants are, almost needless to state, very small in the four countries of the Study in comparison with other sources of funding e.g. the European Union, the World Bank, EBRD and the European Investment Bank (EIB). In the period 2007-2013 the EU expects to spend about € 17 billion per year in the four countries. In the same period the EEA/Norway Grants disbursed about € 165 million (not directly comparable figures, but the difference in magnitude of scales is evident). One World Bank project in Poland (a flood protection project) is larger (€ 520 million) than the 416 projects being funded by the EEA/Norway Grants from 2004 to 2009.

4. Because of their limited size (in comparison with other financing sources), the EEA/Norway Grants of course cannot make major detectable aggregated synergies at higher levels in reducing disparities. However, in a few sectors e.g. Health and Childcare in Poland where projects reached over 5% of the country's children under 14 years of age, the Grants might have achieved significant detectable benefits, especially so locally.

5. The *average* size of an EEA/Norway Grant financed project has been relatively small, viz. just over € 1 million in Poland and Romania and just under € 1 million in Latvia and the Czech Republic. This permitted the EEA/Norway Grants programme to be highly *targeted* and *focussed*. They could easily

target specific vulnerable groups e.g. children and youth, physically/mentally disadvantaged groups or specific geographical regions, where e.g. the EU funds are not reaching (the projects are too small for EU funding).

6. The Team therefore believes that an important function of the EEA/Norway Grants has been to bring about *specific reductions in disparities*. For example support of € 267,772 was given by the Grants to the Municipality of Hradec Kravlove in the Czech Republic to establish an information system to improve the quality of water management in the city. The city is about the same size as Kristiansand S in Norway and the project would clearly reduce disparities between two cities like that, and put them on more of a technical par.

7. The Financial Mechanism Office (FMO) has moved from a "project" to a "programme" approach for the 2009-14 programme. This Review shows that there may be advantages and disadvantages with such a change, hopefully most of the former. The Open Call system used in most beneficiary countries in the 2004-09 programme directly ensured a wide range of small projects in several sectors with a wide geographical spread. Such approach allows the Grants to target specific disadvantaged groups and/or poor geographical locations with relatively modest investment needs, and the Team assumes that this modality to a large degree still prevails in the new programmes (each comprising several activities/projects[76]). On the other hand, a programme approach, with a more high-level objective than individual projects, will avoid dissipating resources too widely and thinly, e.g. a church organ here and a city walls there, and make sure that most of the elements/projects under a programme (around 140 programmes in the 2009-14 EEA/Norway Grants) will have a holistic approach towards common objectives and might thus show (detectable) *synergy* in a priority sector. (The Team does not maintain enough details on the implementation modality of the 2009-14 programme to elaborate more on this issue).

8. It is almost certain that large donors like EU, World Bank and EBRD cannot operate on a small scale like the EEA/Norway Grants. The EEA/Norway Grants can thus, with specific components of the programmes, hopefully still in the new 2009-14 programme target small, poor and widely distributed communities who may not otherwise receive external assistance.

9. The usefulness of partnership between beneficiary country institutions and EEA institutions has been clearly verified through the Study. Between 85% and 95% of the beneficiary institutions in the four countries considered the partnership to be *important* or *fundamental* to the project. This is a very encouraging sign although forming partnerships was clearly *not* a formulated overarching objective in the 2004-09 programme. The finding shows clearly that strengthening bilateral relations between the donors and the beneficiary countries in Europe has been construed as very useful. This lesson learned has been taken up by the FMO in the planning of the 2009-14 EEA/Norway Grants programme, where most of the around 140 programmes have an EFTA partner. The partners are now involved in the planning of the programmes from the very beginning, and (presumably) ample resources are set aside in the budgets for such participation, being a very commendable approach. The impact and usefulness of partnerships will be even more evident under this new programme.

The following reflection concerns the Study per se and the methodology used:

10. The sequencing of this Study tasks, as specified in the ToR, could preferably have been different from the start. The review of PRCs and PIRs (*Chapter 2*) should have been completed, with the results analysed, *before* the Contextual Analysis (first parts of the *Chapter 3* sections) was started. The Study Team did in reality not know what the "context" was until the results of the projects were known. This is because the expected outcomes of the EEA/Norway Grants projects are very specific and targeted, e.g. the restoration of 26 castles/fortified buildings in Poland. These can of course not be compared meaningfully against the *total* allocation to the cultural heritage sector in Poland, but can be only compared to Poland´s total effort on the "restoration of castles". The Contextual Trends Analysis was not designed to chart this data, but only the *broad* context (and the limited time and resources for the Study did not allow for re-doing the contextual analysis).

[76] Although, the MFA in Oslo informed that in many countries the projects under the programmes were pre-determined by the beneficiary country, and the FMO/donors had to accept or reject the whole "package" with little influence on the details in the programmes.