

**Strategic Report on the implementation of the
Financial Mechanism of the European Economic Area
and the Norwegian Financial Mechanism
2009-2014 in Poland in 2016**

submitted for assessment to the Monitoring Committee for the Financial Mechanism of the European Economic Area (EEA Grants) and the Norwegian Financial Mechanism (Norway Grants) on 22 March
2017

National Focal Point
Ministry of Economic Development
Warsaw, March 2017

Table of Contents

1	SUMMARY	3
2	ASSESSMENT OF OUTCOMES ON THE NATIONAL SCALE	3
2.1	Cohesion	3
2.2	Bilateral relations.....	11
3	REPORTING ON PROGRAMMES.....	24
3.1	Review of programmes' status	24
3.2	Progress in implementation of individual programmes.....	36
4	MANAGEMENT AND IMPLEMENTATION.....	57
4.1	Management and control system	57
4.2	Compliance with the EU legislation, national legislation, and the Memorandum of Understanding	60
4.3	Audit, monitoring, review, and evaluation.....	61
4.4	Information and promotion	65
4.5	Action plan.....	66
5	SUMMARY OF OPEN ISSUES AND RECOMMENDATIONS	67
6	APPENDICES.....	69

1 SUMMARY

In 2016, efforts were continued to maximize spending of funds in projects and programmes. Savings were re-allocated both between projects and between budget categories. The substantive scope of the projects implemented under the procedure outlined in Article 6.9 of the *Regulation* was extended, new bilateral undertakings were identified and implemented. These activities were accompanied by on-going monitoring and inspections.

The eligibility time limit for expenses under competition projects lapsed in April for PL09 and in September for PL10. Operators of these programmes may incur costs related to bilateral cooperation and management until April 2017.

Out of 576 competition projects, for the implementation of which Poland is responsible, 258 havenot yet been concluded – which is possible thanks to the extensions from 2015. In turn, out of the 50 pre-defined projects, 31 have been completed. This is reflected in the progress of achieving indicators: 80% in terms of outcomes and 70% in terms of results. Bilateral indicators have been achieved in majority.

The majority of operators assesses the cooperation with the partner as very good. Study visits, seminars, and reports are prepared together, joint ideas for the programme are worked out together, and the transfer of experiences and best practice contributes to improve the implementation of the programme and the programme's efficiency. In 2016, the number of open calls for proposals for co-financing under the Bilateral Fund went up. These calls concern the exchange of knowledge and best practice among Polish beneficiaries and their foreign partners and they will bring benefits also for the next edition of the funds.

By the end of 2016, Poland received advance payments (grants) of approx. EUR 399.6 million from the Financial Mechanism Office, which is 84% of the allocation granted to PL. Out of the said amount, funds (grants) amounting to almost EUR 358 million have been spent by the end of 2016, which is approx. 75% of the allocation. Intense monitoring and reporting activities have been undertaken as part of the implemented programmes and projects.

2 ASSESSMENT OF OUTCOMES ON THE NATIONAL SCALE

2.1 Cohesion

While analysing cohesion indicators, it is necessary to draw attention to several aspects. First of all, attention should be paid to differentiate the starting positions that were established as at 2005. Secondly, attention should be paid to the gap that arises out of the starting position, which significantly affects the pace of convergence, which should be the primary measure of the achievements in this area. Thirdly, attention should also be paid not only to the pace, but also to the nature of adjustments. Significant variability, and – in some cases – long-term divergence, indicates that the effects of operation of policies, including funds, can be problematic. From this viewpoint, it should be recognized that slower, though sustainable and stable (resistant to disruptions) pace of convergence should be deemed as proper. These three dimensions will allow us to properly assess the economic processes in terms of cohesion.

Human Development Index					
	2005	2008	2011	2014	HDI rank in 2014
Bulgaria	0.75	0.77	0.77	0.78	59
Croatia	0.78	0.80	0.81	0.82	47
Cyprus	0.83	0.84	0.85	0.85	32
Czech	0.84	0.86	0.86	0.87	28

HDI, being a synthetic measure, makes it possible to compare changes in multiple areas and is one of the main tools used to assess policies in the area of cohesion.

It must be noted that both the difference between the indications for individual countries

Republic					
Estonia	0.82	0.83	0.84	0.86	30
Greece	0.85	0.86	0.85	0.87	29
Hungary	0.81	0.81	0.82	0.83	44
Latvia	0.79	0.81	0.80	0.82	46
Lithuania	0.81	0.83	0.83	0.84	37
Malta	0.80	0.81	0.82	0.84	37
Poland	0.80	0.82	0.83	0.84	36
Portugal	0.79	0.81	0.82	0.83	43
Romania	0.75	0.78	0.78	0.79	52
Slovakia	0.80	0.82	0.83	0.84	35
Slovenia	0.85	0.87	0.87	0.88	25
Spain	0.84	0.86	0.87	0.88	26
Norway	0.94	0.94	0.94	0.94	1
Iceland	0.89	0.89	0.89	0.90	16

Source: <http://hdr.undp.org/>

and the gap between the indicator for Poland compared to the value of the indicator for Norway decreased. Therefore, the primary objective of the cohesion policy is being carried out. The scale of improvement largely depends on the starting condition. However, the pace is not so uniform; Poland stands out in a positive way here, which systematically and gradually decreases the gap between the indications for our country and the indications for Norway, who – as a leader of the global ranking – may be treated as a reference point (benchmark) for assessing progress in implementing sustainable development strategies. As in the case of Poland, Romania improves, yet Romania started out from a much lower level. The pace of improvement is similar e. g. in Slovakia and Estonia.

Cohesion in the economic sphere is conditioned mostly by the pace of economic growth. Significant variety is visible in the group of analysed countries. Several countries stand out, including Poland, exhibiting significant progress. The scale is due to their starting condition, among other things. Several countries, despite a lower level of development, not only fail to experience convergence, but observe a relative decrease in the affluence level. These processes are also not stable; many countries experience significant variations in the pace of economic growth, and as a result – its level. Here, the situation of Poland looks particularly favourable. The cumulated growth since 2005 is the highest, Poland belongs to the countries that are the fastest to decrease the distance to the main reference points (benchmark), i.e. EU-28 and one of the global leaders, namely Norway.

GDP growth dynamics in the years 2005-2015.

	2005	2008	2011	2014	2015	2015 (index 2005= 100)
EA-17 ¹	2.1	0.4	1.7	1.6	2.2	110.1
EU-28	1.7	0.4	1.5	1.2	2.0	107.9
Bulgaria	7.1	6.0	1.9	1.3	3.6	128.3
Croatia	4.2	2.1	-0.3	-0.5	1.6	99.9
Cyprus	3.7	3.9	0.3	-1.5	1.7	103.6
Czech	6.4	2.7	2.0	2.7	4.5	121.9

GDP per capita according to purchasing power standard (EU-28=100)

	2005	2008	2011	2014	2015
EU-28	100	100	100	100	100
EA-19 ²	110	109	108	107	106
Bulgaria	37	43	45	46	47
Croatia	56	63	60	59	58
Cyprus	101	106	96	81	82
Czech Republic	79	84	83	86	87

¹ EA17: Euro Area 17 (17 EU countries that adopted euro before 31st December 2013: Austria, Belgium, Finland, France, Germany, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain, Greece, Slovenia, Cyprus, Malta, Slovakia, Estonia).

² EA17: Euro Area 19 (19 EU countries that adopted euro before 1st January 2015: Austria, Belgium, Finland, France, Germany, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain, Greece, Slovenia, Cyprus, Malta, Slovakia, Estonia, Latvia, Lithuania.)

Republic												
Estonia	9.4	-5.4	7.6	2.8	1.4	116.3	Estonia	60	69	71	76	75
Greece	0.6	-0.3	-9.1	0.4	-0.2	80.3	Greece	93	93	75	70	68
Hungary	4.4	0.9	1.7	4.0	3.1	108.6	Hungary	62	62	66	68	68
Latvia	10.7	-3.6	6.2	2.1	2.7	116.5	Latvia	50	59	57	64	64
Lithuania	7.7	2.6	6.0	3.5	1.8	127.3	Lithuania	53	63	66	75	75
Malta	3.8	3.3	1.4	8.4	7.4	140.2	Malta	81	79	83	86	88
Poland	3.5	4.2	5.0	3.3	3.9	146.6	Poland	50	55	65	68	69
Portugal	0.8	0.2	-1.8	0.9	1.6	98.5	Portugal	82	81	77	77	77
Romania	4.2	8.5	1.1	3.1	3.9	130.2	Romania	35	49	52	55	57
Slovakia	6.8	5.6	2.8	2.6	3.8	142.5	Slovakia	60	71	75	77	77
Slovenia	4.0	3.3	0.6	3.1	2.3	111.3	Slovenia	87	90	83	83	83
Spain	3.7	1.1	-1.0	1.4	3.2	104.2	Spain	100	101	93	90	90
Iceland	6.7	1.5	2.0	1.9	4.2	119.7	Iceland	134	129	114	118	123
Norway	2.6	0.4	1.0	1.9	1.6	113.6	Norway	173	187	179	175	160

Source: Eurostat.

Percentage of the population at risk of social exclusion or poverty.						Gini coefficient					
	2005	2008	2011	2014	2015	GEO/TIME	2005	2008	2011	2014	2015
Bulgaria	:	44.8	49.1	40.1	41.3	EU-28	:	:	30.8	30.9	31.0
Croatia	:	:	32.6	29.3	29.1	EA-19	29.4	30.5	30.6	31.0	30.8
Cyprus	25.3	23.3	24.6	27.4	28.9	Bulgaria	:	35.9	35.0	35.4	37.0
Czech Republic	19.6	15.3	15.3	14.8	14	Croatia	:	:	31.2	30.2	30.6
Estonia	25.9	21.8	23.1	26	24.2	Cyprus	28.7	29.0	29.2	34.8	33.6
Greece	29.4	28.1	31	36	35.7	Czech Republic	26.0	24.7	25.2	25.1	25.0
Hungary	32.1	28.2	31.5	31.8	28.2	Estonia	34.1	30.9	31.9	35.6	34.8
Latvia	46.3	34.2	40.1	32.7	30.9	Greece	33.2	33.4	33.5	34.5	34.2
Lithuania	41	28.3	33.1	27.3	29.3	Hungary	27.6	25.2	26.9	28.6	28.2
Malta	20.5	20.1	22.1	23.8	22.4	Latvia	36.2	37.5	35.1	35.5	35.4
Poland	45.3	30.5	27.2	24.7	23.4	Lithuania	36.3	34.5	33.0	35.0	37.9
Portugal	26.1	26	24.4	27.5	26.6	Malta	27.0	28.1	27.2	27.7	28.1
Romania	:	44.2	40.9	40.3	37.4	Poland	35.6	32.0	31.1	30.8	30.6
Slovakia	32	20.6	20.6	18.4	18.4	Portugal	38.1	35.8	34.2	34.5	34.0
Slovenia	18.5	18.5	19.3	20.4	19.2	Romania	:	35.9	33.5	35.0	37.4
Spain	24.3	23.8	26.7	29.2	28.6	Slovakia	26.2	23.7	25.7	26.1	23.7
Iceland	13.3	11.8	13.7	11.2	13	Slovenia	23.8	23.4	23.8	25.0	24.5
Norway	16.2	15	14.5	13.5	15	Spain	32.2	32.4	34.0	34.7	34.6
						Iceland	25.1	27.3	23.6	22.7	23.6
						Norway	28.2	25.1	22.9	23.5	23.9

Source: Eurostat

While analysing the risk of poverty and social exclusion, it is necessary to emphasize the problems of significant variation of this problem and also divergent processes. In this context, Poland, which observes systematic improvements, stands out in a positive way. Variations are not avoided even by leaders, such as Norway. Poland has reduced this risk almost twice, progressing from the group of

countries with the highest risk of poverty and exclusion to the leaders of analysed countries. The scale of income stratification also differs from country to country; in many countries the inequalities are on the rise; stabilisation of this phenomenon took place in EU-28 and in the Eurozone, which serve as a reference point for analyses. The scale of improvements of the inequality problem was the highest in Poland out of the analysed countries; however, the starting point made our country stand out as one of the countries with the highest income stratification. Currently, the income stratification level is close to the EU average.

Total unemployment rate in the years 2005-2015

GEO/TIME	2005	2008	2011	2014	2015	Difference 2005-2015 (pp)
EA-17	9.0	7.5	10.0	11.6	10.9	1.9
EU-28	8.9	7.0	9.6	10.2	9.4	0.5
Bulgaria	10.1	5.6	11.3	11.4	9.2	-0.9
Croatia	12.7	8.6	13.7	17.3	16.3	3.6
Cyprus	5.3	3.7	7.9	16.1	15.0	9.7
Czech Republic	7.9	4.4	6.7	6.1	5.1	-2.8
Estonia	8.0	5.5	12.3	7.4	6.2	-1.8
Greece	10.0	7.8	17.9	26.5	24.9	14.9
Hungary	7.2	7.8	11.0	7.7	6.8	-0.4
Latvia	10.0	7.7	16.2	10.8	9.9	-0.1
Lithuania	8.3	5.8	15.4	10.7	9.1	0.8
Malta	6.9	6.0	6.4	5.8	5.4	-1.5
Poland	17.8	7.1	9.7	9.0	7.5	-10.3
Portugal	7.7	7.7	12.9	14.1	12.6	4.9
Romania	7.2	5.8	7.2	6.8	6.8	-0.4
Slovakia	16.3	9.5	13.6	13.2	11.5	-4.8
Slovenia	6.5	4.4	8.2	9.7	9.0	2.5
Spain	9.2	11.3	21.4	24.5	22.1	12.9
Average BS	11.1	8.1	14.0	14.9	13.4	2.3
Iceland	2.5	2.9	7.0	4.9	4.0	1.5
Norway	4.4	2.5	3.2	3.5	4.3	-0.1

Source: Eurostat.

Significant differences are observed in the situation on the labour market. Many countries register a significant increase of the unemployment rate, with doubling of the rate in some of them. In 2005, Poland had the highest unemployment rate in the entire group of countries; however, our country observed the highest improvement of this indicator. This improvement resulted in that this indicator dropped below the EU and Eurozone average levels. The gap between the indications for Poland and the indications for Norway (which can serve as the reference point, having the lowest unemployment rate of all countries in the group) decreased significantly. Attention should also be drawn to the growing unemployment rate in the group of States-Beneficiaries, which is also in stark contrast with the Poland's result.

Unemployment rate among men in the years 2005-2015

GEO/TIME	2005	2008	2011	2014	2015	Difference 2005-2015 (pp)
EA-17	8.1	6.8	10.0	11.5	10.7	2.6
EU-28	8.3	6.6	9.5	10.1	9.3	1.0
Bulgaria	10.3	5.5	12.3	12.3	9.8	-0.5

The situation of men on the labour market is slightly worse than the situation of the general population. This applies to practically all countries in the group, except Estonia, Slovakia, and

Croatia	11.6	7.1	13.7	16.5	15.7	4.1
Cyprus	4.4	3.2	8.1	17.1	15.1	10.7
Czech Republic	6.5	3.5	5.8	5.1	4.2	-2.3
Estonia	9.2	5.8	13.1	7.9	6.2	-3.0
Greece	6.2	5.1	15.2	23.7	21.8	15.6
Hungary	7.0	7.7	11.1	7.6	6.6	-0.4
Latvia	10.1	8.4	18.6	11.8	11.1	1.0
Lithuania	8.1	6.0	17.9	12.2	10.1	2.0
Malta	6.3	5.6	6.0	6.1	5.5	-0.8
Poland	16.6	6.4	9.0	8.5	7.3	-9.3
Portugal	6.8	6.6	12.6	13.7	12.4	5.6
Romania	7.8	6.7	7.7	7.3	7.5	-0.3
Slovakia	15.5	8.4	13.6	12.8	10.3	-5.2
Slovenia	6.1	4.0	8.2	9.0	8.1	2.0
Spain	7.1	10.1	21.1	23.6	20.8	13.7
Average BS	9.9	7.5	13.7	14.3	12.7	2.8
Iceland	2.6	3.2	7.8	5.0	3.9	1.3
Norway	4.5	2.7	3.4	3.7	4.6	0.1

Slovenia. Among the Beneficiary-States, the difference between the average unemployment rate for these countries and the indications for EU, Eurozone, and Norway, which are the reference points, grows. Norway also observes a negative result, yet the change is only slight. It is important to mention that the unemployment rate in all countries is subject to significant fluctuations. In the case of Poland – a leader in reducing the unemployment rate among men, it is important to note that this level is still higher than observed before the financial crisis. However, the downward trend is permanent and should allow us to reach the pre-crisis levels in the nearest perspective.

Unemployment rate among women in the years 2005-2015

GEO/TIME	2005	2008	2011	2014	2015	Difference 2005-2015 (pp)
EA-17	10.0	8.2	10.4	11.8	11.0	1.0
EU-28	9.7	7.5	9.7	10.3	9.5	-0.2
Bulgaria	9.8	5.8	10.1	10.4	8.4	-1.4
Croatia	13.9	10.4	13.8	18.3	17.0	3.1
Cyprus	6.5	4.3	7.7	15.1	14.8	8.3
Czech Republic	9.8	5.6	7.9	7.4	6.1	-3.7
Estonia	6.9	5.1	11.6	6.8	6.1	-0.8
Greece	15.4	11.5	21.5	30.2	28.9	13.5
Hungary	7.4	8.0	11.0	7.9	7.0	-0.4
Latvia	10.0	7.1	13.8	9.8	8.6	-1.4
Lithuania	8.5	5.6	12.9	9.2	8.2	-0.3
Malta	8.4	6.8	7.1	5.3	5.2	-3.2
Poland	19.2	8.0	10.4	9.6	7.7	-11.5
Portugal	8.8	8.9	13.2	14.5	12.8	4.0
Romania	6.4	4.7	6.5	6.1	5.8	-0.6
Slovakia	17.2	10.9	13.6	13.6	12.9	-4.3
Slovenia	7.1	4.8	8.2	10.6	10.1	3.0
Spain	12.0	12.8	21.8	25.4	23.6	11.6
Average BS	12.5	8.9	14.4	15.6	14.1	1.6
Iceland	2.5	2.6	6.2	4.8	4.1	1.6
Norway	4.2	2.4	3.0	3.2	4.0	-0.2

Source: Eurostat.

In the case of women, despite the similar variation of the situation on the labour market, the scale of differences between the unemployment rate is lower. Here, too, the scale of improvements is the highest in the case of Poland, and like among men, the unemployment rate went down from the highest level in the group to the lowest level in the entire EU and in the Eurozone. Moreover, it is currently lower than in 2008, and the pace of decrease is visible in the reduction of the gap between the leader, namely Norway, and the historic minimum. The unemployment rate among women in Norway has not returned to its pre-crisis level; moreover, this country exhibits an upward trend in unemployment among women.

It must be noted that there is a positive tendency of reducing the differences between the unemployment rates among men and women in Poland, which are both decreasing.

Unemployment rate among youth (persons below 25 years of age)

GEO/TIME	2005	2008	2011	2014	2015	Difference 2005-2015 (pp)
EA-19	18.5	16.1	21.3	23.8	22.4	3.9
EU-28	19.0	15.9	21.7	22.2	20.3	1.3
Bulgaria	21.0	11.9	25.0	23.8	21.6	0.6
Croatia	31.9	23.7	36.7	45.5	43.0	11.1
Cyprus	13.9	9.0	22.4	36.0	32.8	18.9
Czech Republic	19.3	9.9	18.1	15.9	12.6	-6.7
Estonia	15.1	12.0	22.4	15.0	13.1	-2.0
Greece	25.8	21.9	44.7	52.4	49.8	24.0
Hungary	19.4	19.5	26.0	20.4	17.3	-2.1
Latvia	15.1	13.6	31.0	19.6	16.3	1.2
Lithuania	15.8	13.3	32.6	19.3	16.3	0.5
Malta	16.1	11.7	13.3	11.7	11.8	-4.3
Poland	36.9	17.2	25.8	23.9	20.8	-16.1
Portugal	20.8	21.6	30.2	34.7	32.0	11.2
Romania	19.1	17.6	23.9	24.0	21.7	2.6
Slovakia	30.4	19.3	33.7	29.7	26.5	-3.9
Slovenia	15.9	10.4	15.7	20.2	16.3	0.4
Spain	19.6	24.5	46.2	53.2	48.3	28.7
Average BS	24.4	19.3	32.6	33.6	30.1	5.7
Iceland	7.2	8.2	14.6	10.0	8.8	1.6
Norway	11.4	7.3	8.7	7.9	9.9	-1.5

Source: Eurostat.

Specific situation of young employees on the labour market indicates that the processes in this labour market segment are different. Poland is a leader in reducing the unemployment rate, though in 2005 Poland also was a leader in the group of countries, with the highest unemployment rate among youth. Despite this record decrease, the rate is still higher than the EU average; however, the relevant reference points, like the levels for EU countries, Eurozone, and the average for the Beneficiary-States increased significantly. It must be noted that, compared with the pre-crisis situation, the current situation is negative in the case of almost all countries. The only positive example is Hungary; however, the starting point of that country was also favourable, and the changes are slim.

Unemployment rate among young men

GEO/TIME	2005	2008	2011	2014	2015	Difference 2005-2015 (pp)
EA-19	17.8	15.9	21.6	24.2	23.0	5.2
EU-28	18.9	16.0	22.3	22.8	21.0	2.1
Bulgaria	22.0	12.8	26.0	23.8	21.2	-0.8
Croatia	29.6	20.6	37.0	44.9	41.9	12.3
Cyprus	13.2	8.7	23.3	37.4	34.7	21.5
Czech Republic	19.4	9.8	18.2	15.0	11.3	-8.1
Estonia	16.1	12.6	23.8	19.3	13.8	-2.3
Greece	18.9	16.9	38.8	47.4	45.2	26.3
Hungary	19.6	18.9	27.0	20.0	18.3	-1.3
Latvia	12.8	14.0	31.3	19.4	18.0	5.2
Lithuania	16.0	13.0	34.9	19.6	16.0	0.0
Malta	16.2	13.1	13.7	13.7	13.9	-2.3

The situation of men on the labour market was similar to the situation of the general population. However, the worsening of the situation in the case of EU countries and Eurozone, treated as a reference point, was more prevalent. In this case, too, the situation of Poland is very favourable, as the country observed the best improvement. It is partly due to the starting point, yet the unemployment rate among young men in Poland is currently lower than in the EU and in the Eurozone, and it is also lower than in the Beneficiary-States on average. Poland, as one of the few countries, closed the gap

Poland	35.8	15.2	23.6	22.7	20.7	-15.1	between the indications for Norway, which may serve as a reference point in connection with the lowest unemployment rate among young men.
Portugal	18.7	19.0	29.0	33.9	29.7	11.0	
Romania	19.9	17.7	24.0	23.6	20.6	0.7	
Slovakia	31.2	18.6	33.3	29.5	25.8	-5.4	
Slovenia	14.5	9.9	15.0	19.4	17.7	3.2	
Spain	16.7	23.6	48.2	53.4	48.6	31.9	
Average BS	22.9	18.1	31.9	32.3	29.1	6.2	
Iceland	8.5	9.0	18.4	13.1	10.8	2.3	
Norway	12.0	7.8	9.5	9.1	11.1	-0.9	

Source: Eurostat.

Unemployment rate among young women						
GEO/TIME	2005	2008	2011	2014	2015	Difference 2005-2015 (pp)
EA-17	19.3	16.4	21.0	23.2	21.7	2.4
EU-28	19.2	15.9	21.0	21.4	19.5	0.3
Bulgaria	19.7	10.5	23.6	23.7	22.3	2.6
Croatia	35.0	28.3	36.1	46.4	44.5	9.5
Cyprus	14.7	9.4	21.5	34.6	31.1	16.4
Czech Republic	19.1	9.9	18.0	17.1	14.4	-4.7
Estonia	13.8	11.3	20.7	10.0	12.2	-1.6
Greece	34.2	28.3	51.6	58.1	55.0	20.8
Hungary	19.1	20.4	24.7	20.9	16.0	-3.1
Latvia	18.4	13.1	30.6	20.0	14.2	-4.2
Lithuania	15.5	13.9	29.4	18.7	16.6	1.1
Malta	16.0	10.0	12.9	9.6	9.4	-6.6
Poland	38.4	19.7	28.8	25.5	20.9	-17.5
Portugal	23.5	24.6	31.5	35.5	34.4	10.9
Romania	17.8	17.3	23.7	24.7	23.4	5.6
Slovakia	29.4	20.3	34.3	30.1	27.5	-1.9
Slovenia	17.8	11.3	16.8	21.3	14.6	-3.2
Spain	23.4	25.5	44.0	52.9	48.0	24.6
Average BS	26.5	20.9	33.4	35.2	31.5	5.0
Iceland	5.9	7.5	10.7	6.9	6.7	0.8
Norway	10.9	6.8	7.9	6.7	8.7	-2.2

Source: Eurostat.

The scale of improvements of the situation of young women on the labour market is the highest in Poland, like for the general population; however, this indicator is still higher than it is average for the EU. Nevertheless, it dropped below the average for the Eurozone, and also below the average for the Beneficiary-States. It is important to note that the gap for Poland, using Norway as the reference point, continues to be higher for women than it is for men. In the case of women, despite the sustainable and quick improvement, the unemployment rate among youth is still higher than before the crisis; it is also higher than in the other countries of the region except Romania and Slovakia.

Gender inequality index					
	2005	2011	2012	2013	2014
Bulgaria	0.233	0.245	0.219	0.207	0.212
Croatia	0.194	:	0.179	0.172	0.149
Cyprus	0.145	0.141	0.134	0.136	0.124
Czech	0.153	0.136	0.122	0.087	0.091

The synthetic measure of inequalities related to gender, which includes the situation on the labour market, reproductive health, and skills in different areas, shows a permanent improvement

Republic					
Estonia	0.242	0.194	0.158	0.154	0.164
Greece	0.180	0.162	0.136	0.146	0.146
Hungary	0.226	0.237	0.256	0.247	0.209
Latvia	0.211	0.216	0.216	0.222	0.167
Lithuania	0.197	0.192	0.157	0.116	0.125
Malta	0.270	0.272	0.236	0.220	0.227
Poland	0.160	0.164	0.140	0.139	0.138
Portugal	0.170	0.140	0.114	0.116	0.111
Romania	0.345	0.333	0.327	0.320	0.333
Slovakia	0.195	0.194	0.171	0.164	0.164
Slovenia	0.203	0.175	0.080	0.021	0.016
Spain	0.118	0.117	0.103	0.100	0.095
Iceland	0.121	0.099	0.089	0.088	0.087
Norway	0.083	0.075	0.065	0.068	0.067

Source: UNDP.

of the situation in Poland. The difference between the indications for Norway, a leader in this respect, also is decreased. This process is therefore constant, even though the difference remains significant. These countries exhibit significant divergence, the indications for Poland can be recognized as average.

Transparency International's Corruption Perception Index								
	2004		2008		2012		2016	
	Rank	Value	Rank	Value	Rank	Value	Rank	Value
Bulgaria	54	4.1	72	3.6	75	41.0	75	41.0
Croatia	67	3.5	62	4.4	62	46.0	55	49.0
Cyprus	36	5.4	31	6.4	29	66.0	47	55.0
Czech Republic	51	4.2	45	5.2	54	49.0	47	55.0
Estonia	31	6.0	27	6.6	32	64.0	22	70.0
Greece	49	4.3	57	4.7	94	36.0	69	44.0
Hungary	42	4.8	47	5.1	46	55.0	57	51.0
Latvia	57	4.0	52	5.0	54	49.0	44	57.0
Lithuania	44	4.6	58	4.6	48	54.0	38	59.0
Malta	25	6.8	36	5.8	43	57.0	47	55.0
Poland	67	3.5	58	5.6	41	58.0	29	62.0
Portugal	27	6.3	32	6.1	33	63.0	29	62.0
Romania	87	2.9	70	3.8	66	44.0	57	48.0
Slovakia	57	4.0	52	5.0	62	46.0	54	51.0
Slovenia	31	6.0	26	6.7	37	61.0	31	61.0
Spain	22	7.1	28	6.5	30	65.0	41	58.0
Iceland	3	9.5	7	8.9	11	82.0	14	78.0
Norway	8	8.9	14	7.9	7	85.0	6	86.0

Source: www. Transparency.org

The Corruption Perception Index, which is one of the measures of the quality of institutions, indicates the growing position of Poland, which continues to improve its results in this international review. In 2005, Poland occupied 67th position in the world, preceding only Romania and Croatia out of the analysed countries. To date, Poland improved its position so much that it took over the majority of the analysed countries. At the moment, only Estonia holds a higher position in the ranking out of the Beneficiary-States.

2.2 Bilateral relations

Strengthening the bilateral relations between Donor-States and Poland is one of the main objectives of the 2009-2014 Financial Mechanisms, specified in Article 1.2 of the *Regulations*. The following are primarily used to implement it:

- The Bilateral Fund at national level and the Bilateral Funds at programme level ;
- partnership programmes (*Donor Partnership Programmes*) and partnership projects – predefined projects and projects selected in open calls for proposals.

Bilateral activities at national level

In line with the Work Plan for the Bilateral Fund at national level approved by the Donors, based on the *Agreements on the scope and manner of cooperation under the use of financial resources from the EEA FM 2009-2014 and the NFM 2009-2014*, there were 7 bilateral projects implemented in total in 2016. These initiatives contributed to establishing new and/or deepening existing contacts, sharing knowledge, experiences and good practices, as well as strengthening the institutional cooperation between partners.

Implementation of the Work Plan for 2016

1. The Ministry of Culture and National Heritage, in cooperation with a partner – the Municipality of Wrocław, implemented – as part of the *2016 European Capital of Culture* – a project entitled “Norwegian-Polish Solidarity”. The objective of this project was, on one hand, to show the modern relations between the Polish and Norwegian societies, and on the other hand – reminding the history and activity of the organisation *Solidaritet Norge-Polen (SNP)*, who assisted the Polish anti-communist opposition in the years 1981-1990. The project included among others: a historic exhibition entitled “Norwegian-Polish Solidarity” and a scientific conference under the same title, which was attended by Polish and Norwegian experts, including the heroes of SNP. These events were accompanied by a festival of Polish and Norwegian culture, with the programme composed of several concerts and a theatrical performance, in which artists and young people from both countries were involved.
2. The Ministry of Environment, like in the previous years, organised an information stand promoting EEA and Norway Grants in the area of environment during the International Trade Fair of Environmental Protection POL-ECO-SYSTEM in Poznań. The presence of the Beneficiary at the POL-ECO fair was the opportunity to meet and share experiences and information, also with entities from Donor-States, about the current trends and innovative solutions in the area of environment, as well as about the effects of projects implemented with the help of the EEA Grants and Norway Grants for 2009-2014 and the capacity for providing support under any similar programmes in the future.
3. The Central Board of Prison Service published a modular handbook for the Norwegian programme of working with detained prisoners entitled “Motivator” in Polish, adjusted to the Polish conditions and provisions of law. The handbook was prepared based on the teaching materials created by the authors as well as on the experiences gained by the representatives of Polish penitentiary services during an internship at the Ila Prison in Norway (a project under the Bilateral Fund at national level carried out in 2015). The handbook will be used by the employees of Polish penitentiary services to run therapeutic workshops with prisoners, as part of implementing the “Motivator” programme in correctional facilities in Poland. Moreover, the Beneficiary – as part of supplemental activities – purchased educational books, which are intended to bring the innovative concept of working with convicts from the viewpoint of modern scientific research, discussed in the handbook, closer to the persons implementing the programme.

4. The Ministry of Family, Labour and Social Policy organised a study visit to Norway (Bergen), which focused on combating domestic violence and gender-based violence. The participants of the study visit attended meetings with the representatives of institutions responsible for consulting, advising, and caring for domestic violence victims and sexual violence victims (e.g. Children's House – Statens Barnehus and Crisis Intervention Centre – Krisesenteret), as well as an organisation that conducts activities addressed to the perpetrators of violence (Alternative to Violence – Alternative til Vold). The visit was intended to exchange experiences and to bring closer the cooperation in the area of counteracting the subject phenomena.

Moreover, the Beneficiary organised a conference on the issue of preventing domestic and gender-based violence. The event aimed at sharing experiences and good practices in the subject area among the entities from Poland and from the Donor-States and at discussing the results of the projects implemented within the PL14 Programme managed by the Ministry of Family, Labour and Social Policy.

5. The Ministry of Interior and Administration organised a study visit to Norway dedicated to policy towards national and ethnic minorities, mostly with respect to Norwegian minorities of Sami and Kven people. The meetings at the Ministry of Local Government and Modernisation and at the Language Council of Norway in Oslo, as well as conversations with the representatives of the minorities during a visit to the north of the country – to the Sami Parliament in Karasjok, to the editorial team of the Kven newspaper "Ruijan Kaiku" in Alta, and in the Kven Culture Centre in Storslett – made it possible for both parties to share knowledge and experiences in terms of solutions and good practices to support the development of national and ethnic minorities, including how to organise teaching the minority languages in Norway and in Poland.
6. The Chancellery of the Prime Minister, based on the knowledge and experience gained during study visits to Norway and Iceland (projects implemented under the Bilateral Fund at national level in 2014 and 2015), held a Poland-wide online-radio campaign on the problems related to the notion of sexual violence towards women. The campaign was to contribute to initiate a social debate on the issue of sexual violence, in order to, among others, eliminate mental patterns that sustain the consent of sexual violence. Information spots for the radio were prepared and broadcast and promotional materials were published online as part of the campaign. The course and the effects of the implemented actions were consulted with the representatives of the institutions from Donor-States.
7. The Police Headquarters, in cooperation with the representatives of the Norwegian National Police Directorate, organised a study visit for the representatives of Police Headquarters and voivodship police stations to Norway, in order to share experiences and good practices with respect to improving safety in road traffic. Based on the acquired knowledge, an informational campaign was carried out in January 2017 in selected regions of Poland to promote Norwegian solutions in this respect, during the second stage of the project. As part of the aforementioned activities, the Beneficiary implemented, among others, a pilot project entitled "Day of reflectors", which refers to the preventive measures and awareness campaigns conducted in Norway, which emphasize the necessity to wear reflecting materials by road users. Representatives of the Norwegian National Mobile Police Service, responsible for road traffic safety, were invited to participate in the campaign. Information concerning the outcomes of the project were discussed in the police magazines in Poland. Moreover, the effects of the implemented measures will be presented during the upcoming session of the European Traffic Police Network – TISPOL, as an example of sharing experiences and good practices in the area of improving safety in road traffic. The implementation period of this project was extended until the end of March 2017.

In line with Article 2.4(4) of the *Agreement for the financing of Technical Assistance and the Fund for Bilateral Relations at National Level*, the funds of the Norwegian Financial Mechanism within the Bilateral Fund were provided to the Perpetual Fund of the Auschwitz-Birkenau Foundation. The grant

amount of EUR 250,000.00, in line with the provisions of the aforementioned Agreement, was transferred into the bank account of the Foundation directly by the Financial Mechanism Office.

As a result of the initiatives implemented in 2016, the Work Plan 2016 was executed in the amount close to EUR 790,000, therefore the level of use of the Bilateral Fund at national level exceeded EUR 1,813,000, which is approx. 67% of the entire allocation.

Bilateral activities at the level of programmes and projects

Activities related to the cooperation of Poland with the Donor-States at the level of programmes and projects focus mostly on sharing knowledge, experiences, and good practices, mainly through the Bilateral Fund and supplementary activities, as well as part of the budget lines dedicated to results and management. The assumed objectives, i.e. strengthening bilateral relations and sharing knowledge, are achieved primarily through:

- partnership programmes and projects (in some programmes the assessment procedure favoured applicants who declared that the project would be implemented together with a partner);
- seminars, workshops, thematic conferences (including international ones), and study visits organized both in Poland and in the Donor-States;
- mobility component in the PL10 programme;
- meetings of operators implementing activities in the same thematic area in different Beneficiary-States;
- calls for proposals to the Bilateral Fund and implementing projects that received a positive assessment result;
- sessions of the Cooperation Committees;
- websites of programmes updated in Polish and in English, along with a database of entities from Poland and from the Donor-States that enables establishing partnerships, telephone hotlines.

The majority of operators assesses the cooperation with the partner as very good. Intensive cooperation strengthens bilateral relations, contributing to continuous expansion of the scope of cooperation, the status of knowledge and mutual understanding. Also, with the help of study visits, seminars, and reports prepared together, joint ideas for the programme are worked out together, and the transfer of experiences and best practice contributes to improve the implementation of the programme and the programme's efficiency. The competences of persons involved in the partnerships also grow, the communication among the entities improves. A tool of systematic joint action takes the form of the sessions of the Cooperation Committees; which in many cases, take place several times a year. It allows for remaining in touch and for responding immediately to the upcoming challenges, in particular in the final stages of programme implementation. Discussions concern current issues related to programme implementation, summaries of the actions to date are made, progress is verified. Together, partners monitor the achievement of the assumed indicators and work on any remedial measures, if risks or threats for the objectives appear. More and more often, the Committee also discusses the perspectives of future cooperation, also as regards the new edition of the financial mechanism for the given thematic area.

It is important to emphasize the efficiency of the bilateral cooperation and its permanent nature. Through the measure *Mobility Projects in Higher Education* PL10, mobility among Poland and Donor-States increased. The transfer of good practices in the organisational and teaching areas was effected, the internationalisation of universities increased. The upward trend is also visible: in the first academic year of the fund's implementation, i.e. 2013/2014, 343 mobilities took place, while in the academic year 2014/2015 – 371 exchanges, and in 2015/2016 – as many as 481 exchanges. In total, there have been 1195 exchanges to Norway, Iceland, and Liechtenstein, which exceeds the planned indicator for this result.

The scientific cooperation between Poland and Norway is active and exhibits an upward trend. In line with the statistical data of the National Focal Point for the Horizon 2020 Programme, there have been 976 project applications submitted within the FP7 programme with participation of at least one partner from Poland and Norway, and 269 projects have been actually implemented. As regards the Horizon 2020 Programme, 435 applications have been submitted to date with participation of Polish and Norwegian partners, out of which 122 projects received financing and are currently being implemented. This is an added value of the bilateral cooperation in the projects implemented in PL12.

Below you will find a table containing a review of the types of actions implemented in the framework of bilateral cooperation. The results frequently include recommendations for the specific area, handbooks containing good practices, or new joint initiatives.

BILATERAL/INTERNATIONAL CONFERENCES					
	Date and place of the event	Theme	Partners	Number of participants	Specific recommendations / conclusions / products
PL02	21-22 June Białowieża PL	<u>proceeding with invasive alien species</u> in Poland and in Norway; strategies, regulations, standards of proceeding, good practices, management and pilot programmes	Norwegian Environment Agency, Norwegian Nature Inspectorate	100: representatives of public administration, state forests, national parks, NGOs, universities, scientific institutes, Norwegian Environment Agency, Norwegian Nature Inspectorate	sharing knowledge and experiences on the methods of removing and monitoring invasive alien species in Norway and Poland
PL02	22-23 November Jurata PL	<u>protecting marine resources in Poland and Norway:</u> legal framework in terms of outlining and functioning of the network of marine protected areas Natura 2000, experiences related to monitoring fauna in marine protected areas, rules of management and plans of protections in marine areas, supporting the protection of endangered habitats and species of the	Norwegian Environment Agency, Institute of Marine Research in Norway	100: representatives of the Norwegian Environment Agency and the Institute of Marine Research in Norway, the Ministry of Environment of Lithuania, Ministry of Environment Protection and Regional Development of Latvia, Ministry of Environment of Romania, and	the necessity to harmonise the methodology of monitoring the condition of the marine coast and coastal waters zone in the actions undertaken at the moment

		Baltic Sea		representatives of the Ministry of Environment and Environment Protection Agency of Estonia, and a representative of the Aegean University, Greece.	
PL04	29-31 March Kraków PL	<u>energy efficiency in Poland and in Norway:</u> policy, strategies, regulations in construction and industry	Norwegian Water Resources and Energy Directorate (NVE)	100	sharing knowledge and experiences on energy efficiency in Poland and Norway
PL06	12 September Wrocław PL	DiverCITY2 conference: how to support stakeholders in initiating and coordinating revitalisation processes	Norwegian Association of Local and Regional Authorities (KS), City of Wrocław	130	presentation and sharing of experiences of Norwegian and Icelandic cities in the context of Polish conditions
PL08	8-10 June Warsaw PL	international conference on <u>protecting Jewish heritage</u>	HL-Senteret (Center for Studies of Holocaust and Religious Minorities), representatives of 17 organisations dealing with Jewish heritage from different countries of Europe	150	opportunity to establish contact and cooperation among local activists, animators, and educators; sharing good practices
PL10	19 -20 September Bergen NO	<u>implementing stipend programmes</u> in individual Beneficiary-States: sharing experiences in good practices, summarising the results of programmes achieved to date	Norwegian Centre for International Cooperation in Education (SIU), Icelandic Centre for Research (RANNIS), National Agency for International Affairs (AIBA) in	representatives of partner institutions (SIU, RANNIS, AIBA), a representative of FMO, representatives of programme operators from Beneficiary-States	guidelines for educational programmes, recommendations for the substantive assumptions and for simplification of settlements

			Liechtenstein		
PL10	25 November Warsaw	a conference summarizing the II edition of the Scholarship and Training Fund	Norwegian Centre for International Cooperation in Education (SIU), Icelandic Centre for Research (RANNIS)	160	presentation of good practices http://www.fss.org.pl/promocja/spotkania/konferencja-zamykajaca-ii-edycje-funduszu-stypendialnego-i-szkoleniowego
PL12	8-9 December Kraków PL	international conference entitled <i>Together for innovation in health – Polish-Norwegian Research Programme:</i> biomedical engineering, new drugs and drug delivery systems, analysing the pathogenesis of selected diseases, diseases of affluence	Research Council of Norway	102 participants from Poland, Norway, and other countries, including many Polish and Norwegian health experts	sharing views and experiences regarding medical research and healthcare, as well as an opportunity to tighten scientific contacts
PL16	13-14 December Warsaw PL	Standards and good practices in the area of e-services in public administration	Norwegian Courts Administration National Courts Administration of the Republic of Lithuania Ministry of Justice of Romania	150	debates and sharing experiences in IT for the justice system, preparing workshops for a group of interested specialists, e.g. on e-protocol
PL17	5 October Olain LT	<u>opening Reintegration Centre for Addicts:</u> sharing experiences and presenting the outcomes of the programme activities	Norwegian Correctional Service	international community, including representatives of PO	transfer of technical and organisational solutions of a therapeutic division
STUDY VISITS					
	Date and place of the event	Theme	Partners and participants	Number of participants	Specific recommendations / conclusions
PL03	26-29 April Oslo, Lillehammer	<u>municipal waste management</u> in Norway, including	Norwegian Environment Agency,	10 from Poland	sharing knowledge and experiences on municipal waste management

	NO	policies, legal issues, scopes of liability, investments, managing inspections and supervision of activities that pollute the environment, paying particular attention to the issue of waste	Other participants: authorities of the Oslo and Akershus district, representatives of Norwegian companies dealing with waste management		
PL04	7-10 June Oslo NO	<u>renewable energy sources</u> : different solutions in the area of RES and demonstrating them in action	Norwegian Water Resources and Energy Directorate (NVE)	15 from Poland	sharing knowledge and experiences on energy efficiency in Poland and Norway
PL07, PL13	14-17 June PL	a study visit of Norwegian institution to Poland: <u>visiting projects</u> implemented under PL07 and PL13	Norwegian Directorate of Health, Norwegian Institute of Public Health	21 from Norway and Poland	initiating contact between the representatives of Norway with the Polish local government authorities, medical staff and managerial personnel
PL13	29-30 June Oslo NO	<i>e-health</i>	Norwegian Directorate of Health, Norwegian Directorate of e-Health	10 from Poland	presenting the experiences and practices of the Norwegian system: implementing pilot programmes in e-health, e-prescriptions, and an information website about health. These areas are of interest in the context of future cooperation between the PL13 programme partners
PL16	30 November - 1 December Strasbourg F	a study visit of Norwegian judges and presidents of Polish courts to the European Court of Human Rights in Strasbourg and to the Council of Europe	Norwegian Courts Administration	27	the first such visit of Polish judges; sharing experiences related to the application of the European Convention on Human Rights with the judges from Norway

WORKSHOPS AND BILATERAL SEMINARS					
	Date and place of the event	Theme	Partners and participants	Number of participants	Specific recommendations / conclusions
PL06	11 September	<u>financing revitalisation activities</u> by private	representatives of Polish	15	good practices handbook http://www.eog.gov.pl/media/26886/e-book_PL.pdf

	Wrocław PL	entities and improving the quality of environment in the revitalized areas	cities (Wrocław, Łódź) and Norwegian cities (Fredrikstad, Vesturbgdd), Icelandic city of Reykjavík and experts		http://www.eog.gov.pl/media/26888/e-book_EN.pdf
PL08	6-9 March Trondheim, Oslo NO	a seminar-workshop session entitled "Teaching and learning Jewish heritage": <u>teaching history</u> as an element of teaching about human rights	European Wergeland Center, experts from Poland, Norway, and Germany	22	sharing good practices in the area of teaching history and promoting human rights
PL08	10 March Oslo NO	public debate entitled "Responsibility and heritage. Accounts on Jewish History in Poland and Norway" on <u>retaining Jewish heritage in Poland and Norway</u>	HL-Senteret (Center for Studies of Holocaust and Religious Minorities), Jewish Museum in Oslo	60	Polish viewpoint: presentation of the activities of the Museum and of the project "Jewish Cultural Heritage"
PL17	30 November – 1 December Gdańsk PL	A series of 3 seminars on <u>performing service duties by correctional facilities</u> in Poland and in Norway as regards using violence and coercive measures in penitentiary facilities, running re-adaptation programmes by the Correctional Service, and actions undertaken towards the prisoners who serve long-term imprisonment sentences.	Norwegian Correctional Service	26 representatives from Poland and 13 representatives from Norway, guests from Latvia, Lithuania, Romania, Czech Republic, and representatives of the Embassy of the Kingdom of Norway in Poland	preparation for continued cooperation in the area of protecting penitentiary facilities and penitentiary influences

OTHER BILATERAL UNDERTAKINGS				
	Theme	Partners and participants	Number of participants	Specific recommendations / conclusions
PL08	<i>DOM – Dziedzictwo Obok Mnie (Heritage Next to Me). Cultural Heritage Values for Local Communities: improving the system of managing the resources of local</i>	National Institute of Heritage, Norwegian Directorate for Cultural Heritage (Riksantikvaren)		disseminating the results, and good practices handbook for municipalities: Dziedzictwo-obok-Mnie--inspiracje-do-dzialan-lokalnych.pdf Dziedzictwo-obok-Mnie--inspiracje-do-dzialan-lokalnych--wersja-angielska.pdf

	heritage in the participating municipalities in Poland and in Norway			
PL17	<i>Job shadowing</i> : 8 study visits of the representatives of the Norwegian Correctional Service to Poland and 8 study visits of the representatives of the Polish Prison Service to Norway. 4 Norwegian prisons and 4 Polish penitentiary facilities have been selected for the purposes of cooperation: sharing experiences, good practices, comparing both penitentiary systems, legal solutions applied in both countries, the way of realising on-going service duties		each time, 7 officers took part	improving the professional competences: of officers and employees of the Prison Service, direct cooperation between organisational units of both systems

As part of the open calls for proposals, the prepared selection procedure of projects in PL15 also favoured initiatives that engaged Norwegian institutions as partners. However, it sometimes happened that, despite the lack of a formal partnership, beneficiaries contacted their Norwegian counterparts and, for example, invited their representatives to participate in various events (opening/closing conferences, international training sessions, etc.). The events organised under formal partnerships include study visits and internships as well as thematic publications.

The table below presents a review of partnership projects co-financed as part of open calls for proposals and partnership pre-defined projects:

	Number of bilateral projects	Comments/explanations
PL02	4	1 project from the open call for proposals, 3 projects implemented as part of the Small Grants Scheme.
PL03	5	all (4) pre-defined projects and 1 competition project.
PL06	1	a pre-defined project of the Association of Polish Cities implemented in the partnership with the Norwegian Association of Local and Regional Authorities
PL07	1	project on introducing an innovative method of working with demented patients <i>Marte Meo</i> in Poland of the John Paul II Independent Public Healthcare Complex "Sanatorium" in Górnó, implemented within the partnership with NKS Olaviken alderspsykiatriske sykehus AS
PL08	16	14 investment projects selected for co-financing, carried out with participation of partnership institutions from Donor-States, as well as two non-investment partnership projects: a pre-defined project of the Museum of the History of Polish Jews implemented in cooperation with HL-Senteret and four Norwegian cooperating institutions, and a partnership project of the National Institute of Heritage and the Norwegian Directorate

		of Cultural Heritage (Riksantikvaren)
PL09	62	all competition projects were carried out in partnerships (partnership was a formal requirement)
PL10	457 bilateral cooperation agreements	91 projects under the measure <i>Mobility Projects in Higher Education</i> (partnership was a formal requirement), 305 study visits and preparatory visits, 24 projects being a part of the <i>Institutional Cooperation</i> (partnership was a formal requirement), 56 projects as part of the measure <i>Development of Polish HEIs</i> : partnership was a formal requirement for projects intended to develop joint study programmes
PL12	75	all projects of the main competition (CORE - 68) and the competition <i>Capturing and storing carbon dioxide</i> (CSS - 7) were carried out within partnerships (partnership was a formal requirement)
PL13	1	a pre-defined project of the Ministry of Health implemented in partnership with the Norwegian Directorate of Health
PL14	2	a pre-defined project of the Ministry of Family, Labour and Social Policy implemented in a partnership with the Council of Europe
PL15	4	a pre-defined project of the Ministry of Internal Affairs implemented in a partnership with the Council of Europe and 3 competition projects implemented by: Department of the Customs Service at the Ministry of Finance in a partnership with the Norwegian Directorate of Customs and Excise, Border Guard Headquarters in a partnership with the Norwegian Directorate of Immigration (UDI) and the Warsaw Police Headquarters in a partnership with the Norwegian National Criminal Investigation Service (KRIPOS)
PL16	3	3 pre-defined projects of the Ministry of Justice implemented in a partnership with the Norwegian National Courts Administration
PL17	1	pre-defined project of the Department of Human Resources and Training at the Central Board of Prison Service implemented in a partnership with the Norwegian Correctional Service

Among the projects within the PL10 *Mobility Projects in Higher Education*, the majority of partnerships continued the work of previous academic years. Establishing new partnerships with universities from Donor-States is difficult, mainly because there is no potential for subsequent exchanges (low interest among the students from the Donor-States in coming to Poland and in mobility as a part of their studies), and there is no willingness to formalise a partnership in an agreement. During the reporting period, some Polish universities found partnership institutions outside the higher education sector in order to hold student practice; thus the cooperation between Poland and the Donor-States began to expand beyond the education sector. In 2016, 6 students completed student practice in institutions that are not higher education institutions.

In 2016, open calls for proposals for co-financing under the Bilateral Fund have been announced. These calls were intended to co-finance additional partnership activities undertaken by the beneficiaries realising projects within individual programmes or all institutions eligible in the open call for proposals. They concern the exchange of knowledge and good practices among the Polish beneficiaries and their foreign partners; they include organisation of study visits, seminars, workshops, or conferences. The most important result of the established partnerships is the initiation of contact and commencement of the cooperation in itself – in the majority of cases, the partners did not know each other and did not cooperate before the commencement of the project. Another important result is the sharing of knowledge and experiences among the partners, but also consulting specific issues directly related to the implemented investments, or cases of organising specific cultural events by the foreign partner (exhibitions, concerts, etc.), like in PL08.

Calls for proposals under the Bilateral Fund in 2016 and resolving competitions:

	date		available amount (EUR)	number of applications			amount spent (EUR)
	of announcing the calls for proposals	of concluding the calls for proposals		submitted	under assessment	assessed positively/co-financed	
PL02	18.01	21.03	150,207	6	0	6	95,968
	13.12	31.03 2017*	73,245	4	4	0	0
PL04	21.07. 2015	30.09.2015	735,295	9	0	4	1,323,530
PL07	15.01	30.06	180,000	8	0	5	121,378
	16.09	30.12	230,000	6	6	no data	no data
PL08	6.2014	30.09 2017*	766,445	7	0	7	289,000
PL09	6.07	31.03.2017 *	268,854	70	0	64	268,854
PL10	4.04	6.06	300,000	171		119	300,000
PL13	15.01	30.06	170,000	6	0	3	59,633
	16.09	30.12	200,000	2	2	no data	no data

*or until the funds are depleted

In the above cases, the catalogue of beneficiaries was equivalent to the catalogue of institutions eligible in the open call for proposals. Operators of programmes: PL04, PL07, PL12, PL13 and PL15 plan to announce calls for proposals in 2017, yet it is conditional on the consent of the donors to re-allocate savings into BF category (resulting in increasing the allocation available). For example, operator of PL12 will announce a call for proposals in Q1 2017 concerning the organisation of workshops and Polish-Norwegian study visits to tighten research and development cooperation. The pool of funds allocated for co-financing undertakings is EUR 400,000. If savings are determined in the programme and if consent to re-allocate them to BF, the allocation will be increased accordingly. Moreover, the operators made it possible for beneficiaries of their projects to implement undertakings of bilateral nature, for example as part of PL02, PL04, PL08 or PL17, and such internal calls for proposals will be continued. For example, as part of the predefined project PL17 on the probation and non-custodial penalties, an exchange of experiences in this respect was undertaken with the Directorate for Probation Services and the Probation Office Akershus, and as part of PL16, two (January, November/December) study visits of Norwegian judges and presidents of Polish courts to the European Court of Human Rights in Strasbourg and to the Council of Europe took place.

Due to the eligibility period for bilateral measures (by 31 December 2017), programme operators do not determine any threat to the implementation of bilateral undertakings. The practice shows that the calls for proposals are popular, therefore, if free funds are identified, operators are willing to announce calls for proposals again or increase the available funds for already announced calls for proposals. This measure turned out to be effective and will be brought to fruition in the next edition of Norway Grants.

Plans

The operators are already planning bilateral activities for the next year of implementation. Many initiatives are currently being discussed with a partner. Increased cooperation is financed from already identified or expected (e.g. after the completion of competition projects and pre-defined projects) savings in programmes.

Bilateral cooperation will pertain to different areas: electric mobility, low-temperature geothermal energy, mental health, public health, or e-health. In 2017, the implementation of the project entitled *Development of comprehensive monitoring method of organic and inorganic compounds in environmental samples* carried out by the Adam Mickiewicz University in Poznań in cooperation with the Norwegian Institute for Air Research (NILU). The project will include the following tasks: holding an international conference in Poznań on modern methods of collecting and preparing environmental samples, data analysis from monitoring research, modelling and presentation of results, holding a study visit to Norway in order to share experiences and to fully learn the research potential of NILU, holding industry international conferences in European countries (Italy or Germany), during which the objectives and results of the cooperation within the Bilateral Fund will be presented.

Partnership activities selected in competitions will be implemented. Some initiatives are already at an advanced preparation level and are planned in time, for example:

	date, place	event	partnership institutions	number of participants
PL06	September/October Wrocław / PL	DiverCITY3 conference	KS (Norway), City of Wrocław	300
PL12	20-21 November Warsaw / PL	conference	Research Council of Norway	150
PL 07, 13	autumn PL	conference on new trends in healthcare and public health	Norwegian Directorate of Health	200
PL17	8 - 13 May Zakopane / PL	2 thematic conferences combined with a seminar and a meeting of directors general	Norwegian Correctional Service	no data
	11 September NO	closing conference of the Programme to take place in September 2017 in Norway, which will be combined with a summary of bilateral cooperation	Norwegian Correctional Service	no data

It can be assumed that both the catalogue itself and the number of measures will increase. It is also the last opportunity to implement substantive partnership activities, also in the context of opening the new perspective of FM.

Cooperation with the Council of Europe and the International Organisation for Migration

Cooperation with the International Organisation for Migration and the Council of Europe allows us to take advantage of the extensive experience of those organisations and of the best international practice of partnership institutions.

Under the PL15 programme, a pre-defined project was implemented, entitled "Improving Poland's capacity to prevent trafficking in human beings" together with the Council of Europe. In 2016 the following undertakings were implemented:

- organising a seminar at the Ministry of Interior and Administration concerning the involvement of business in preventing trafficking in human beings, held by the experts of the Ministry and the Council of Europe;
- holding seminars by the experts representing the Council of Europe, the National School of Public Administration at 3 universities: University of Warsaw, National School of Public Administration, and Łazarski University;
- commencement of the works of the Council of Europe and the University of Warsaw on the research study in the area of the project, comprising a collection of good practices of different countries and international institutions;
- creating a comic book on trafficking in human beings, based on the good practices of the Council of Europe, (no. of copies: 100,000), distributed gradually in schools all over the country.

In the course of the project implemented by the International Organisation for Migration, a series of training courses was planned and held in the area of prevention and combating trafficking in human beings, addressed mostly to Border Guard officers. The current system of assistance to the victims, in particular regarding assisting in voluntary return and reintegration in the national context and cooperation with the countries of origin of the victims, was analysed. The conclusions served to strengthen the cooperation among the involved entities, and modern knowledge-sharing methods (including a dedicated Online Training App) allow for holding further cascade training courses for an even larger group of students after the project implementation ends. The project was extended until 2017.

The Ministry of Family, Labour and Social Policy, operator of PL14, implemented a pre-defined project no. 1 "Polish family – free of violence" in a partnership with the Council of Europe. The following undertakings were carried out as part of the project:

- training for interdisciplinary teams and working groups in order to improve the efficiency of assisting persons experiencing domestic violence and to strengthen cooperation among the representatives of the involved institutions. The training was implemented until March 2016, the project will be completed in April 2017. In the course of the reporting period, there were 28 training sessions held for 1,319 persons. In total, there were 92 training sessions held, in which 4,395 specialists took part.
- *desk study* research programmes for the experts of the Council of Europe, in cooperation with Polish specialists in the area of preventing gender-based violence. The research report contained recommendations for Poland. This report is available at the programme's website (przeciwwprzemocy.mpips.gov.pl).

3 REPORTING ON PROGRAMMES

3.1 Review of programmes' status

There are 17 programmes, the Technical Assistance Fund, and the Bilateral Fund at the national level are being implemented within the Financial Mechanism of the European Economic Area and the Norwegian Financial Mechanism 2009-2014.

The most important challenges related to the management of environmental programmes in 2016 focused on reallocation of funds to expanding the material scope of the carried out projects as part of the procedure specified in Article 6.9 of the *Regulation on implementing the Financial Mechanism of the European Economic Area 2009-2014* (hereinafter referred to as: Regulations), extending the implementation period of projects, and bilateral measures. Due to the final stage of implementation, attention is drawn to the status of achievement of the indicators.

In 2016, agreements were signed for 17 projects selected during the last call for proposals under the mechanism (PL10 programme). In total, using the allocation awarded to Poland, 1241³ competition projects were co-financed and implemented. Out of the projects, for the implementation of which PL is responsible (i.e. 655 in total), the implementation of 258 of them has not yet concluded – it is possible thanks to the fact that in 2015, the implementation of 256 projects under the programmes: PL02, PL03, PL04, PL06, PL07, PL08, PL13, PL14, PL15, PL16, PL17 has been extended. In line with the donors' decision, under Article 7.10 of the *Regulation*, the extension of eligibility of expenses until 30 April 2017 of at least one project within the programme resulted in extending the eligibility of management costs of eleven programmes until 31 December 2017 r. The donors also confirmed that such an extension also applies to all costs managed directly by the programme operator, i.e. the Bilateral Fund at the programme level, the category of complementary actions, and a reserve to cover the losses arising from FX differences. To remind you, it must be added that earlier (in 2013), the eligibility period of projects in the research programme (PL12) was extended on the initiative of the donors, industrial open calls projects in PL04 were extended, and the final deadline for eligibility of expenses in the projects under the programme of PL18 incorporated into the original agreement was April 2017.

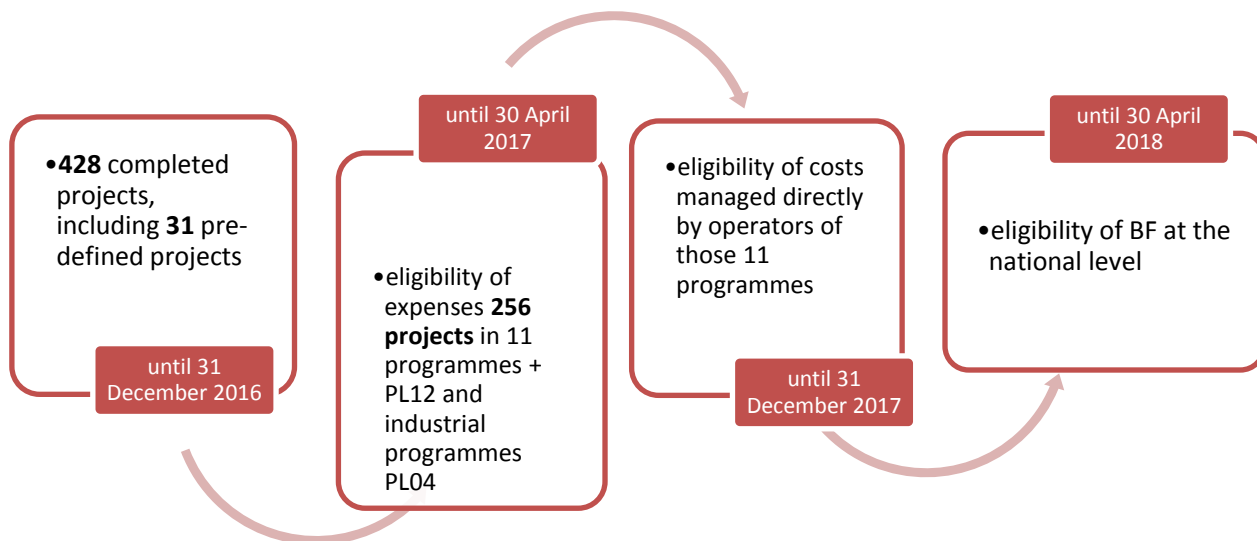
In 2016, efforts were continued to maximize spending of funds in projects and programmes. Thanks to the extension of the eligibility period for expenses in the projects under Article 8.14.4 of the *Regulation*, and as a consequence – extension of the spending period under the Bilateral Fund both at the programme level and at the national level (until 30 April 2018), savings were re-allocated both between projects and between budget categories. The substantive scopes of the projects implemented under the procedure outlined in Article 6.9 of the *Regulation* was extended, new bilateral undertakings were identified and carried out.

Schedule of implementing programmes/projects

The eligibility period for expenses under competition projects lapsed in April for PL09 and in September for PL10. Operators of these programmes may incur costs related to bilateral cooperation and management until April 2017. In order to fully and effectively use the allocation and achieve assumed or increased outcomes of the Financial Mechanisms, the remaining programmes supervised by Poland have been extended. Therefore, the eligibility deadline of extended projects will lapse in April, and the management costs, provisions for FX differences, programmes of the BF and complementary actions – on 31 December 2017. The eligibility period was also extended for the Bilateral Fund at the national level (until 30 April 2018) and the Technical Assistance Fund (until 31 August 2018).

³ PL05: 548 projects, PL18: 27 projects, PA22: 11 projects implemented directly by the operators indicated by the donors.

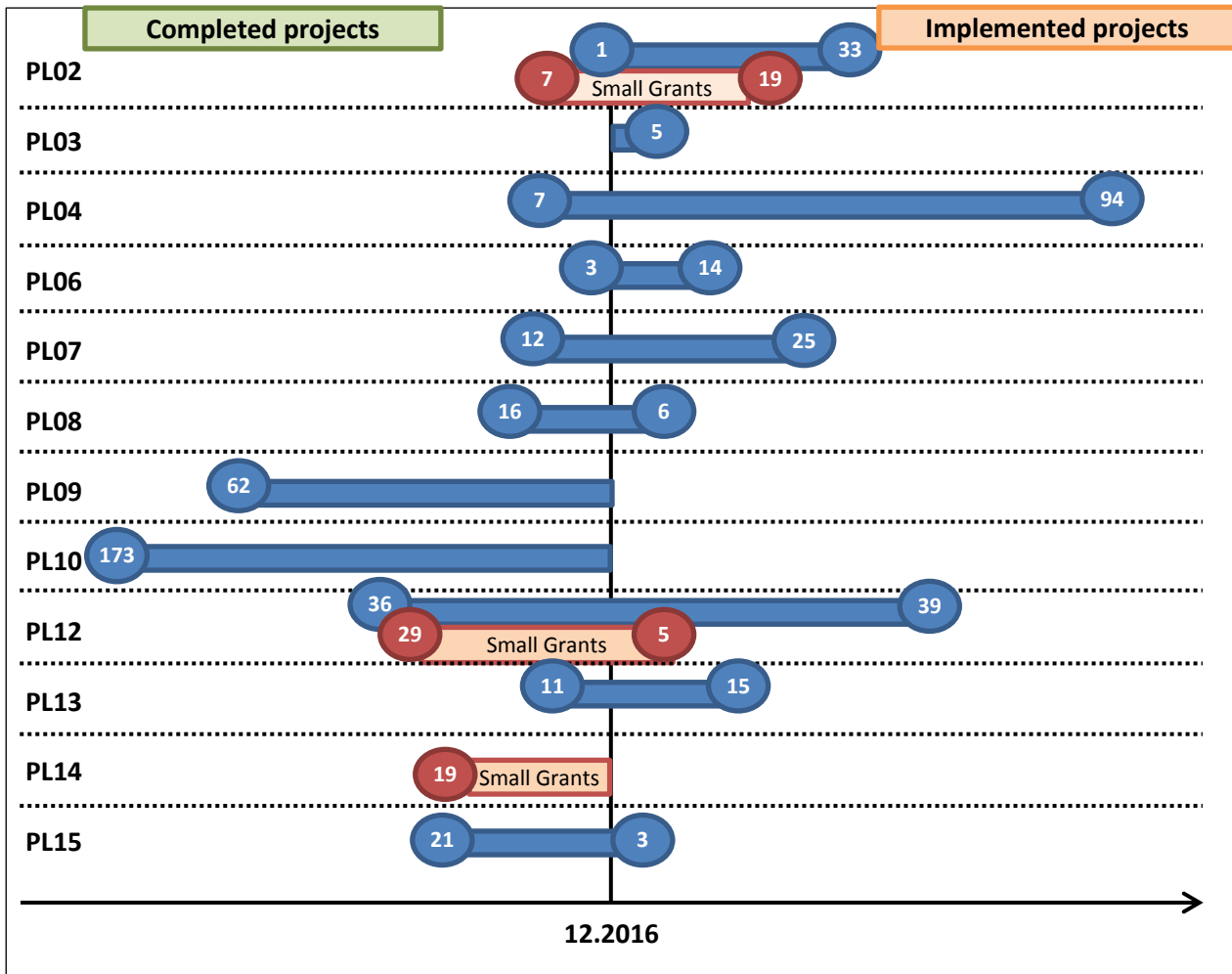
Implementation schedule of programmes



Programme implementation

576 projects received co-financing in open calls for proposals under the financial mechanisms. 344 have been completed, which means that in the first three months of 2017, 40% projects will still be implemented. The Beneficiaries are taking advantage of their potential due to the extension of the project implementation period and increase the intensity, scope, and/or outreach of their projects; many of them received additional support under the procedure provided for in Article 6.9 of the Regulation, discussed below. In the case of the Small Grants Scheme, this indicator is slightly lower and amounts to 30%: out of 79 projects, 55 have been completed by the end of 2016.

Figure no. 1: Information on completed and implemented competition projects



In line with the information included in previous strategic reports, the level of contracting funds under the EEA Financial Mechanism and the Norwegian Financial Mechanism was EUR 534,742,500, i.e. 100% of the programme allocation. During the final stage of implementation, proper allocation of identified savings is a challenge. Most frequently, the operators selected a **transfer of funds to the Bilateral Fund**, where expenses are eligible until the end of the programme (until 31 December 2017 in the case of extended programmes), while amendments to Article 7.7 of the Regulation introduced on 10 June 2015 made it possible to open the catalogue of eligible costs, and thus, to increase the capacity to use the available funds.

Reallocation of funds for implemented projects under Article 6.9 of the Regulation, i.e. financing additional activities, was another helpful tool. The additional support was made available to beneficiaries of projects with extended eligibility period. The condition for obtaining support was announcing, at least one month before the decision to award the funds, transparent and objective selection criteria for undertakings, subjecting the assessed proposals to the discussions of the Committee for Project Selection, and obtaining, thanks to these additional measures, an increase of measurable effect in the form of additional indicators or increased value of indicators. In 2016, 5 operators took advantage of this form (programmes: PL02, PL03, PL04, PL07, PL08, PL13, PL14, PL15). Additional support was granted to 54 projects, and in Q1 2017 – procedures in health-related programmes will be resolved. In total, over EUR 22.5 million was allocated to this procedure, with the highest amount being allocated in investment projects (PL04, PL08 and PL07).

Calls for proposals to extend the substantive scope, in line with the mode indicated in Article 6.9 of the *Regulation*:

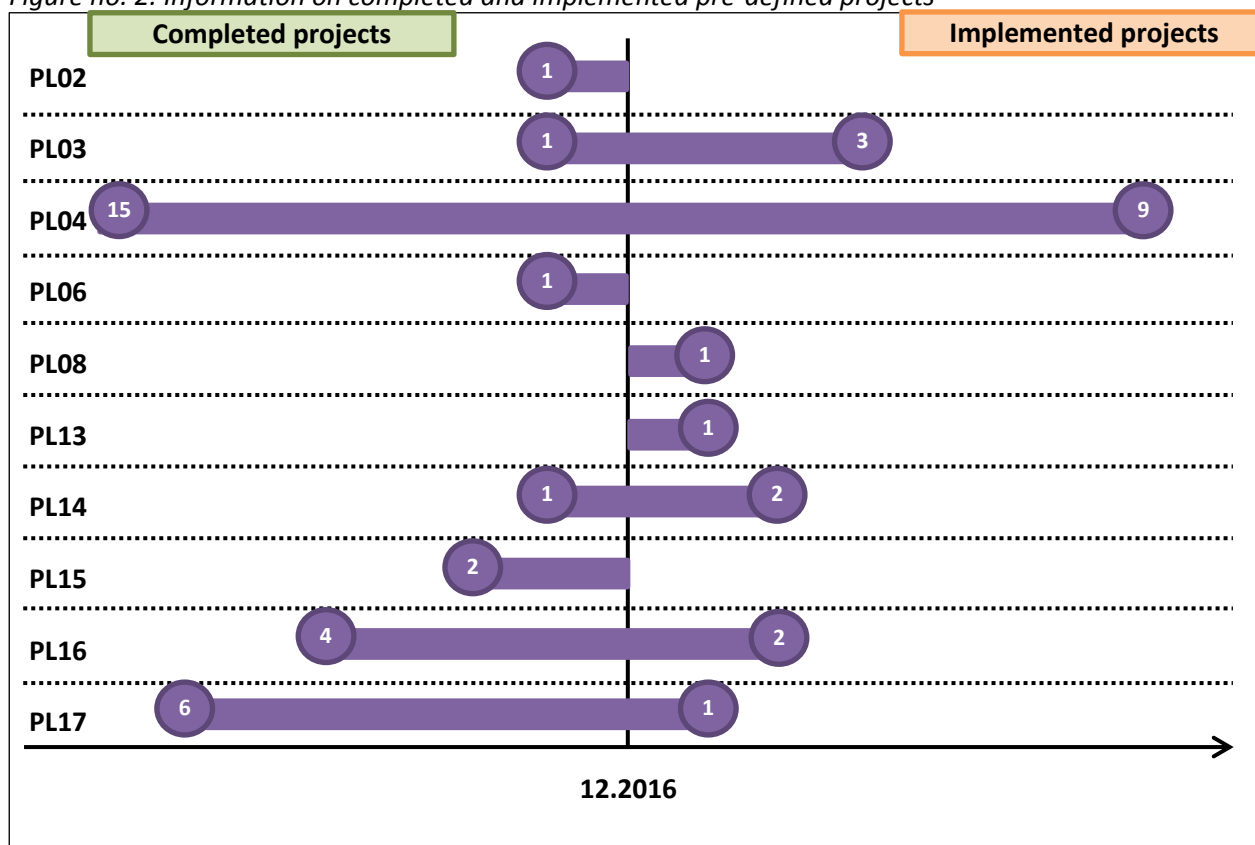
	date		available amount (EUR)	number of applications			amount spent (EUR)
	of announcing the calls for proposals	of concluding the calls for proposals		submitted	under assessment	assessed positively/co-financed	
PL02	29/02/2016	continuous	128,389	9	2	4	54,925
PL03	29/12/2015	continuous	255,699	5	0	4	255,699
	17/11/2016	continuous	42,720	2	2	no data	no data
PL04	19/10/2015	continuous	17,312,087	46	7	39	10,788,021
	08/09/2016	continuous	91,986	1	0	1	91,986
PL07	02/12/2016	continuous	1,064,667	no data	no data	no data	no data
PL08	28/07/2016	continuous	2,200,000	5	0	5	2,200,000
PL13	03/11/2016	continuous	736,835	5	0	5	604,240
PL14	23/03/2016	continuous	8,643	2	0	2	8,643
PL15	10/08/2016	31/08/2016	930,878	4	0	1	20,731

The majority of calls (except PL15) has been announced on a continuous basis, until available funds spending; all operators took into consideration the potential beneficiary's capacity to increase allocation if new savings were identified. The allocation available for the call will be fully used in programmes: PL02, PL03, PL08. There are available funds left in PL13, PL14 and PL15, they are expected in PL04 and PL07, which shows the scale of challenges that the operators of those programmes will have to face.

Pre-defined projects

50 pre-defined projects are being implemented under Norway Grants and EEA Grants, with 31 being already completed. It means that close to 40% pre-defined projects will still be implemented in the first three months of 2017, and considering the settlement of projects that ended in 2016, the operators will have to settle almost 65% of all implemented pre-defined projects.

Figure no. 2: Information on completed and implemented pre-defined projects



Changes to the programmes

We have observed an increased number of changes to the programmes since 2014. Due to their scale, we used 4 main categories – reasons for amending the agreements: correction (C), indicators (I), reallocation⁴ (R), extension (E). Numbers refer to the number of the subsequent change in the programme, while the total shows the total number of changes in the given category in each year of implementation.

	2012				2013				2014				2015				2016			
	C	I	R	E	C	I	R	E	C	I	R	E	C	I	R	E	C	I	R	E
PL02							1			2	3				4	5			6	
PL03									1						2	3				
PL04							1		2		3, 4				5	6			7	
PL06											1, 2				3	4			5	
PL07						1									2	3			4	
PL08											1					2				
PL09					1						2, 3				4				5	
PL10							1, 2												5, 6, 7*	
PL12	1						2			3	4			5					6	
PL13							1		2						3	4			5	
PL14					1, 2, 3					4	5				6	7	8			

⁴ also applies to additional allocation to the programme

PL15								1							2	3				
PL16															1	2				3
PL17								1							2	3	4			
total	1				4	1	6		5	3	10			1	11	11	2		11	
	1				11				18				23			13				

* adopted numbering of annexes, applies to annex three, four, and five of PL10

Managing savings is the main reason for changes, and the number of reallocations in the reporting year repeated the 2015 result. In total, there have been 13 addenda signed to programme agreements. Most of them was a consequence of reallocations between budget categories in programmes (PL02, PL04, PL06, PL07, PL09, PL12, PL13, PL16). These included movements between results (PL02, PL03, PL07), creating new results (PL04), strengthening management (PL07, PL12, PL13) and BF (PL04, PL12, PL13). Introducing other changes in Annex II to agreements for PL13 (tasks in the area of bilateral cooperation in health were added), PL14 and PL17. It must be noted that in the last year, modification of several programmes is expected due to the need to manage any project savings (to be identified at the turn of April and May) and to use them in the categories, whose eligibility period lasts until the end of 2017, including in particular the Bilateral Fund (PL04, PL08, PL12, PL13, PL15, PL17), and also measures intended to assure dissemination of outcomes, e.g. a social campaign, or publications.

Results of programme/project implementation – reporting on indicators

As the majority of copen call projects and pre-defined projects has concluded, we also observed progress in terms of indicators. Analysing data in this respect, provided within the DoRIS system under annual reporting scheme, shows that the progress in attaining the outcome and output indicators is proportional to the financial progress of the programmes and is 80% and 70%, respectively. In PL09 and PL10 programmes, which ended the implementation of projects, as well as in programmes PL06, PL08 and PL15, all declared indicators have been attained. It clearly shows that the implementation of the programmes progressed as assumed and contributed to achieving the planned outcomes.

The figures presented below show the achievement of indicators both at the level of outputs and outcomes, within programmes supervised directly by Poland. We assume that, in line with the schedules of the projects being still implemented within environmental programmes PL02, PL03, health programmes PL07, PL13, and PL12 and PL14 – all indicators will be attained in 2017.

Figure no. 2: Progress of contracted indicators at the outputs level (%)

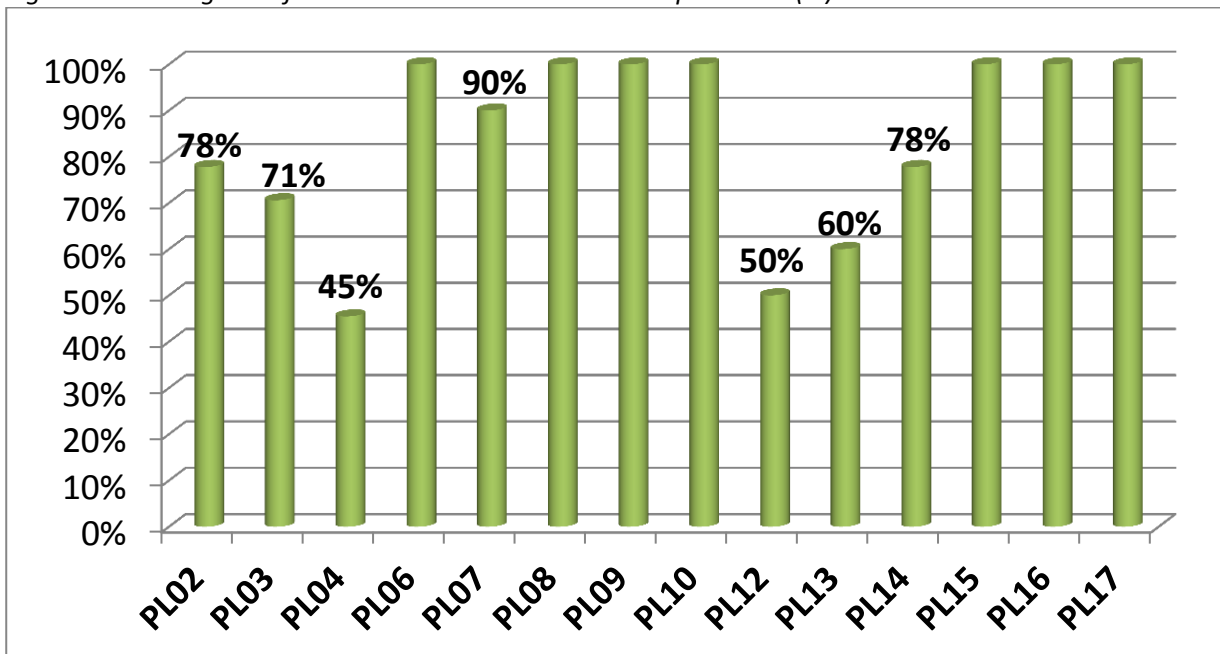
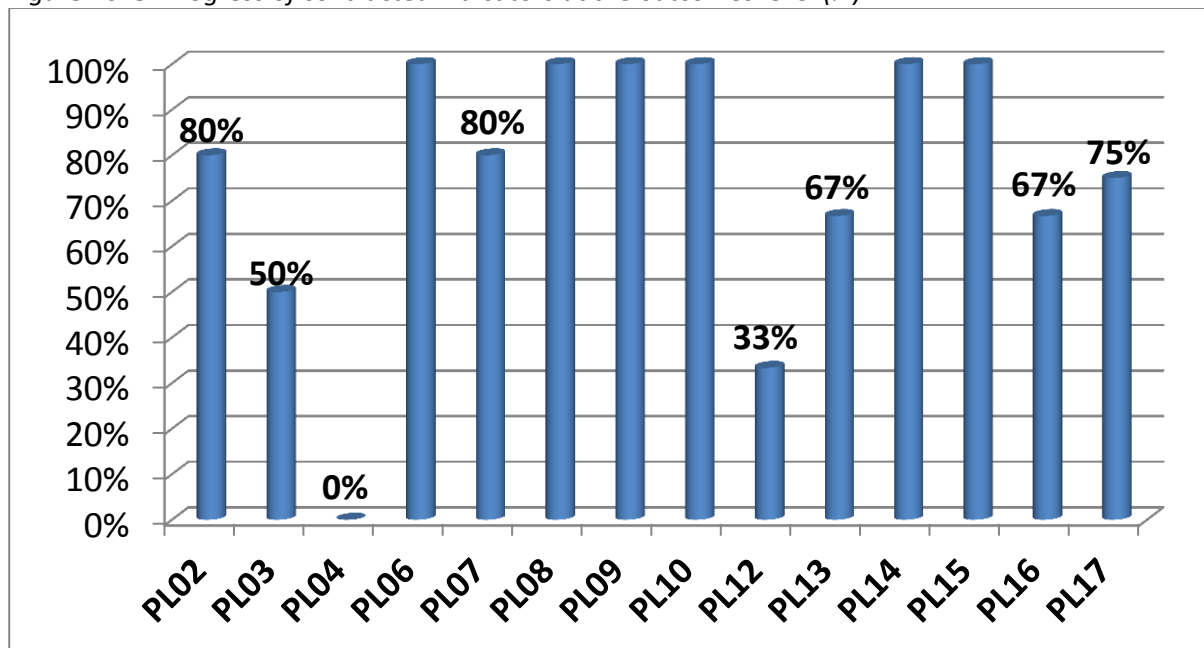


Figure no. 3: Progress of contracted indicators at the outcomes level (%)



The situation is promising also in case of bilateral indicators – see the table below. The majority of programmes was successful in attaining the defined indicators related to bilateral cooperation. Only with respect to the programmes implemented by the Ministry of Environment, Ministry of Justice, and the Prison Service the year 2017 will be the key year, during which intensive activities will be carried out.

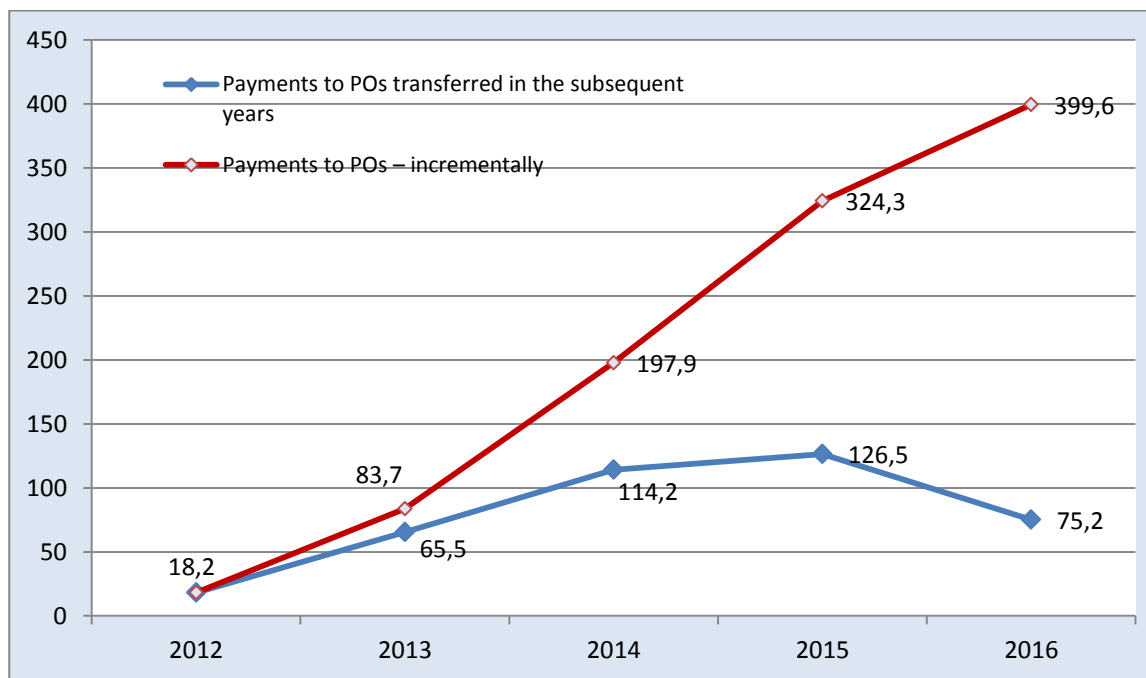
	PL02	PL03	PL04	PL06	PL07	PL08	PL09	PL10	PL12	PL13	PL14	PL15	PL16	PL17
<i>Number of project partnership agreements in beneficiary civil society</i>	not achieved	not applicable	not achieved	not applicable	not applicable	not applicable	achieved	not applicable	not applicable	achieved	achieved	not applicable	not applicable	not applicable
<i>Number of project partnership agreements in the beneficiary private sector</i>	not applicable	not applicable	achieved	not applicable	not applicable	not applicable	achieved	not applicable	achieved	not applicable	not applicable	not applicable	not applicable	not applicable
<i>Number of project partnership agreements in the beneficiary public sector</i>	achieved	achieved	not achieved	not applicable	not applicable	achieved	achieved	achieved	achieved	achieved	achieved	achieved	not applicable	achieved
<i>Number of women involved in exchange visits between beneficiary and donor states</i>	not applicable	not applicable	not applicable	not applicable	achieved	not applicable	not applicable	not applicable	not applicable	achieved	not applicable	not applicable	not applicable	not applicable
<i>Number of men involved in exchange visits between beneficiary and donor states</i>	not applicable	not applicable	not applicable	not applicable	achieved	not applicable	not applicable	not applicable	not applicable	achieved	not applicable	not applicable	not applicable	not applicable
<i>Number of joint initiatives in the European or international arena or multilateral organisations</i>	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable	achieved	not applicable	not applicable	not applicable
<i>Number of professional networks between institutions in beneficiary and donor states established and operational</i>	not achieved	not achieved	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable	achieved	not applicable	not applicable	not applicable
<i>Number of new technologies/new practises, including IT-systems, adopted in a beneficiary state, as a result of transfer of knowledge from a donor state partner</i>	not applicable	not achieved	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable
<i>Number of articles published in one country about the other partner country</i>	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable	not achieved	not achieved

key:
■ achieved
■ not achieved
■ not applicable

Funds expenditure

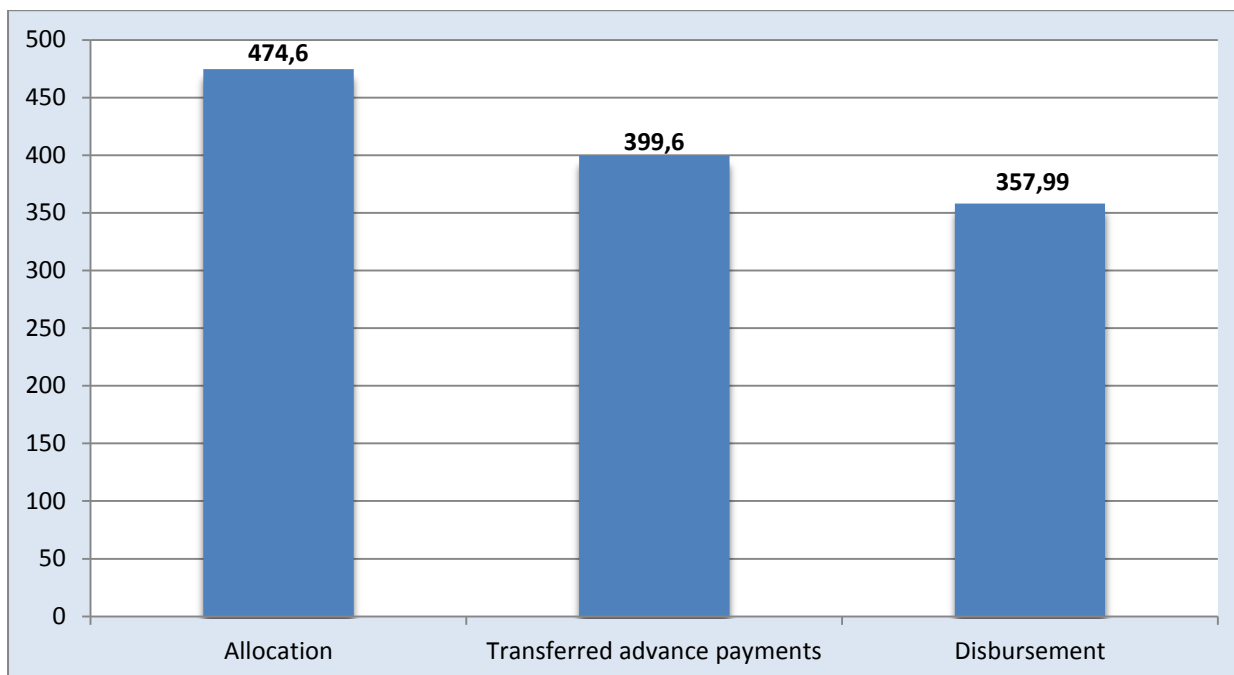
In the course of the reporting year, as the majority of projects entered an advanced implementation stage, continued progress in spending the funds by all institutions involved in implementing Financial Mechanisms 2009-2014 in Poland was visible; this amount reached over EUR 108 million. However, the dynamics of expenses in the entire programme went down compared with 2015, due to the fact that the majority of projects concluded by the end of 2016.

Figure No. 4. Payments for programme operators (grant) provided by Poland (EUR million) – in subsequent years and incrementally since the beginning of implementation of Norway and EEA Grants 2009-2014



The intensity of the measures undertaken by the operators in 2016 in order to maximise expenditure of funds was also visible in the amount of advance payments donated by the donors to Poland, as this amount was approx. EUR 399.6 million, which is 84% of the allocation awarded to Poland. The value of advance payments paid to Poland is lower than in 2015, yet it is due to the fact that the highest payments were made during the initial stage of implementation of projects and programmes, which fell in 2014-2015, i.e. at the time the agreements with beneficiaries were concluded.

Figure No. 5. Ratio of the funds from the Financial Mechanisms (grant) spent under the Programmes by the end of 2016 to the amount of funds transferred as advance payment to programme operators and allocation (in EUR million)



* the amounts do not apply to the programmes implemented directly by the donors

Moreover, by the end of this reporting period, the amount spent by the Operators reach close to EUR 358 million⁵, which constitutes approx. 90% of the advance payments transferred and over 75% of the amount allocated to the programmes implemented by Poland. High spending of funds compared with the value of advance payments transferred means that the planning of spending was reasonably performed by the operators and that the spending is monitored on a current basis; the same applies to forecasting savings, which, if identified early enough, contribute to the absorption of funds.

Closing conferences

The final stage of implementation of programmes commenced, therefore we have the first experiences from the closing conferences behind us. These events are an opportunity to present programme and project outputs, they make it possible to share experiences, and they disseminate good practices in individual areas.

On 27 September, a closing conference for the culture area programmes (PL08, PL09) was held, which was accompanied by a summary meeting for the operators of this priority area (PA17). The objective of this meeting was to discuss and reflect on the implementation of the cultural cooperation programmes in the priority area 17, and therefore, to summarize the achievements to date, to present the outputs of the programmes in selected countries, to share experiences and good practices. Additionally, discussions within two workshops groups were held during the meeting. The meeting was attended by the representatives of all 10 countries that implement analogous cultural cooperation programmes, i.e. Poland, Bulgaria, Czech Republic, Hungary, Lithuania, Latvia, Portugal, Spain, Romania, and Slovakia, and the representatives of the Arts Council Norway (programme partner), Norwegian Ministry of Culture, Icelandic Centre of Research (RANNIS), Financial Mechanism Office, Embassy of the Kingdom of Norway in Poland, Norwegian Directorate of Cultural Heritage.

⁵ The amount of expenses is subject to change due to the fact that as at the date of drafting this report, the verification process of the Interim Financial Reports listing expenses for the period September-December 2016 is currently pending.

On 25 November, the implementation of the second edition of the Scholarship and Training Fund (PL10) ended officially with the conference entitled “EEA and Norway Grants for international mobility, cooperation and development in education”. Five universities received *Mobility Oscars* for conducting the highest number of exchanges in the categories: outgoing students, incoming students, outgoing employees, incoming employees, and gaining the highest number of partnership institutions from Donor-States for cooperation. The conference was attended by the representatives of the Embassy of the Kingdom of Norway, of partnership institutions, i.e. the Norwegian Centre for International Cooperation in Education (SIU) and RANNIS, and representatives of educational institutions from Poland and from Donor-States involved in the implementation of the projects.

On 13-14 December, the Ministry of Family, Labour and Social Policy organised a conference to summarize the implementation of PL14 programme, attended by experts from Poland, Norway, and Iceland implementing tasks in the area of counteracting domestic violence. The conference was attended by experts from Poland, Norway and Iceland, including representatives of entities involved in implementing the programme and the projects, and representatives of services that implement tasks in the area of counteracting domestic violence.

Plans include an official summary of the outputs of another ten programmes, including the research programme and the Prison Service programme (both in September).

Horizontal issues

We have reported on the horizontal issues extensively in the previous reporting period. Now we would like to discuss selected examples of implementing them in the programmes and projects implemented with the assistance of Norway and EEA Grants.

Horizontal issues are considered since the undertakings for co-financing are selected. These issues have been discussed in detail in the competition documentation and have been considered during the substantive-technical assessment. They are also the subject of verification as part of the flow of reporting documents; they are discussed in direct working contact with the beneficiaries. Bilateral cooperation projects contribute to lowering economic differences and to strengthening bilateral relations. They increase the social awareness and cohesion and help to develop dialogue between Poland and the Donor-States. For beneficiaries, the cultural aspect and the expansion of experiences is also of significance.

The outputs of student and personnel exchanges in the mobility component of PL10 or study visits realised as part of other programmes take the form of improving the chances of the beneficiaries on the labour market and of improving the entrepreneurship.

We make sure that the economic growth is not effected at the cost of the natural environment. In each project or undertaking, the implementers and the beneficiaries consider the **environmental aspect of sustainable development**. They should manage their resources in an efficient and reasonable manner, and use new, environmentally-friendly technologies, if possible. During the calls for proposals, the operators favour e.g. innovative nature of the solutions used in the project and cost efficiency. Environment protection is a direct objective of projects PL02, PL03 and PL04.

Social and educational campaigns, reducing gas emissions, improving energy efficiency, or increasing the use of renewable energy sources, halting the loss of biodiversity and educating in this area, improving environmental monitoring and providing information to the society about it, improving energy efficiency, reducing/avoiding carbon dioxide emission and other pollution to the atmosphere, increased production of energy from renewable sources, education in this respect.

However, this may also be achieved indirectly (e.g. using training materials in electronic form instead of the traditional hard copy form, electronic version of handbooks, guides, etc.), which – through improving access to knowledge and information, has a positive influence on **sustainable social development**. The latter is visible e.g. by engaging stakeholders in the process of social consultations for the programme, during meetings or workshops, including bilateral ones, as well as by using social clauses in the tender procedures held in the course of PL16 programme.

Including non-governmental organisations, entrepreneurs and other entities of major significance from the local/regional point of view into partnerships in PL06 regional programme projects.

Moreover, a research programme contributes to restoring the work-life balance, and the health projects' component support social development.

Economic aspect of the sustainable development principle is visible primarily in verifying the ratio of costs to benefits, both at the programme level and the projects level, including application of guidelines in the area of awarding public procurements, enquiries, applying the competitiveness principle, requirement of own contribution of beneficiaries as a rule.

The undertakings co-financed from Norway and EEA Grants should also conform with the **equal opportunities** policy in access to education, labour market, work-life balance, also in the territorial aspect. The support is rendered evenly throughout the entire territory of the country, it did not focus solely on better developed or major centres.

Under PL16, a pre-defined project no. 1 is implemented in the Wrocław and Białystok circuits – the so-called Eastern Wall, and the beneficiaries of the “School education...” project were school communities in small towns and villages. Also, the support for crime victims – legal and psychological assistance in project no. 4 – was provided in smaller places, frequently in the seats of municipal/communal social welfare centres.

The implementers of undertakings financed from the Norway and EEA Grants make sure that, at each stage of implementation of the given project, men and women are treated equally, that there is no discrimination due to factors other than gender, e.g. age, views, background, religion, or physical capabilities. Therefore, at all stages of implementation of programmes and projects, we pay particular attention to prohibiting the use of discriminative criteria. The gender equality principle is complied with at each stage of recruitment, implementation, and settlement of the project. Neither gender is favoured or discriminated against at any stage of implementation of the project. During the recruitment process, only objective criteria are considered. Despite that, there are still visible disproportions between the

share of men and women in certain institutions, e.g. enforcement authorities, or in certain areas, e.g. in scientific research.

One of the objectives of PL12 is to increase the participation of female scientists in research projects, in particular in technical sciences, in which the number of women is the lowest. With the help of the Small Grants Scheme, 34 projects received co-financing, and the total budget exceeded EUR 3.3 million. Moreover, the operator controls the number of women – managers – in the projects supported within the Programme. Number of women – project managers – is: 28 out of 68 projects in the main call, 1 out of 7 CCS projects, and all Small Grants Scheme projects. Partnerships and Polish-Norwegian consortia contribute to complying with this principle.

The co-financed undertakings are also related to other fundamental values, such as promoting tolerance, understanding between cultures, respecting the rights of minorities, supporting the vulnerable or the excluded persons.

The project entitled *Building Józef Czapski Pavilion at the National Museum in Kraków* helped to expand the offer of workshops for persons with disabilities and other persons with special needs or persons at risk of marginalisation. The project implemented for the Łazienki Królewskie Museum involves installing systems assisting persons with sight and hearing impairments, both for communication and for exhibition purposes. Also, the cultural infrastructure of the *Museum of paper-making in Duszniki-Zdrój* will be adapted to the needs of persons with disabilities; activation of the elderly is also planned.

upporting the penitentiary system under PL17 by reducing the inconvenience of being imprisoned will allow us to retain compliance with human rights towards convicts.

Good governance promotes equal opportunities. The implementation of programmes and projects is widely publicised, the selection process of undertakings to co-finance is transparent. The management structure of NFP and operators includes mechanisms for detecting and preventing irregularities. Proven tools are applied: on-going monitoring, audits of adherence to provisions and guidelines (e.g. as regards awarding public procurements within the financial mechanisms) both by the operator and by the beneficiaries, on-site inspections at the place of implementation of projects, drafting, if reasonable, post-inspection recommendations. It is necessary to mention about informing the beneficiaries about the binding documents and guidelines. Making decisions and implementing them takes place in line with the rules and the provisions of law. In line with the zero-tolerance to corruption rule, members of the Project Assessment Team and the Committee for Project Selection sign an impartiality and independence declaration, or, in the event of a conflict of interest, they excuse themselves. Programme Operators cooperate tightly with the National Focal Point and (if applicable) with the Programme Partner.

PL06 regional programme contributes to implementing the good governance policy, in particular in the case of partnerships; the local governments not only cooperate consciously and efficiently, but they can also plan their development within the functional areas.

The share of NGOs in the implementation of PL16 programme: in the project: *“School education against legal exclusion”*, where substantive elements were consulted with NGOs, in the project: *“Strengthening the position of crime victims...”*, a large part of substantive tasks is implemented by NGOs.

17 institutions implementing projects as part of the measure *Mobility of Students and University Employees* PL10 indicated that good governance is one of the implemented issues during the project. Good governance principles have been complied with mainly through applying transparent rules of participation in the project, assuring equal access to all interested persons, and complying with procedures. The institutions paid attention to assuring high quality of the exchanges. The projects were implemented in line with the principles of mutual responsibility, equality, transparency, and full participation of project partners. Increased activity of female employees of universities was observed, compared with previous years.

PL14 projects responded to the needs of the particularly vulnerable groups and persons at risk, like women and children being violence victims, trying to help them rejoin social life.

3.2 Progress in implementation of individual programmes

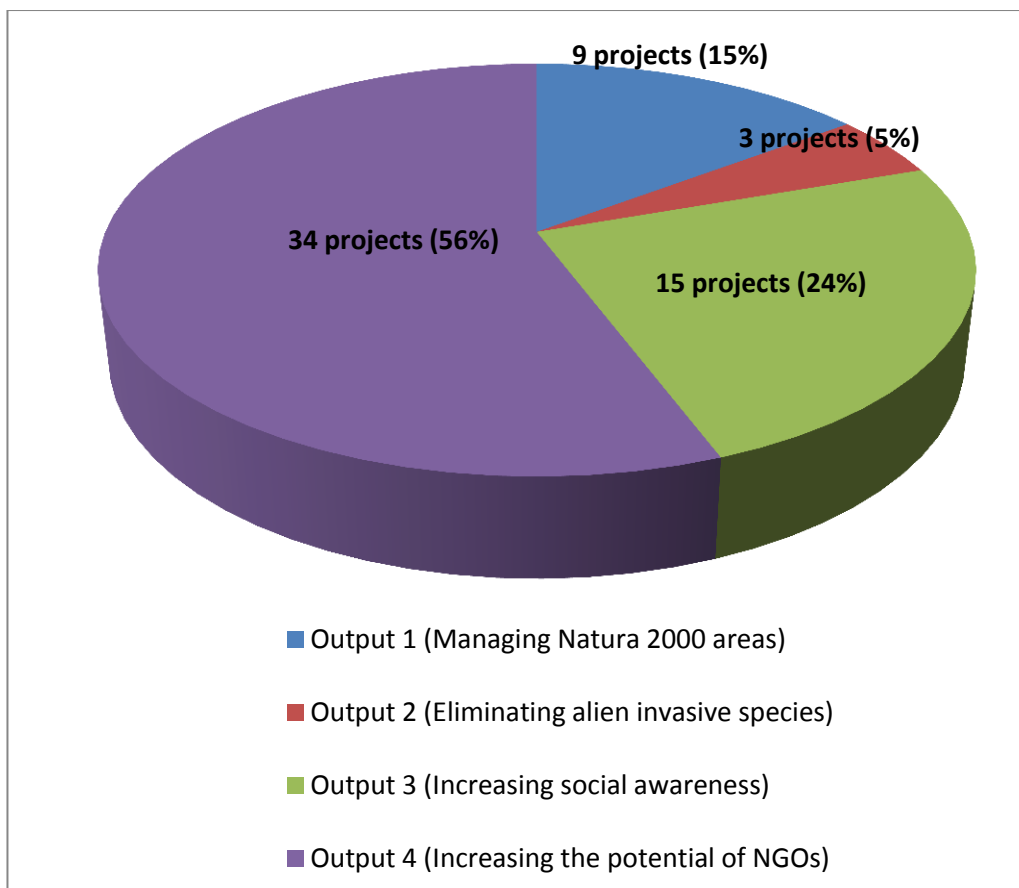
a) PL02 Protection of biological diversity and ecosystems

By the end of 2016, 9 final reports on the implementation of projects have been approved. 7 out of 9 indicators at the programme outcomes level were achieved while implementing all 61 projects, including the pre-defined project. As regards the indicators that have not been achieved in full, the beneficiaries have already commenced the planned monitoring, inventorying, or protective measures. As regards the programme outputs, 3 out of 5 indicators have been achieved. Taking into consideration the agreements made with the beneficiaries and the planned actions, the risk in this respect can be deemed minimal.

As part of the procedure arising out of Article 6.9 of the *Regulation*, 9 applications have been filed, with 4 of them being assessed positively; assessment of 2 applications will be effected in the next reporting period. Two applicants resigned from implementing additional actions, and one application was rejected.

In order to manage savings, transfers between programme outputs have been made. Changes have been considered in the addendum.

Figure No. 6. Number of projects co-financed, divided according to programme outputs, including the pre-defined project and the Small Grants Scheme PL02



Under the Bilateral Fund at programme level, 9 projects were selected for co-financing in the first call for proposals in 2016. Moreover, in the second call for proposals, which have been held last year, 6 projects have been selected for co-financing. At the end of 2016, the third call for proposals has been announced within the Bilateral Fund. Furthermore, as part of the bilateral cooperation, two large thematic conferences were held: on proceeding with invasive alien species and on protecting marine resources.

Climate versus forest

In 2016, the project entitled “Forest-wood-man” ended, which was implemented by the Regional Directorate of State Forests in Gdańsk partnership with the *Forestry Extension Institute* from Norway. The objective, which is improving the social awareness of biodiversity in connection with climate change and economic value of ecosystems, is supported e.g. by the publication worked out and disseminated as part of the project, entitled: “Education for sustainable development” <http://www.gdansk.lasy.gov.pl/documents/688351/28056366/Edukacja+dla+zr%C3%B3wnowa%C5%BConego+rozwoju.pdf/24c88627-f6cf-4012-8a84-d19ae90dae34>.

The king of the forest – the European bison

Warsaw School of Life Sciences in cooperation with the Białowieża National Park and 12 forest districts launched cooperation in order to establish a meta-population of the European bison, which is a priority species for the EU in the north-eastern Poland (see appendix no. 2 and 4 to the Habitats Directive). The implementation of the project will result in establishing a new herd of European bison in the Żednia forest district; training and informational campaigns will be held for the local communities, analysis will be performed as to other transfers in the Augustów Primeval Forest and in the Romnicka Forest.

<http://projekteog.sggw.pl/goals/>

A bilateral conference is planned to take place in 2017 in Poland, in cooperation with the Norwegian Environment Agency, which would concern the protection of wetlands; a conference summarizing the implementation of three environmental programmes is also planned. In connection with the final stage of implementation of projects, any potential savings will be allocated by the operator for bilateral measures.

Considering the current stage of implementation of the programme, it can be unambiguously stated that the implementation of the PL02 programme corresponded to the assumed objectives and will contribute to strengthening biodiversity in Poland. The operator's challenge for 2017 is the full spending of the allocation, including any savings from the 52 implemented projects.

b) PL03 Strengthening of environmental monitoring and control activities

The main activities related to management in 2016 involve transfers (in line with Article 6.9 of the *Regulations*) of funds between outcomes, in order to effectively use any savings and to extend the period of implementing projects and bilateral activities.

The implementation of projects proceeded correctly: 9 projects were implemented, including 4 pre-defined projects and 5 competition projects. In April, a final report for one of the projects implemented by the Chief Inspectorate of Environmental Protection was approved, the others have been extended until 30 April 2017. The beneficiaries of pre-defined projects had savings of EUR 255,699, which were allocated to co-finance an expanded substantive scope of 4 projects implemented after the open call for proposals. Additional co-financing was granted to WIOŚ Olsztyn (Voivodship Environment Protection Inspectorate in Olsztyn), Łódź University of Technology, Adam Mickiewicz University in Poznań and WIOŚ Poznań (Voivodship Environment Protection Inspectorate in Poznań). In November, further savings of EUR 42,720 were identified and the procedure was launched again. 2 applications for co-financing of complementary activities have been received.

The most precious treasure on Earth – water

As a result of the project implemented by the Faculty of Process and Environmental Engineering, Łódź University of Technology, in cooperation with NIVA (Norwegian Institute for Water Research, Oslo), water quality monitoring in the Sulejowski Reservoir is maintained using multi-parameter sensors, including such parameters as: chlorophyll concentration, ammonium ions contents, dissolved oxygen concentration, temperature, pH or algae concentration. The mathematical model of the reservoir can become an effective tool to ensure rational management of other water resources, too.

<http://www.monsul.wipos.p.lodz.pl/>

A gulp of fresh air

MONIT-AIR, that is an integrated system for monitoring spatial data for improving air quality in Kraków, is tasked with providing a response to the question: what can be done to assure inflow of fresh air to Kraków, despite unfavourable situation. The strategy will also help conduct spatial planning in such a way that will result in a better air regeneration and circulation in Kraków. Project outputs also include providing a modern spatial information database to support the decision-making process, with the intention to improve life quality of the city's residents in line with the idea of sustainable development.

<http://www.ekocentrum.krakow.pl/244,a,monitoring.htm>

As part of the bilateral activities conducted by the operator, a study visit to Norway was held, accompanied by a session of the Cooperation Committee, attended by the partner – the Norwegian Environment Agency. The beneficiaries organised study visits, attended national and international seminars, an international scientific conference was prepared.

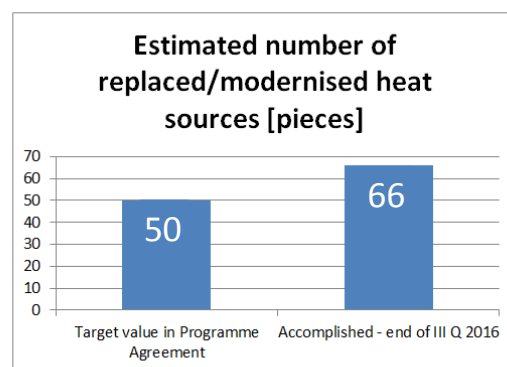
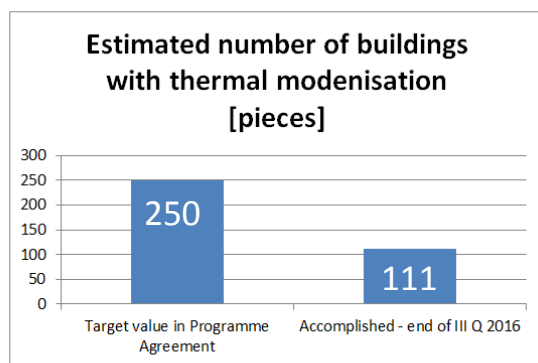
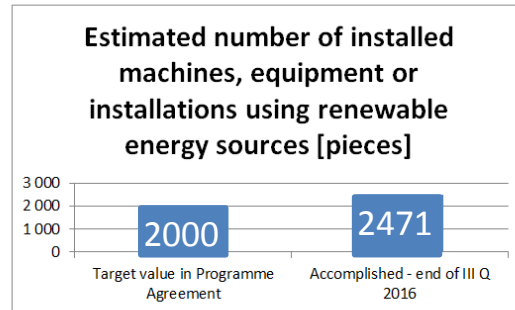
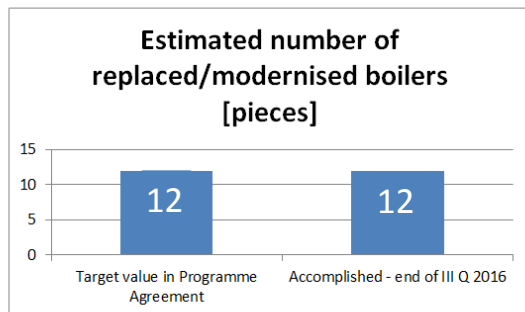
As part of the promotional-informational activities, the operator organised and held a training for beneficiaries, attended the International Trade Fair of Environmental Protection (POL-ECO-SYSTEM) and the beneficiaries published informational and promotional bulletins.

The PL03 programme is being implemented in line with its assumptions and at this stage there are no threats for its implementation. The key tasks for the last year of implementation include monitoring of punctuality in project implementation, effective use of allocation, intensifying the activity in terms of bilateral cooperation, both at the programme and at the project level.

c) PL04 Saving energy and promoting renewable energy sources

Implementation of this programme is in its final stage. As part of the outcomes of *Improving energy efficiency in buildings* and *Increasing the production of energy from renewable energy sources*, the beneficiaries implemented 99 projects in the reporting year, 7 of which have ended. Five beneficiaries resigned from continuing implementation.

A significant majority of the indicators is close to the assumed target values. In connection with the extension of projects in line with the procedure under Article 6.9 of the *Regulations*, as regards results related to energy efficiency and renewable energy sources, the planned reduction of CO₂ has increased to over 118 tonnes/year.



Reallocating savings to the outcome concerning renewable energy sources depends on the decision of the donors – a request for the changes was submitted to the donors in the first half of December.

The pre-defined project of the result *Increased awareness of and education in energy efficiency* ended in 2015. For example, 3 information campaigns and media campaigns have been held. The measures under this outcome covered over 7 million people.

Let's reduce emission of harmful gases

Companies from the industry sector implemented 24 projects within the result *Reduced production of waste and emission to air, water, and soil*. 9 will be continued in the upcoming year. They contributed to reducing the emissions of CO₂, SO₂, NO, CO and dust. As two beneficiaries withdrew in 2015, in Q1 the donors agreed to the transfer of the available funds to the new outcome concerning energy efficiency (financed under the Norwegian Financial Mechanism) and to bilateral cooperation actions.

Coal was yesterday, biomass is today

The construction of a biomass-fuelled furnace in Siekierki combined heat and power station was co-financed from Norway Grants. The furnace incinerates 300,000 tonnes of biomass per year (twice as much as the previous one). This is an element of the new strategy of the company, which consists in partial reduction of coal consumption.

In the course of the bilateral cooperation, calls for proposals were concluded for projects to be implemented in the public and private sectors. A training conference on energy efficiency was held. In cooperation with the partner, i.e. the Norwegian Water Resources and Energy Directorate (NVE), issues related to energy efficiency in construction and industry were raised; the policies and strategies, as well as regulations in this respect were discussed. There was also a study visit organized, which was dedicated to buildings generating energy, heat and power generation from municipal waste, generating energy for heating and cooling, energy-efficient solutions in cities. The partners cooperate with respect to the problem of adapting to climate change or power mobility.

The highest risk is due to difficulties in effective spending. Savings reached over EUR 10 million and can still increase, e.g. if any further beneficiaries withdraw. The PO and the NFP actively work to strengthen the results of the programme – donors were presented with two requests for change and a few new proposals to manage savings in the course of bilateral cooperation. Next ones are expected in 2017.

d) PL06 Urban development by strengthening the competence of self-government units, social dialogue and cooperation with civil society representatives

In 2016, the implementation of 5 (out of 17) open call projects and the pre-defined project implemented by the Association of Polish Cities (ZMP) in cooperation with the Norwegian Association of Local and Regional Authorities (KS) ended. All completed projects achieved their assumed objectives/results/products.

In 2016, the activities of beneficiaries concerned mainly drawing up of project-cost documentation based on the earlier strategic and operational documents. It will be used by the local governments in applying for external resources, including EU funds (some of them, using open competitions as part of Regional Operational Programmes have already filled applications for funding or is currently preparing such applications). An example of the impact of undertakings implemented as part of the EEA FM regional programme is the “Zagłębie Linear Park – revitalization of the functional area of the Przemsza and Brynica rivers”. It contributed to strengthening the cooperation of the local government units from the functional area with the social partners (7 new partners joined the project during its implementation) and was included in the Territorial Contract as a key project. Implementation of the documentation designed as part of the project will take place under the Regional Operational Programme for Śląskie Voivodship 2014-2020.

About strategic documents only in a group

All documents drawn up in the projects being a part of PL06 have been prepared in the participatory manner, and close to 2000 entities not belonging to partnerships took part in the consultations. The pre-defined project engaged close to 2000 social and private partners and supported 49 partnerships. The majority of the planned indicators have been exceeded, which proves the success of the project and its impact on the awareness and development of local government partnerships in Poland.

Electronic tools to help LGUs

An *online* tool was prepared as part of the pre-defined project, which is used for self-assessing the status of development of the partnership (<http://samoocepartnerstw.jst.org.pl/>), which make it possible for partnership representatives to assess the progress of cooperation and to use management tools on their own. Moreover, an existing Local Government Analyses System (SAS) was used to support the development of partnerships in the functional areas. Analysing and processing the data available in public statistics, *SAS for Partnerships* (<http://www.systemanaliz.pl/dla-partnerstw>) makes it easier to monitor the social-economic situation of the previously pre-defined functional area. The system helps to monitor the implementation of strategies for the entire functional area, and within it, for individual LGUs. Additionally, with the help of the Synthetic Development Indicator, the decision-makers in partnerships can analyse the measure of internal cohesion of a functional area on the current basis.

The project also resulted in recommendations for legislative actions that allowed for improving the efficiency of cooperation in the area of rendering public and private services. Representatives of Polish local governments had the opportunity to visit and learn the experiences of 21 Norwegian local governments, and continuation of the bilateral project DiverCITY resulted in a publication (in Polish and in English) that summarized the outcomes of workshops and described good practices.

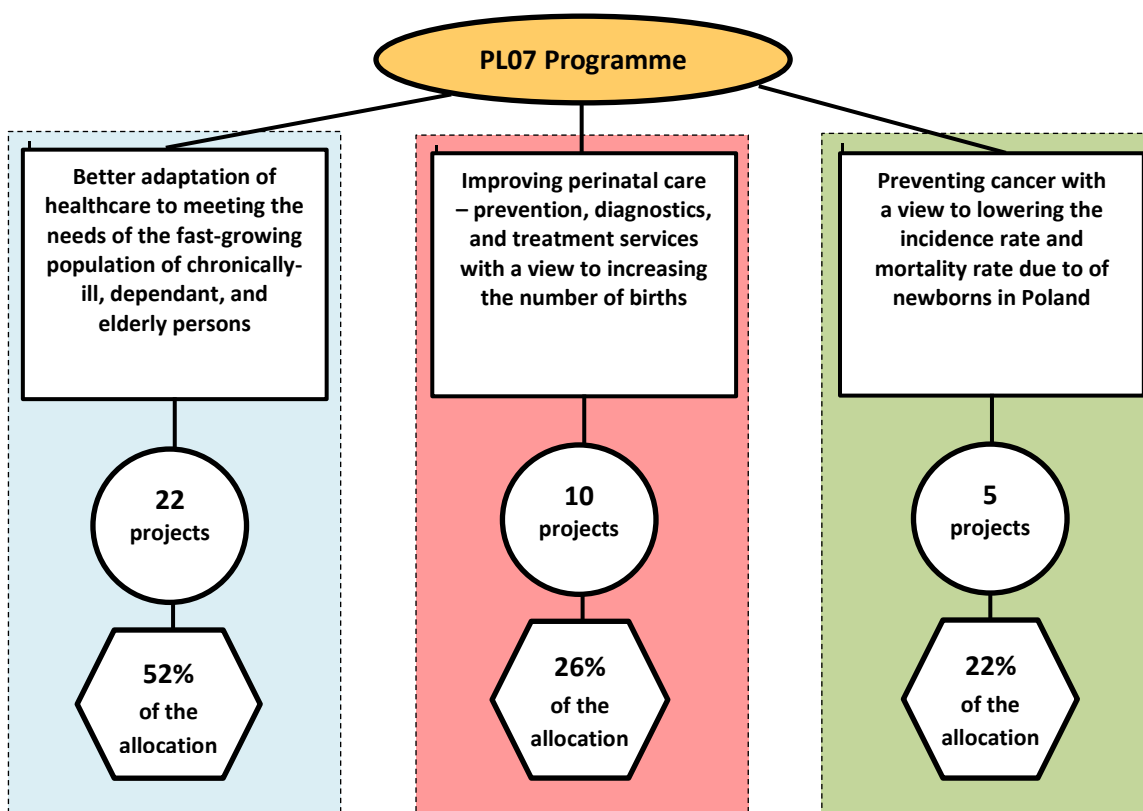
It is important to mention the database of good practices maintained within the programme (e.g. as regards the cooperation of LGUs, cooperation between LGUs and NGOs, institutional development, social services), which currently contains over 400 examples. Knowledge on strategic management and cooperation of local government units was disseminated through the Local Government Knowledge Portal www.partnerstwa.jst.org.pl and the local government on-line paper www.wartowiedziec.org. 787 publications on the theme of the programme were uploaded, and websites have been visited by over 20,000 unique users.

PL06 Programme is implemented as assumed and contributes to achieving the planned outcomes. As part of the BF at programme level, a two-day summary conference is planned to take place in the early autumn of 2017. The operator's challenge for 2017 is the full spending of the allocation, including any savings from the 12 implemented projects.

e) PL07 Development and better adaptation of health care to demographic and epidemiological trends

This year, the operator was tasked with assuring effective and efficient coordination of implementing the co-financed projects – 12 out of 37 projects have already concluded their substantive operations; 4 of them have also been already settled financially. The on-going assessment of the substantive and financial progress of projects allowed us to estimate the savings generated in the projects, which were used to support additional project activities or to expand the already implemented projects as part of the calls for proposals procedure under Article 6.9 of the *Regulations*. Moreover, new calls for proposals for bilateral cooperation have been launched.

Graph no. 1 Number of projects, divided into support areas within the PL07 programme



Over the course of the last reporting period, it was possible to observe a significant increase in the value of indicators that show the results achieved thanks to the projects, e.g. number of patients and elderly persons who took advantage of the improved healthcare services increased in 2016 by over 370 thousand. Many products will be achieved at a level that significantly exceeds the original assumptions. It is important to note that in the upcoming year further growth of the value of these indicators is expected thanks to the reallocation of funds, which allows us to expand the scope of such activities. Importantly, this applies not only outcome indicators, but also the output indicators. Considering the progress of the projects, achieving the indicator values that have not yet attained their target values is not at risk.

Recovery in good conditions

Thanks to the co-financing, the Poviát Hospital in Rawicz now has a Rehabilitation Centre. A rehabilitation clinic, with over 3 thousand medical devices and a teaching-gymnastic hall was established as a result of re-developing a gymnastic hall, and to date, extended preventive programmes to 263 thousand people.

With heart to seniors

The implementation of the project in Górnó made it possible to create a place, which will offer care and treatment to 70 elderly persons with diagnosed dementia disorders, including Alzheimer's. Qualified personnel watches over the patients. Joint therapeutic-artistic workshops for patients and their families is one of the forms of awareness campaigns and educational campaigns regarding problems related to old age and to caring for patients suffering from dementia.

In connection with extending the process of implementation of the Programme, it was necessary to introduce changes in dividing the funds between budgetary lines in order to assure effective and proper implementation of the programme. The operator moved for transferring some of the savings generated by the projects to management costs, as well as for some transfers between results. An addendum to the agreement was concluded.

During the reporting period, the implementation and settlement of the applications filed with BF were continued and approved last year; also, two new calls for proposals have been held, as a result of which 5 projects already received financing, and six were in the process of assessment at the end of the year. At the moment, one project in a Polish-Norwegian partnership is being implemented. Sharing Polish-Norwegian experiences consists in introducing an innovative method of working with a demented patient, "Marte Meo", into Poland.

In 2016, a second study visit of the Norwegian delegation to Poland took place, which created an opportunity to learn how the health policy is shaped at different local government levels, how to assess the scale of inter-sectoral cooperation, how to assess the quality of projects, their progress level, and made it possible to initiate contacts with local governments, medical personnel, and managerial personnel.

The operator also took an active part in other significant international events, which are discussed in greater detail in the section on bilateral events at the programme and project levels.

PL07 Programme is implemented as assumed and contributes to achieving the planned outcomes. The operator's challenge for 2017 is the full spending of the allocation, in particular, considering the scale of the funds, of the Bilateral Fund, including any savings from the implemented projects.

f) PL08 Maintenance and revitalisation of cultural heritage

Implementation of 16 infrastructural projects was concluded. As regards the remaining 6 projects as well as the pre-defined project entitled *Jewish Cultural Heritage*, implemented by the Museum of the History of Polish Jews, the implementation period was extended until 2017 (until 30 April 2017 at the latest). It made it possible to achieve, or even exceed, the assumed values of indicators on restoring, renewing, and expanding cultural facilities, newly-established museums and cultural centres, and documenting the history of culture. The number of planned projects grew from 14 to 16; these projects contribute to the achievement of the main result of the programme, this being the common dissemination of cultural heritage. The data proves the efficiency of the actions undertaken as part of the programme and that their scope significantly exceeds the original assumptions.

Łazienki Królewskie accessible to everyone

The Łazienki Królewskie Museum in Warsaw received an award from the Friends of Integration Association "Warsaw without barriers". The competition jury appreciated the solutions used in the renovated Old Orangery, thanks to which persons with special needs may familiarize themselves with the exhibits from the Royal Sculpture Gallery and attend educational classes in a friendly museum space. The visitors have access e.g. to tactile statues from the Royal Sculpture Gallery, cast in gypsum and epoxy resin for touching, audiodescriptions of sculptures from the Royal Sculpture Gallery and the Gallery of Polish Sculpture, and films in the Polish Sign Language.

Former glory restored

The programme involved a project implemented by the Holy Trinity Evangelical-Augsburg Parish in Świdnica, whose purpose was to protect and retain the Church of Peace in Świdnica – a UNESCO facility, with the accompanying complex. The investment involved restoring and conserving the historic organ with a Baroque prospect, and performing works in the vicinity of the church: renovating the parish house and the cemetery surrounding the Church. The Church of Peace in Świdnica was listed among the 16 objects nominated in the contest "7 new wonders of Poland", organised by the National Geographic Traveller monthly.

The savings identified within the programme allowed to expand the scope of 5 projects implemented under the programme, including the pre-defined project.

Throughout the entire year, an open call for proposals was held as part of the Bilateral Fund. It allowed to co-finance 7 partnership activities undertaken by the beneficiaries that implemented projects within the said programme. Their value exceeded EUR 289 thousand, which, together with the applications filed in 2014 and 2015, amounts EUR 981.2 thousand in total. It must be noted that, out of the investment projects selected for co-financing, 14 were or are implemented with the participation of partnership institutions from Donor-States. The pre-defined project of the Museum of the History of Polish Jews is also implemented in a partnership (with HL-Senteret and four Norwegian cooperating institutions), similarly to the project implemented by the National Institute of Heritage (with the Norwegian Directorate of Cultural Heritage).

The operator's challenge for 2017 is the full spending of the allocation, including any savings from the 6 implemented projects. In connection with major savings achieved during the implementation of the programme, a call for proposals has been announced for additional activities of the beneficiaries of

projects which are under implementation, in line with the procedure discussed in Article 6.9 of the *Regulations*. The Operator also filed a request to NFP to transfer the savings achieved in the category *Programme Management* to the category *Bilateral Fund* and to allocate them to conduct additional bilateral activities as part of the pre-defined project of the Museum of the History of Polish Jews. The request was forwarded to the donors for approval.

g) PL09 Promotion of Diversity in Culture and Arts within European Cultural Heritage

In the first three months, the implementation of 25 projects ended. In total, 62 partnership undertakings have been implemented in four thematic areas: music and stage arts, visual arts, cultural heritage and cultural and artistic education. All outcome and output indicators have been exceeded; as assumed, the programme contributed to presenting arts and culture to a wider audience.

Norway getting closer

A project of the KARTA Centre Foundation ended in 2016 by publishing the first book in Poland that presents the most important and the most interesting testimonies of witnesses to the history of Norway in the 20th century. „*Way to the North. Anthology of Norwegian non-fiction literature*” is not only the history of Norway, but it is also a story of culture, traditions and daily lives of Norwegians. The book was written to show Polish readers the true, colourful image of Norway, its history, and its people with the help of direct statements – journals, memoirs, letters. Source texts are accompanied by comments and supplemented by over 100 photographs (<http://norwegia.karta.org.pl/>).

Culture for everybody

The Project entitled “Iceland and Poland against exclusion from culture”, implemented by the Culture Centre Wrocław-Zachód, engaged persons with sight disabilities and representatives of different public and private institutions that work with blind and sight-impaired persons on a day-to-day basis. They were presented with cultural works with audiodescription, which makes it possible to provide an audio description of visual contents. Among others, 32 integrative film screenings were organised, enriched with audiodescription (e.g. “Tomorrow Will Be Better” (“Jutro będzie lepiej”), “In darkness” (“W ciemności”), “80 Million” (“80 milionów”), “Ice Age” (“Epoka lodowcowa”), “Mamma Mia!”), 12 meetings with authors that accompanied the film screenings (e.g. with Dorota Kędzierszawska, Artur Reinhard, Agnieszka Holland) and workshops on how to create film subtitles for persons with hearing impairments.

A call for bilateral study visits (re-allocation formalized in Addendum no. 4 to the Agreement) served to manage the funds saved during the settled projects. The objective of the call for proposals was to make it possible for Polish institutions to look for partners from the Donor-States to implement partnership projects in the area of culture and to develop such partnerships. Establishing a partnership might result in performing projects co-financed from EEA and Norway Grants or from other European sources in the future. The call for proposals enjoyed a lot of interest, and even though it was planned to last until March 2017, it was terminated already in December, as the funds of the allocation have been depleted. 72 applications were filed, 53 projects received financing by the end of the year.

A conference was held on 27 September at the Łazienki Królewskie Museum in Warsaw, which summarized the implementation of Polish programmes for culture, including for cultural diversity. It was accompanied by a meeting of all programme operators from the PA17 priority area. The representatives of Bulgaria, Czech Republic, Hungary, Lithuania, Latvia, Portugal, Spain, Romania, Slovakia and Poland discussed about their experiences, good practices, achievements, results and perspectives for future cooperation. Additionally, the representatives of the Arts Council Norway (programme partner in 6 Beneficiary-States), Norwegian Ministry of Culture, Icelandic Centre of Research (RANNIS), Financial Mechanism Office, Embassy of the Kingdom of Norway in Poland and the Norwegian Directorate of Cultural Heritage were invited to attend the meeting.

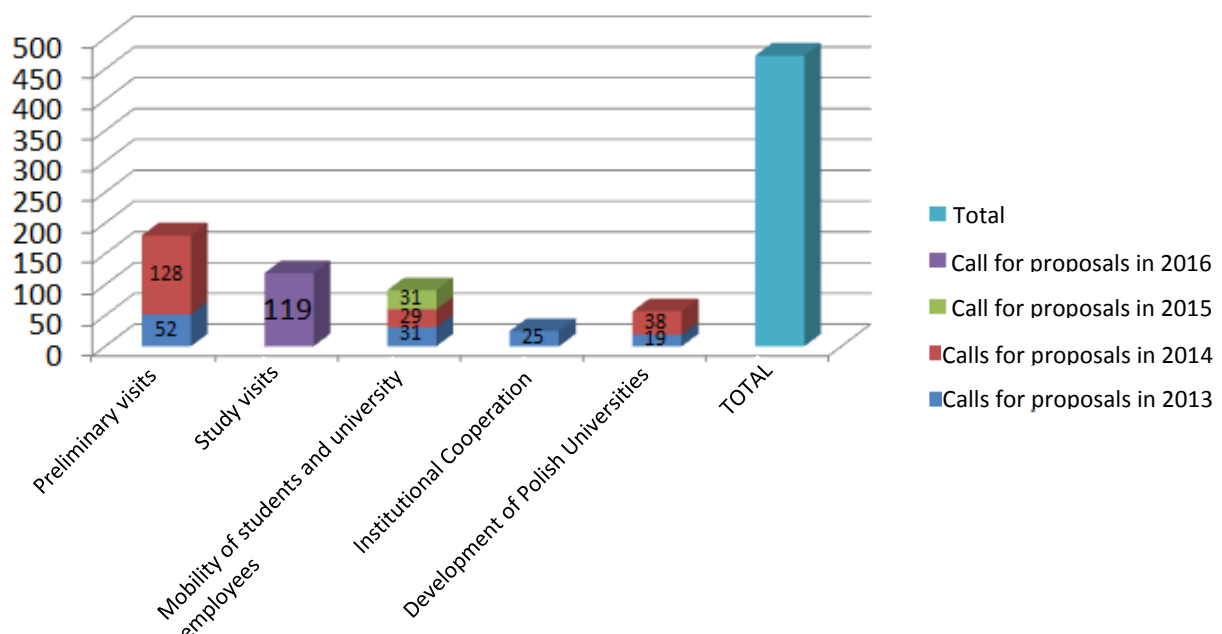
In October, the operator also attended the conference: “*International Cooperation: Cultural Player’s Insights on its benefits and challenges*” summarizing the Lithuanian programme, which strengthened the contacts and cooperation between the Polish and the Lithuanian operators.

PL09 Programme achieved its original assumptions, and the indicators exceed the expected values. At this stage of implementation, no threats to implementation of the projects are identified.

h) PL10 Scholarship and Training Fund

The total amount of co-financing for all measures is almost EUR 15 million. As a result of resignations and terminating several agreements, 460 projects will be implemented. Through the projects implemented under the measure *Mobility of Students and University Employees* PL10, 1195 exchanges between Poland and Donor-States were held. Additionally, 1,418 mobilities in total were co-financed under the remaining measures (*Institutional Cooperation* – 601, *Development of Polish Universities* – 333, *Preparatory Visits* – 172, *Study Visits* – 312). The Beneficiaries improved the quality of education, strengthened the scientific activities, implemented innovations and knowledge transfer, and their initiatives contributed to creativeness and competitiveness (54 new study programmes and majors were developed, including 33 in Polish and 21 in English), employment growth and entrepreneurship development. Outcome and output indicators have been significantly exceeded, save for the NFM Institutional Cooperation, where the indicator *Number of agreements made* – was attained in 69%.

Projects granted within calls for proposals



During the reporting period, a competition for applications related to study visits was held. It allowed us to allocate the available funds to financing an additional measure that supports bilateral relations. Co-financing was granted to 119 projects, out of which 110 visits were held until the end of 2016.

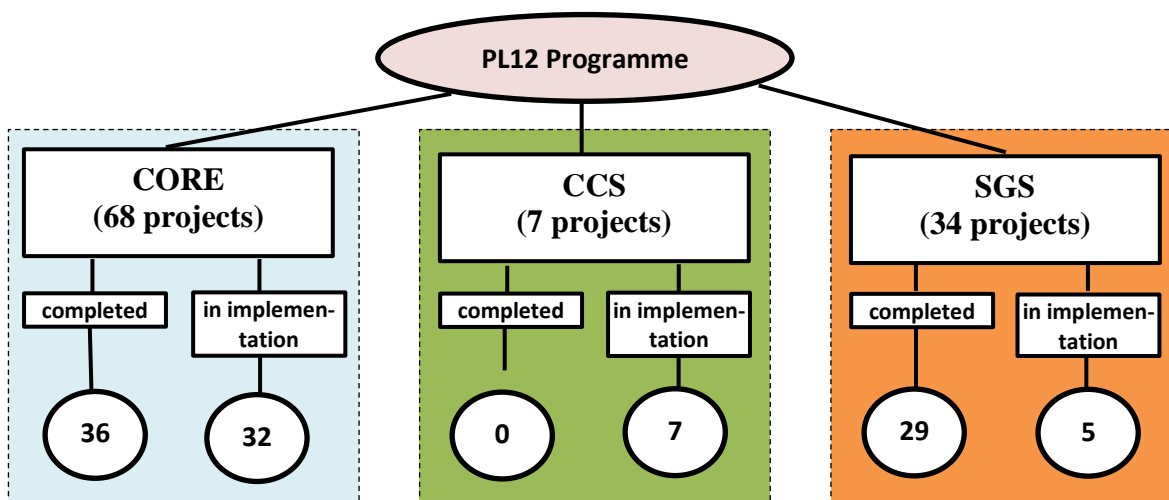
In 2016, more emphasis was placed on the actions that disseminated the results of the implemented projects, in connection with the upcoming closing date of the second edition of the Programme. On 25 November, a summary conference took place in Warsaw. It attracted over 160 participants – beneficiaries, partners, representatives of the educational sector. Achievements were summarized and awards were granted to 5 universities – mobility leaders. The conference was attended by the representatives of partnership institutions (SIU – Norwegian Centre for International Cooperation in Education and RANNIS – Icelandic Centre for Research), representatives of ministries responsible for education and higher education, implementing EEA/Norway Grants, and the Embassy of the Kingdom of Norway, who extended honorary patronage to the conference.

The operator cooperates with partnership institutions primarily at the forum of the Cooperation Committee, but also on the opportunity of the meetings organized by SIU and RANNIS.

i) PL12 Polish – Norwegian Research Cooperation Programme

In the reporting year, based on the agreements concluded, 91 research programmes have been implemented: 65 from the main open call (CORE), 19 from the Small Grants Scheme (SGS) competition, and 7 within the open call of capturing and storing carbon dioxide (CCS).

Graph no. 2 *Information of PL12 programme projects*



At the level of implementation of projects, the cooperation between Polish and Norwegian scientists was very fruitful and brought multiple benefits for its participants. The current reporting period is the first period after the harmonization of all indicators for research projects in 2015, in which it is possible to report on the attained values. Considering the fact that the data presented in the annual report have been obtained from 40 out of the 109 co-financed projects, it seems certain that the target values will be achieved.

From labs to streets

The LEO project (*Low Emission Optimised tyres and road surfaces for electric and hybrid vehicles*) received promising opportunities for continued development and for implementation of the results in the industry – as a consequence of a far-reaching dissemination campaign conducted by the project consortium, the Technical University of Gdańsk managed to establish cooperation with one of the leading global tyre producers.

Restoring the balance

The Platformex project looked for new substances that exhibit anti-depressive qualities. A research team from the Institute of Pharmacology of the Polish Academy of Sciences prepared and submitted two patent applications to the European Patent Office concerning a new group of substances that might be used in the future to manufacture therapeutic drugs.

In November, a transfer of funds between budget categories was formalized, which will make it possible to strengthen management and to efficiently use the savings in order to strengthen the influence of the programme.

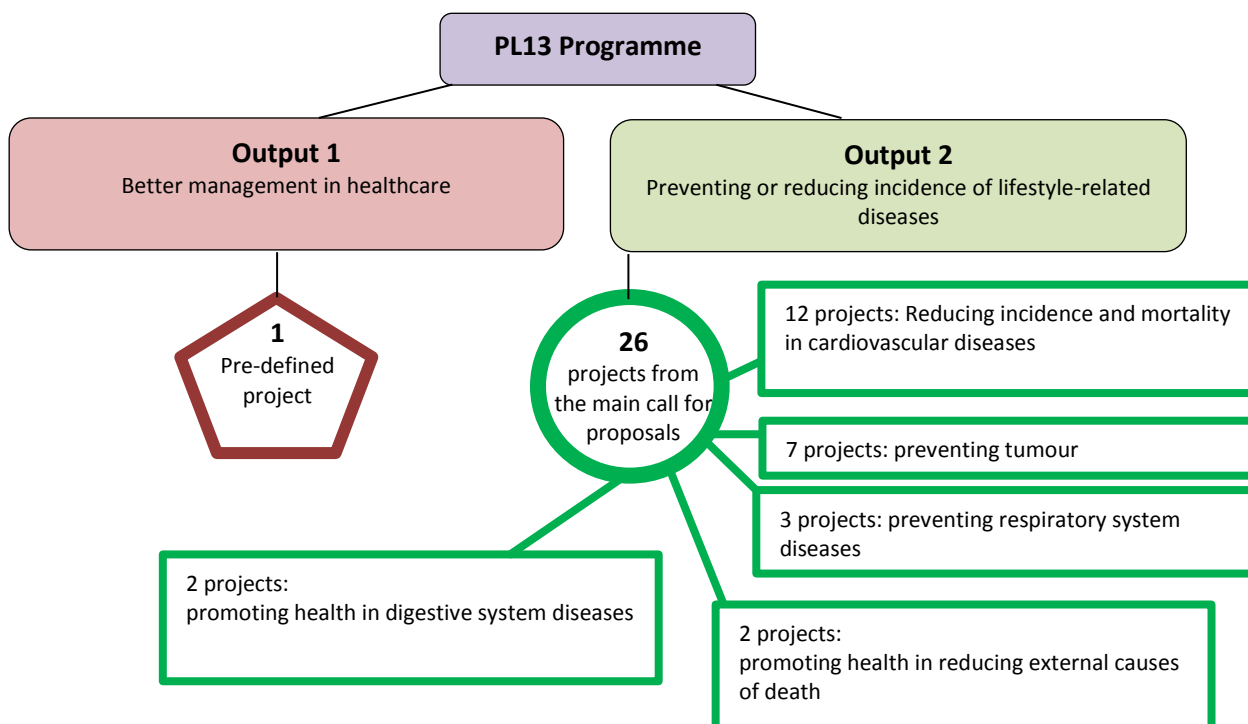
Apart from the international conference dedicated to health research, referred to in greater detail in the section on strengthening bilateral relations, the operator attended workshops for programme operators and in the EARMA conference (June, Sweden), and conferences dedicated to implementing the research programme in Latvia (October) and in Czech Republic (November). The scientific cooperation between Poland and Norway is active and exhibits an upward trend. In line with the statistical data of the National Focal Point for the Horizon 2020 Programme, there have been 976 project applications submitted within the FP7 programme with participation of at least one partner from Poland and Norway, and 269 projects have been actually implemented. As regards the Horizon 2020 Programme, 435 applications have been submitted to date with participation of Polish and Norwegian partners, out of which 122 projects received financing and are currently being implemented.

PL12 Programme is implemented as assumed. The operator's challenge for 2017 is the full spending of the allocation of the Bilateral Fund, including any savings from the 44 implemented projects.

j) PL13 Reducing social inequalities in health

By the end of April 2016, the substantive implementation of 11 projects from the open call for proposals has ended. The remaining 15 projects from the open call for proposals and the pre-defined project received a consent to extend the implementation deadline for tasks up to the end of April 2017. Moreover, it must be noted that under the procedure of Article 6.9 of the *Regulations*, 5 projects gained additional funds from savings. The graph below presents the division of projects according to their thematic areas.

Graph no. 3 Division of projects according to the results and thematic areas in PL13



All outcome indicators of the programme in 26 projects from the open call for proposals were achieved. The remaining outcome indicators concerning the preparation of models and reports as well as inter-sectoral strategies are to be attained upon the completion of the pre-defined project, by the end of April 2017. Programme results have been achieved in over 42%, the risk in this respect was established as minimal.

Prevention matters most

In the Biała Podlaska powiat (Lubelskie Voivodeship), 2.5 thousand people aged 40-60 (close to 30% of the powiat's population in this age range) were subjected to a comprehensive specialist examinations focused on early detection of cardiovascular diseases. Dietitians educated children and teenagers on health, and school nurses conducted tests for obesity in children.

Exercise is also a medicine

The residents of Łódź are offered multiple exercising options: bicycle tours, hikes, Nordic Walking classes, dancing classes that end in a dancing tournament, exercising with instructors in Łódź's parks. All this is intended to reduce the incidence of chronic diseases of liver related to lifestyle, in particular liver cirrhosis and liver steatosis due to obesity and alcohol abuse. According to the estimates of the beneficiary, over 60 000 people will take advantage of this offer.

All bilateral indicators have been attained or exceeded. More and more interest is visible in the competitions held within the Bilateral Fund at programme level. In 2016, another two calls for proposals have been held and co-financing was granted to 5 projects. Two study visits took place in June. Their purpose was to better learn the way the healthcare system operates in Poland and to learn about e-health. A more extensive cooperation is being planned in this area.

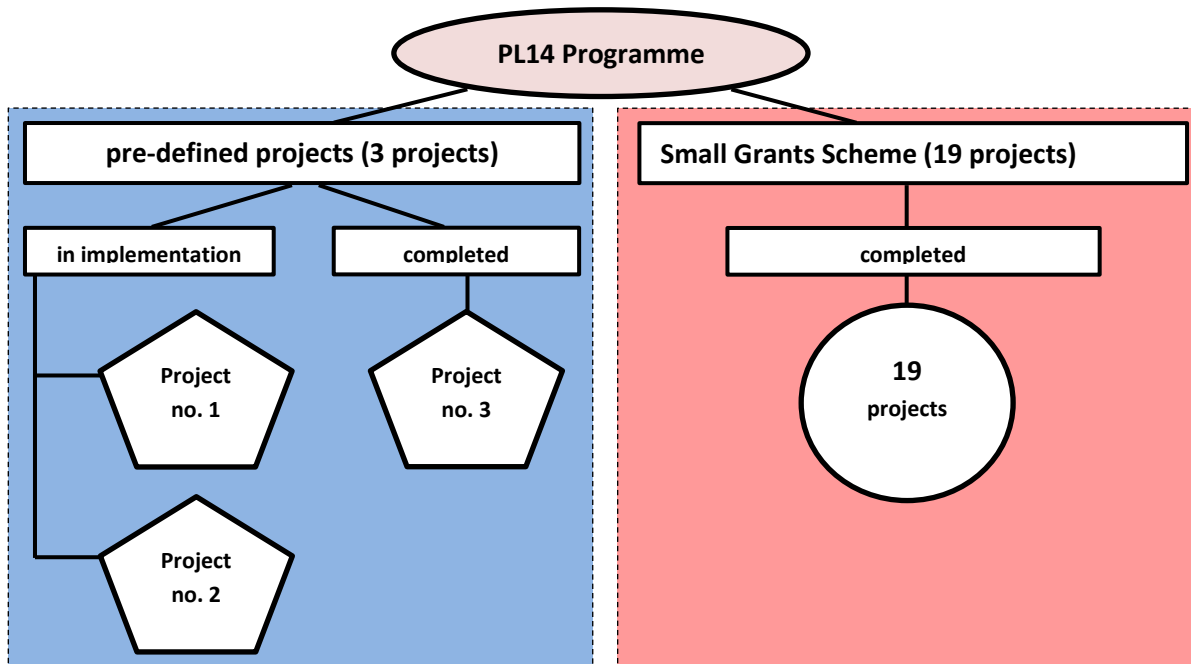
Moreover, the representatives of the Programme Operator participated in other international events, during which the programme was promoted, like in November during the conference organised by the European Public Health Association (EUPHA) in Vienna. Two sessions of the Cooperation Committee were organised, during which discussions concerned the progress in the implementation of the projects; also, changes were approved, including changes related to the scopes of tasks and to increasing the co-financing levels for competition projects from the Bilateral Fund. The decisions of the Committee have a direct impact on the changes assumed for 2017. They will concern the re-allocation of funds to the Bilateral Fund, increasing management costs to the level arising out of Article 7.10.2 of the *Regulations* in order to properly settle the projects and to carry out promotional activities and the evaluation of the programme.

PL13 Programme was implemented as assumed. The operator's challenge for 2017 is the full spending of the allocation, in particular, considering the scale of the funds, of the Bilateral Fund, including any savings from the implemented projects.

k) PL14 Domestic and gender-based violence

Activities conducted under 3 pre-defined projects and 19 Small Grants Scheme projects contributed to achieving all result indicators. Two indicators at the programme level are left, which refer to holding a Poland-wide social campaign on domestic violence and gender-based violence. It is planned to attain all programme indicators by the end of April 2017, as a result of holding the said Poland-wide social campaign and of broadcasting spots on TV under the pre-defined project no. 1. All bilateral indicators at the programme level have been achieved.

Graph no. 4 Information of PL14 programme projects



It is important to note that all 19 Small Grants Scheme projects have ended in 2016. Two of them have performed additional tasks using the funds awarded in the procedure under Article 6.9 of the *Regulations*. Moreover, the operator approved the final report on the implementation of the pre-defined project no. 3, the savings from which were reallocated to the pre-defined project no. 1.

Workshops giving the new strength

The “More power – less violence” project contributed to preventing gender-based violence in Gdynia, through prevention and therapy of persons at risk and persons experiencing violence, and also through improving the competences of professionals acting in the area of preventing domestic violence. The forms of support included a personal development group for women, which combined the support in the area of preventing violence with different workshops intended to e.g. develop creativity, improve chances on the labour market, and regaining control over their own life.

Asylum for victims

Individual consultations with specialists for persons experiencing violence, group therapy classes for children and teenagers, integration-therapy meetings and workshops for families, as well as a social campaign addressed to the residents of the city of Bartoszyce – these are examples of the actions intended to reduce the domestic violence phenomenon. An important project result took the form of improving the institutional infrastructure. A centre that offers day-and-night shelter to domestic violence victims received additional equipment.

Thanks to the support of the Council of Europe, workshops for interdisciplinary teams were held and a research report on gender-based violence in Poland was drawn up. A representative of the Council of

Europe and experts from Norway and Iceland attended a conference summarizing the implementation of the programme, which was held in December in Warsaw.

Two pre-defined projects, no. 1 and 2, will be implemented by the end of April 2017. Moreover, in order to use the full grant amount, plans include transferring funds to the Bilateral Fund at the programme level and to complementary actions.

PL14 programme has been implemented in line with its assumptions and at this stage there are no threats related to its implementation. All assumed indicators have been achieved.

I) PL15 Schengen Cooperation and Combating Cross-border and Organised Crime, including Trafficking and Itinerant Criminal Groups

In the reporting year, 23 co-financed projects ended; 16 of them ended in April 2016. The final settlement was effected for 13 projects. By April 2017, 3 projects selected in open calls for proposals will be still implemented. From April 2016, the operator continues implementation of two pre-defined projects using the operator's own funds. In 2016, the implementation period of one competition project was also extended, on the assumption that its completion will be financed using the beneficiary's own funds. The indicators have been achieved. Considering the fact that 2016 was the year in which the majority of undertakings ended, it was possible to summarize the implementation of the projects during closing conferences, and therefore – to disseminate the outcomes achieved.

It's important to know

School students from Mazowieckie Voivodship and Zachodnio-Pomorskie Voivodship, in line with the "teaching by playing" principle, were engaged in a preventive-educational campaign raising awareness of the need to protect endangered plant and animal species and to prevent illegal trading of these plants and animals and goods made using them. This objective is supported by an educational board game, the co-authors of which, in terms of content, are the officers of the Customs Office in Warsaw.

Initiatives implemented within the programme contributed to tightening both training and operational cooperation between the relevant and competent services and institutions, both at the local and central level, such as: Police, Border Guard, Customs Service, Prosecution Office, which will surely translate into efficiency in action. Experts from the Internal Security Agency (ABW), Central Anticorruption Bureau (CBA), Military Police, or Military Counter-intelligence Service.

The more you know, the faster you react

As regards combating trafficking in human beings, the cooperation involved additionally NGOs and international organisations, i.e. the Council of Europe, or the International Organisation for Migration, to name a few. These projects involved organising e.g. social campaigns on the threats of trafficking in human beings, research and analyses on this topic were conducted, including those presenting a diagnosis of the situation in each region of Poland regarding the scale and tendencies for such type of crime and the scope of the requisite institutional adjustment at the voivodship level. Interesting initiatives addressed to students and teachers related to safety and responding to critical events were also implemented at the local government level.

Undertakings that are bilateral in nature, in cooperation with Norwegian institutions, were implemented mostly as part of 3 projects, where formal partnerships have been established. The initiative that consisted in delegating a counsellor representing the Polish Police to Norway for a period of 13 was of particular importance for the intensification of cooperation. The counsellor cooperated with the local enforcement authorities in fighting organised crime, trafficking in human beings, and looking for and identifying persons. Next year, the operator plans to announce a call for proposals for bilateral study visits.

At its current stage of implementation, the PL15 Programme achieved its original assumptions, and the indicators exceed the expected values. The operator's challenge for 2017 is the full spending of the allocation, in particular, considering the scale of the funds, of the Bilateral Fund, including any savings from the implemented projects.

m) PL16 Judicial capacity-building and cooperation/Improvement of the efficiency of justice

In 2016, the implementation of 4 out of 6 pre-defined projects ended. Schools and teachers exhibited high interest in workshops and teaching aids worked out during the programme dedicated to legal education. In the course of the project, which promoted alternative dispute resolution methods, 840 persons whose professional duties involve dispute resolution were trained; a Poland-wide information campaign was also held. With satisfaction, we observed the significant growth in the number of cases in mediation. A campaign on the rights of crime victims was also held.

Volumes of files one click away

A file management system using RFID technology was implemented. It uses transponders attached to court files to enable remote reading and writing of data using radio waves. It will ensure automatization of work and effective court file management. The process of marking court files was also successful, even though there was a lot of risks involved, due to the high number of files.

Due to the significant potential, available funds, and the interest of the courts, other projects have been extended until April 2017. It will allow for strengthening the results achieved to date. All assumed indicators have been achieved.

Let's save paper

Over 70 common courts implemented a central cataloguing service, central e-mail (AD) and a modern identity management system, which makes it possible for quick processing of data without the need to collect high amounts of paper documents and distribute them. Due to high interest and available savings, the project was extended to include other common courts (target number: 374).

As part of the bilateral fund, a research entitled "Mapping unmet needs in the area of legal aid among Polish male and female migrant workers working on short-term contracts in low-income sectors in Sør-Trøndelag districts in Norway" was conducted on the commission of the Norwegian Courts Administration. On 27-28 October of this year, a meeting was held, intended to among others, exchange experiences among the programme operators and beneficiaries, to discuss the assumptions of the "Chain Of Justice" concept, and to hold discussions on the future funding perspective. Partners also

developed the concept, which was initiated in 2015, of extending the cooperation to include other Beneficiary-States of EEA and Norway Grants.

On 12-13 December, the operator organised a conference that focused on exchanging experiences and good practices in the area of e-services in IT projects within the system of justice. Invitations to the conference have been extended to persons using IT in the justice system (heads of IT departments, project managers, members of project groups, system administrators and institutions of the justice system from other countries), judges, representatives of the National Prosecution Office, and guests from Romania and Lithuania, who presented the most interesting IT solutions implemented in their institutions.

PL16 Programme does not exhibit any threats to its implementation at the final stage of realisation.

n) PL17 Support for the Prison Service including non-custodial sanctions

The implementation of the material scope of 6 out of 7 pre-defined projects ended. All assumed indicators have been achieved, and some of them even exceeded the assumed levels. In total, for all six projects, the numbers are: 15,490 certificates for prisoners and 39,985 certificates for officers and employees of the Prison Service, i.e. 181% and 50% more than originally planned. It must be noted that the improvement of the competence of the Prison Service is the most expected result of the Programme. The qualifications gained by the officers will lead to improving the quality of re-adaptation tasks undertaken towards the prisoners, which in turn has a positive impact on the rehabilitation process and on the efficiency of returning of the convicts to the society after they serve their sentence. The skills gained by the convicts themselves, confirmed by certificates, multiply the effects of actions of the officers.

Imprisonment is not always the best remedial measure

Applying solutions that are alternatives to imprisonment more frequently will become fact primarily through the implementation of the project no. 7. 5,743 persons improved their competences with the help of trainings for persons dealing with imposing and enforcing non-custodial sentences, which is reflected in the number of certificates obtained. Also, at the outcomes level, the participation of alternative penalties at the level of 55% was observed, i.e. by 12 p.p. more than originally assumed.

Several changes have been introduced into the programme during the reporting period. Project no. 5 was extended until December 2016; reallocation of funds from the provision for FX differences and savings in the management costs was effected to the Bilateral Fund. By way of an addendum to the agreement, the scope of bilateral actions was extended.

Among them, there are bilateral undertakings of specialist nature, e.g. 3 international thematic seminars on the implementation of official duties by the Polish and Norwegian correctional system, focusing on the principles of imposing direct coercive measures, issues related to long-term imprisonment sentences, protective solutions or exerting rehabilitation influences. Arrangements on managing the savings commenced, including transfers to the *Bilateral Fund* category.

Sharing experiences is the key for success

Cooperation as part of the so-called “shadowing job”, which was carried out in the form of 16 study visits (8 to Poland, 8 to Norway) and served as a comparison of penitentiary systems, legal solutions, and manners of conducting current tasks in individual penitentiary facilities specified by the programme partners.

All actions undertaken within the cooperation are shared by programme or project partners. Study visits, seminars, or reports are prepared together by both parties, therefore fostering the level of knowledge and mutual understanding of the partners. In particular, thanks to allocating at least 50% of the BF amount to finance strategic activities, it is assumed that the effects of a wider outreach will be achieved, the continuation of which will be possible after the end of the programme as part of the primary operations of the partnership services. Based on the resource analysis and the scope of the cooperation to date, no risks were identified that could have a negative impact on the achievement of results in bilateral relations at the strategic level.

PL17 Programme does not exhibit any threats to its implementation at the final stage of realisation.

* * *

Within the allocation granted to Poland, three programmes are implemented, which are managed by the Donors. In line with Article 5.13.5 of the Regulation, if a programme is managed by FMO or an entity from a Donor-State, the member state is not responsible for its implementation.

PL05 Programme – Fund for Non-Governmental Organisations is implemented by the Financial Mechanism Office through the Stefan Batory Foundation.

In 2016, 17 grants have been awarded, for the total amount of PLN 3,673,011 for **short-term** projects focused on preparing for receiving and integrating new groups of refugees (mostly from the Middle East). The projects were implemented until 30 April 2016.

Table no. 1. Number of applications divided into calls under PL05

Call for projects:	Number of applications				
	submitted in stage I:	qualified for stage II:	submitted in stage II:	grants awarded:	co-financed:
thematic (I)	1931	351	338	157	154
thematic (II)	2076	422	393	197	196
thematic (III)	2380	362	350	176	172
systemic	289	39	39	9	9
“for refugees”	63	63	50	17	17

Under the **PL18 Green Industry Innovation project**, the implementation of projects selected in the open call for proposals continued in 2016. One financial agreement was terminated with one project provider due to the fact that the provider

resigned from the awarded grant. Ultimately, 27 projects are being implemented, for the total co-financing amount of EUR 16,810,000.

As there is an available amount of allocation of EUR 1,023,000, the procedure of launching the funds for expanding the scopes of the projects already being implemented. As a result of the call, additional grants were awarded to 14 undertakings. The implementation of the majority of projects is planned until the end of April 2017.

In March 2016, as part of tightening the bilateral cooperation, workshops for Polish and Norwegian companies were organised, which made it possible for the participant to recognize the ability of applying jointly under the EU Horizon 2020 programme. The workshops were attended by 16 clusters from Poland and Norway, which established cooperation. The programme was present at the POL-ECO Innovation Norway fair in autumn. Sharing experiences among companies was also possible thanks to the 3-day bilateral seminar held in Oslo, which was accompanied by study visits in selected enterprises, within the thematic scopes related to: waste management, clean energy, social entrepreneurship. Over 100 persons in total from Bulgaria, Estonia, Lithuania, Norway, Poland, and Romania participated in this event.

Poland continued the cooperation with Innovation Norway mostly through the participation of the National Focal Point and the observes from other institutions selected by it in the forum of the Cooperation Committee. During the seventh session of the Committee, the Operator presented the first results of the implemented projects in the form of the attained ecological effect, e.g. consisting in the annual reduction of CO₂ emissions of 50,000 tonnes. Also, 100 green workplaces have been created.

In the upcoming reporting year, the second edition of the workshops is planned, combined with study visits. This time, the theme will focus on industrial production, research and development, and smart societies. Plans also involved the next round of the so-called *Travel grant* scheme, under which funds will be awarded for travelling in order to establish cooperation with Norwegian partners. In spring 2017, a conference summarizing and closing the Programme will be held.

The process of submitting the final reports on the implementation of projects co-financed from the funds of the programme entitled **The Global Fund for Decent Work and Tripartite Dialogue (PA22)** managed by Innovation Norway ended in 2015. In total, 11 projects have been implemented as part of the Programme. The entire allocation for Poland available for projects, i.e. EUR 3,065,320, was contracted in two calls for proposals (open call and supplemental call), held in 2011 and in 2012.

4 MANAGEMENT AND IMPLEMENTATION

4.1 Management and control system

In 2013-2015, Poland prepared, verified and submitted to the Financial Mechanism Office all *Descriptions of the management and control systems* (Systems) for the Programme Operators. In line with Article 4.8.3 of the Regulation, the Systems submitted to FMO were accompanied by an opinion and a report of the Audit Authority regarding the compliance audit held, confirming that the implementation systems of these Operators comply with the Regulations and the commonly adopted accounting standards.

Moreover, in 2016 Programme Operators updated the Systems in six programmes:

- PL07 *Development and better adaptation of health care to demographic and epidemiological trends*
- PL08 *Maintenance and revitalisation of cultural heritage*
- PL09 *Promotion of Diversity in Culture and Arts within European Cultural Heritage*
- PL13 *Reducing social inequalities in health*

- PL15 *Schengen Cooperation and Combating Cross-border and Organised Crime, including Trafficking and Itinerant Criminal Groups*
- PL17 *Support for the Prison Service including non-custodial sanctions*

The changes introduced by the Programme Operators concerned mostly the organisational structure of PO, including the division of tasks and updating the names of organisational units; they also adjusted the contents of the documents to the current status of implementation of Programmes.

System audit and operations audit conducted in 2016 by the Auditing Authority

In line with Article 4.6(1)(b) of the Regulation on the implementation of the Financial Mechanism of the European Economic Area (EEA) in 2009-2014 and the Regulation on implementing the Norwegian Financial Mechanism 2009-2014, the Audit Authority conducted an audit of the system of management and control of the PL15 Programme Operator *Schengen Cooperation and Combating Cross-border and Organised Crime, including Trafficking and Itinerant Criminal Groups* in 2016. The PL15 Programme is operated by the Ministry of Internal Affairs and Administration in cooperation with the Centre of European Projects of the Ministry of Internal Affairs and Administration (CEP MIAA), which acts as the Supporting Institution (SI).

AA stated that the system is functioning well, but improvements are necessary. A review and updating of the data included in the *Handbook of the Audit Trail, Financial Management, and Inspection of the Norwegian Financial Mechanism 2009-2014 at CEP MIAA* of 02/11/2015 should be conducted. The above has been performed.

AA also determined that actions must be undertaken in order to harmonize the provisions in separate documents related to regulating the issue of “discrepancies in applying different tariffs to impose financial corrections”. PO complied with the aforementioned recommendation through sending out a letter to the Beneficiaries, requesting them to sign relevant annexes on tariffs. Beneficiaries of projects: 5/NFM, 9/NFM, 12/NFM, 15/NFM, 16/NFM and 45/NFM received 3 copies of annexes, with a request to return two signed copies. The documents have been gradually submitted to PO. Next, PO submitted 1 copy to SI (in July-October 2016).

Additionally, AA stated that it is necessary to undertake actions intended for PO to comply with the obligation to submit reports on irregularities to AA and to the attention of CA, NFP, and the Department of the Paying Authority at the Ministry of Finance. Attention was drawn to the fact that the Operator should create and keep a register of irregularities that are not to be reported to the Norwegian Ministry of Foreign Affairs. The Programme Operator has complied with this recommendation and keeps a register of irregularities that considers the category “irregularities that are not to be reported to the Norwegian Ministry of Foreign Affairs”. The register was launched in August 2016 after the audit held.

Assessing the state of progress in implementing recommendations by PO and SI of PL15 will be the subject-matter of the follow-up audit.

Moreover, in 2016 the Audit Authority conducted, based on a relevant sample, an audit of operations in order to verify the declared expenses in the projects implemented as part of the following programmes:

- PL02 *Protection of biological diversity and ecosystems*
- PL03 *Strengthening of environmental monitoring and control activities*
- PL04 *Saving energy and promoting renewable energy sources*
- PL06 *Urban development by strengthening the competence of self-government units, social dialogue and cooperation with civil society representatives*
- PL07 *Development and better adaptation of health care to demographic and epidemiological trends*
- PL08 *Maintenance and revitalisation of cultural heritage*
- PL10 *Scholarship and Training Fund*
- PL12 *Polish – Norwegian Research Cooperation Programme*

- PL13 *Reducing social inequalities in health*
- PL14 *Domestic and gender-based violence*
- PL15 *Schengen Cooperation and Combating Cross-border and Organised Crime, including Trafficking and Itinerant Criminal Groups*
- PL17 *Support for the Prison Service including non-custodial sanctions*

The audit of operations involved in selecting a sample of 36 competition projects, to which four pre-defined projects from PL13 (1 project) and PL14 (3 projects) programmes were added. In total, 40 projects have been inspected.

As a result of the audit, the following findings have been made for 13 projects, in which non-eligible expenses have been determined. However, the determined financial mistakes were not of systemic nature.

Therefore, AA was of the opinion that the management and control system established for the aforementioned Programmes was effective in 2016, so that it was possible to assure that the declarations of the expenses actually incurred, submitted to the Committee of the Financial Mechanisms and the Norwegian Ministry of Foreign Affairs are true and thus, the reasonable assurance that the transactions that serve as the basis thereof are punctual and lawful.

The non-eligible expenses identified through audit are mostly due to the findings in the area of public procurements and concern in particular:

1. infringing the *Guidelines of the Minister of Infrastructure and Development on awarding public procurements within the EEA Financial Mechanism 2009-2014 and the Norwegian Financial Mechanism 2009-2014, to which the Act of 29 January 2004 Public Procurement Law does not apply* as regards the requirement to repeat the procedure if only one bid is received – applies to projects: 045/13/14 implemented by Żyrardów powiat;
2. introducing significant changes in the tender notice without extending the submission deadline for bids, in line with Article 12a(2) of the Act – Public Procurement Law – applies to projects: 1/2014/PL08/EEA FM implemented by the Łazienki Królewskie Museum in Warsaw
3. infringing the description of the subject of the procurement (equivalent solutions not allowed) – applies to projects: 10/2014/PL08/EEA FM implemented by the Łańcut Castle Museum, 16/2014/PL08/EEA FM implemented by Juliusz Słowacki Theatre in Kraków.
4. discrepancies between tender documentation – applies to project 21/2014/PL08/EEA FM implemented by Silesian Museum in Katowice, PL05-86 implemented by the City of Toruń.
5. infringing, in terms of the rule on shortening the deadline for submitting bids by the Contracting Authority in the procedure by open tender – applies to project no. 4 *“Reinforcement of security systems and equipment of Prison Service Intervention Groups and Convoy Groups and development of professional qualifications of security department officers”* implemented as part of PL17, no. 5 *“Creation and implementation of IT and telecommunication systems improving the management of correctional facilities – IT and Communication Office”* implemented as part of PL17 programme.
6. infringing the conditions of participation in the procedure (specifying extensive conditions of participation in the procedure or selecting a contractor that does not meet the conditions) – applies to projects: 10/2014/PL08/EEA FM implemented by the Castle Museum in Łańcut, project no. 4 *“Reinforcement of security systems and equipment of Prison Service Intervention Groups and Convoy Groups and development of professional qualifications of security department officers”* implemented as part of PL17, PP1 as part of PL14.
7. lack of proper advertisement of information on the planned public procurement – applies to projects: Pol-Nor/196940/22/2013 implemented by the Professor Jerzy Nofer Institute of Occupational Medicine.

8. failing to include information about the conditions of participation in the tender procedure in the announcement submitted to the Official Journal of the European Union – applies to the project Pol-Nor/199058/94/2014 implemented by the Warsaw University of Technology.

The remaining findings on non-eligible expenses other than those arising out of the infringement by the beneficiaries of the public procurement procedures extend e.g. to the irregularities in settling official delegations, irregularities in calculating indirect costs in the project.

Irregularities determined in the area of public procurements and eligibility of expenses will be reported by individual Programme Operators in 2017.

The findings made during the subject audit have been included in the *Annual report on the audits carried out in the course of implementation of the Financial Mechanism of the European Economic Area and the Norwegian Financial Mechanism 2009-2014*, which, together with an opinion of AA, was submitted on 30 December 2016 by the Auditing Authority to the Financial Mechanism Office. Implementation of the recommendations included in the said Report will be verified in the follow-up audit.

Audit of the management and control system commissioned by the donors

In 2016, Poland received the results of the audit of the management and control system in the Beneficiary-State as regards the Financial Mechanisms 2009-2014, which was held at the turn of March and April 2015 on the commission of the Financial Mechanism Office by an external auditing company. The audit extended to the National Focal Point, Certifying Authority, the Auditing Authority, and Programme Operators: PL09 *Promotion of Diversity in Culture and Arts within European Cultural Heritage* and PL17 *Support for the Prison Service including non-custodial sanctions*. According to the auditors, the established management and control system functions effectively and in line with all the legal requirements. Attention was drawn to a few shortcomings that require improvements, yet they do not pose a threat to achieving the objectives of the programme. In July 2016, Poland submitted a report on the way of complying with post-inspection recommendations with respect to the recommendations drawn up by the auditors.

At the turn of November and December 2016, an audit took place, which was commissioned by the Financial Mechanism Office, and concerned the management and control system of the programmes: PL12 *Polish-Norwegian Research Cooperation Programme* and PL16 *“Judicial capacity-building and cooperation/Improvement of the efficiency of justice”*. It was conducted by Moore Stephens, a British company. The audit concerned the comprehensive inspection of the aforementioned Programmes, in particular as regards the compliance with the Regulations on the implementation of the Financial Mechanism of the European Economic Area and the Norway Financial Mechanism 2009-2014 and the guidelines of FMO. Auditors verified the programme and project documentation in order to verify whether the designed system works correctly, e.g. the application of programme procedures was verified on a sample of projects. To date, Poland has not received a written summary of the findings from the said audit.

4.2 Compliance with the EU legislation, national legislation, and the Memorandum of Understanding

Irregularities

In line with chapter 11 of the *Regulation*, the Beneficiary-State is obliged to report any determined irregularities in the course of implementation of the Financial Mechanism of the European Economic Area and the Norwegian Financial Mechanism 2009-2014.

In 2016, Programme Operators submitted 19 reports on new irregularities detected in the projects financed under the following programmes:

- PL01 *Technical Assistance Fund and the Bilateral Fund at the national level* (2 reports)

- PL03 *Strengthening of environmental monitoring and control activities* (1 report)
- PL04 *Saving energy and promoting renewable energy sources* (2 reports – including one submitted in urgent mode),
- PL06 *Urban development by strengthening the competence of self-government units, social dialogue and cooperation with civil society representatives* (1 report)
- PL07 *Development and better adaptation of health care to demographic and epidemiological trends* (2 reports)
- PL08 *Maintenance and revitalisation of cultural heritage* (4 reports),
- PL10 *Scholarship and Training Fund* (3 reports),
- PL13 *Reducing social inequalities in health* (3 reports),
- PL17 *Support for the Prison Service including non-custodial sanctions* (1 report).

In line with the aforementioned *Regulations*, 18 reports were submitted to the Donors in standard reporting mode (Article 11.5) and 1 report was submitted in urgent reporting mode (Article 11.4). These irregularities concerned the infringement of the provisions of the Public Procurement Law Act, *Guidelines of the Ministry of Infrastructure and Development on awarding procurements in the Financial Mechanism of the European Economic Area and the Norwegian Financial Mechanism 2009-2014 to which the Public Procurement Law Act is not applicable, and Regulation concerning the implementation of the Financial Mechanism of the European Economic Area and the Norwegian Financial Mechanism 2009-2014 on the eligibility of expenses*.

Moreover, in the course of the reporting year Programme Operators submitted 16 reports on the progress in the irregularities that had been reported in programmes: PL03, PL04, PL07, PL08, PL09 and PL10.

In line with the data presented in the reports on irregularities submitted to FMO, in 2014-2016, the total amount of financial corrections imposed exceeded EUR 753 thousand.

It must be mentioned that all beneficiaries of the projects, in which irregularities were determined, settled or undertook to settle the imposed financial corrections, and the amounts are reported by the relevant Programme Operators in the Interim Reports as non-eligible expenses.

4.3 Audit, monitoring, review, and evaluation

In 2016, monitoring of implementation of individual programmes took place mostly through interim reporting and monitoring visits of the National Focal Point with the Programme Operators and in selected projects. Moreover, two sessions of the Monitoring Committee at the national level took place in 2016

Reporting

By the end of 2016, the Operators have submitted in total: 176 Financial Interim Reports, 43 of which in 2016. Moreover, Operators submitted in total 46 annual reports, including 14 annual reports for 2015 being submitted in 2016.

Inspections of programmes and projects

In line with the provisions the *Description of the management and control system* of the Financial Mechanism of the European Economic Area and the Norwegian Financial Mechanism 2009-2014, the National Focal Point conducts inspections of programmes and projects implemented under the 2009-2014 Financial Mechanisms every year.

Upon drawing up the inspection plan for 2016, which were to be held with the Programme Operators, the National Focal Point considered the principle included in the *System* that reads that the Programme Operators should be subjected to inspection at least once in two years in terms of whether they implement the programme and spend the funds properly. Based on the aforementioned and considering the results of the risk analysis, the National Focal Point decided to initially inspect two programmes from the entire range of programmes implemented under the 2009-2014 Financial Mechanisms in 2016, except for the programme PL06 *Urban development by strengthening the*

competence of self-government units, social dialogue and cooperation with civil society representatives, which is controlled by the Department of Certification and Designation at the Ministry of Economic Development. However, this plan was expanded to include an inspection of the PL04 Programme, in line with the results of the risk analysis prepared by NFP in mid-2016. Additionally, ad-hoc inspections have been conducted with the PL17 Programme Operator.

To sum up, NFP inspected the following programmes in 2016:

- **PL04** *Saving energy and promoting renewable energy sources*
- **PL14** *Domestic and gender-based violence*
- **PL15** *Schengen Cooperation and Combating Cross-border and Organised Crime, including Trafficking and Itinerant Criminal Groups* – the inspection commenced in 2016 and ended in January 2017
- **PL17** *Support for the Prison Service including non-custodial sanctions* – an ad-hoc inspection.

As a result of the inspections conducted with the Programme Operators, the National Focal Point did not determine any gross shortcomings. Recommendations concerned mainly the actions undertaken by the Operators with respect to:

- using the entire available budget and managing savings (e.g. in Programmes PL04, PL14, PL15);
- on-going updating of data on projects in the DoRIS online database (e.g. in Programmes PL14, PL15);
- reasonable planning of expenses for upcoming reporting periods, and thus, filing applications for new funds (e.g. in Programme PL14);
- forwarding funds to the Beneficiaries of projects on time (e.g. in Programmes PL04, PL15);
- continuous monitoring of achieving indicators and spending of funds by the beneficiaries of projects (e.g. in Programme PL14);
- meeting the deadlines e.g. for submitting reporting documents, having them verified by the institutions, assessing applications for changes, shortening deadlines for signing annexes to agreements (e.g. in Programmes PL04 and PL14, PL15);
- the necessity to update the Descriptions of the Management and Control Systems and Procedure Handbooks on a current basis (e.g. in Programme PL04).

Moreover, in 2016 the National Focal Point included selected projects in individual programmes in the plan of inspections. NFP applied the following rules while selecting projects for inspections in 2016:

- on-going (not completed) project(s) within a given Programme were selected, which were not selected for inspection under the risk analysis for the given calendar year;
- as a rule, projects that were inspected in the preceding year by the Programme Operator or NFP were not considered in the inspection plan of the Programme Operators for the current year (however, NFP may conduct an ad hoc inspection of such projects during the year, if it deems it necessary);
- risk analysis was performed, which applied to randomly selected projects from Programmes, considering additional criteria, e.g. value of co-financing granted to the project, and 1-2 projects were chosen out of each selected Programme.

As a result, in 2016, the National Focal Point inspected sixteen projects implemented within the following Programmes:

- **PL03** *Strengthening of environmental monitoring and control activities* (1 project)
- **PL04** *Saving energy and promoting renewable energy sources* (2 projects)
- **PL06** *Local and regional initiatives to reduce national inequalities and to promote social inclusion* (1 project)
- **PL07** *Development and better adaptation of health care to demographic and epidemiological trends* (2 projects)
- **PL08** *Maintenance and revitalisation of cultural heritage* (1 project)

- **PL09** *Promotion of Diversity in Culture and Arts within European Cultural Heritage* (1 project)
- **PL10** *EEA Scholarship Programme* (2 projects),
- **PL12** *Polish-Norwegian Research Cooperation* (2 projects),
- **PL13** *Reducing social inequalities in health* (2 projects),
- **PL16** *Judicial capacity-building and cooperation/Improvement of the efficiency of justice* (1 project),
- **PL17** *Support for the Prison Service including non-custodial sanctions* (1 project).

Also, as regards the inspection plan of the NFP for 2016, NFP decided not to inspect one of the projects implemented as part of the Programme PL02 *Protection of biological diversity and ecosystems* and decided to conduct an additional inspection of the PL04 Programme Operator.

As a result of the inspections conducted by NFP, no gross shortcomings have been determined. Recommendations concerned mainly the actions undertaken by the beneficiaries of projects with respect to:

- on-going monitoring of financial progress of the project in order to fully use the awarded grant value (including managing savings);
- monitoring the incurred risks and undertaking immediate remedial activities, in order to eliminate any delays in the financial and material implementation of projects;
- submitting proper reporting documentation on time to the Programme Operators;
- strengthening and/or increasing the engagement of the project implementation team;
- updating the Project Implementation Plans and quickly concluding annexes to the agreements on project implementation;
- achieving the indicators assumed in the project;
- performing properly the tasks being a part of the informational-promotional measures in projects;
- storing the project documentation properly;
- assuring the sustainability of projects after they are concluded.

Additionally, in 2016 three beneficiaries of the Bilateral Fund at the national level have been subjected to an inspection:

- Central Board of the Prison Service, Penitentiary office
- Ministry of Health, Department of European Funds and E-Health
- Ministry of Justice, Department of Strategy and EU Funds

Monitoring Committee

As part of the monitoring activities at the national level, two sessions of the Monitoring Committee were held in 2016. The Committee aims to ensure that the funds are spent in an efficient manner and to ensure monitoring of the implementation of the Financial Mechanism of the European Economic Area 2009-2014 and the Norwegian Financial Mechanism for 2009-2014.

The first session in the reporting year took place on 10 March 2016. During the session, up-to-date information on the implementation of the Financial Mechanisms were presented. Additionally, during the said session and in line with the Committee's duties, a resolution was passed to issue a positive opinion on the Strategic Reports for 2015.

The Committee met for the second time on 19 October 2016, and this meeting was dedicated to the members of the Committee learning about the current status of implementation of the Financial Mechanisms. Moreover, the session of the Committee was an opportunity for a beneficiary to present one of the projects implemented within Operational Programme PL03 *Strengthening of environmental monitoring and control activities*. The representative of the Chief Environment Protection Inspectorate talked to the participants about the assumptions and results achieved in the course of the undertaking entitled *Strengthening the air quality assessment system in Poland based on the experiences of Norway*.

Due to the advanced stage of implementation of Financial Mechanisms in Poland, the sessions of the Monitoring Committees were an opportunity to present to the Committee members with e.g. the level of achievement of output and outcome indicators, information about the funds spent, and the settlement schedule of programmes, activities implemented to strengthen bilateral relations and informational-promotional activities.

External evaluation of EEA and Norway Grants 2009-2014 – commissioned by NFP

In line with the guidelines concerning the evaluation of EEA and Norway Grants 2009-2014, in December 2016 the National Focal Point selected a third-party entity in the course of a tender procedure, which was entrusted with conducting a comprehensive evaluation of the II edition of the Financial Mechanisms. The review aims to assess the achieved and/or expected outcomes of the Programmes and projects financed from the funds of the EEA Financial Mechanism 2009-2014 and Norwegian Financial Mechanism 2009-2014 as well as to assess the management systems and implementation systems used in individual Programmes, along with drawing up recommendations on improvements for the current and future similar programmes. The review is also intended to estimate the impact of the projects and Programmes on:

- reducing economic and social differences between the project areas and other areas;
- strengthening bilateral relations between Poland and the Donor States;
- improving the situation in the defined priority areas.

Evaluation will cover all projects and Programmes as well as the Technical Assistance Fund and the Bilateral Fund at the national level. In this way, an in-depth assessment of the Programme PL06 *Urban development by strengthening the competence of self-government units, social dialogue and cooperation with civil society representatives* will be performed. The review commenced in mid-January 2017 and will last up to 181 days.

EEA and Norway Grants 2009-2014 evaluations

Irrespective of the horizontal evaluation study of EEA and Norway Grants 2009-2014 commissioned by NFP, evaluations have been or will be conducted on the commission of the Programme Operators.

Evaluations held in 2016

In 2016, the Programme Operator of PL08 – the Ministry of Culture and National Heritage, commissioned conducting an evaluation study entitled: “Assessing the impact of the implemented projects on the achievement of the objectives of the Programme ‘*Maintenance and revitalisation of cultural heritage*’ financed from the funds of the EEA Financial Mechanism and the Norwegian Financial Mechanism 2009-2014”. The study revealed that the Programme is effective and usable for multiple entities operating in the cultural sector (museums, artistic schools, theatres, etc.). Thanks to the Programme, many cultural institutions could gain new perspectives for carrying out their own tasks, and a wide range of problems that have been growing for years, found a solution. Modernisation, renovation, maintenance or construction/expansion of the infrastructure made it possible to open new spaces in the cultural facilities, and the quality of the existing ones went up. One of the significant requirements of the Programme was the need to write an educational programme and to incorporate the investment into the wider social and cultural context. It created an opportunity for the beneficiaries to analyse and re-define the function of their institutions, their objectives and social roles.

In 2016, an evaluation process of the Programme PL10 – *Scholarship and Training Fund* commenced, which is scheduled to end in 2017.

Evaluations planned for 2017

For 2017, Programme Operators planned evaluation of the following areas:

- environmental protection (PL03), biodiversity and diversity of ecosystems (PL 02) and renewable energy sources (PL 04);
- Polish-Norwegian Research Cooperation (PL12);

- Schengen Cooperation and Combating Cross-Border and Organised Crime (PL15);
- judicial capacity-building and cooperation/improvement of the efficiency of justice (PL 16);
- support for the Prison Service including non-custodial sanctions (PL17).

Moreover, Programme Operator of PL07 Development and better adaptation of health care to demographic and epidemiological trends and PL13 Reducing social inequalities in health plans to conduct evaluations on implementation of competition projects in both Programmes in 2017. Evaluation of the PL14 Programme – Preventing domestic violence and gender-based violence is also being considered.

4.4 Information and promotion

In 2016, NFP conducted information and promotional activities with a wide outreach. Their objective was to strengthen the awareness of the Norway and EEA Grants in the Polish society and to inform about the outcomes of the programmes. This process is lengthy and labour-intensive due to the high competition of the EU Funds.

The main promotional project implemented by NFP in 2016 was the Poland-wide social campaign conducted in the media. It was designed to promote the Funds through mobilizing the Polish society to participate in a charity campaign. Participants, who reported facilities such as orphanages, care facilities, schools, etc. and indicated the need for material aid, became *Social Strongmen*, which was the main theme of the entire campaign.

The campaign was based on the *strong-weak* contrast. The role of a strongman was played by Piotr Małachowski (Polish discus thrower, silver medallist from the 2008 Beijing Olympic Games and 2016 Rio de Janeiro Olympic Games), and weaker persons were symbolically represented by the characters from the TV spot. The idea was that the strongman gives a helping hand to the weak, which was a direct reference to the idea of the Norway and EEA Grants, i.e. a mechanism aiming to combat inequalities, a mechanism intended to make the opportunities and cooperation equal, to prevent exclusion and social disproportions.

The effects of operation of the Funds all over Poland were presented. The message allowed the viewers to gain knowledge about the variety and the scale of the programme. The media campaign has a wide outreach. The TV spot was seen by over 23 million viewers, the advert on the radio was heard by over 20 million listeners, press advertisements were seen by over 10 million Poles, and online banners were viewed by over 240 thousand users.

NFP engaged in cooperation with the European Capital of Culture – Wrocław 2016, as a result of which a concert was held in November, according to the concept of an outstanding Polish composer, Zbigniew Preisner, which promoted the Funds as part of this European festival. Its objective was to reach the target group with the information about the Funds; the target group exhibiting a high level of sensitivity and knowledge about culture and arts, educated, and being opinion-makers. The presence of EEA and Norway Grants during such an important cultural event taking place as part of the ECC made it possible to reach the defined target group.

The objective of NFP was to send out a message that emphasized the contribution of the Funds to the development of Polish culture. Extending patronage to the concert made it possible to participate in an extensive – Poland-wide – promotional campaign, including in the press, on the radio and online. Local – Wrocław-based means were taken advantage of, like a regional TV channel, outdoor advertising, or bulletins of the European Capital of Culture.

At the end of November, NFP organised communication workshops for the representatives of the Programme Operators. Their objective was to focus the information-promotional activities on building a message on the results of the Programmes. The concept of storytelling was discussed, followed by an explanation why it is worth to use it. Next, the representatives of PO could do a series of practical exercises in order to improve their techniques of sharing information. The training was opened by the

representatives of the FMO and of the Norwegian Ministry of Foreign Affairs, who described key issues in the area of information-promotional activities with respect to Norway and EEA Grants from the viewpoint of Donor-States.

In December, a tourist guide about Poland was published. The routes included in the guide led the tourists to the places where the projects had been implemented. The publication also served as a general presentation of the project outcomes. It was written in two languages – in Polish and in English, which made it possible to use it abroad. The 2000 copies were distributed among the institutions engaged in implementing the Funds – the Operators, or representatives of the Donor-States. NFP also decided to donate some of the copies to the Polish Tourism Organisation, or the Museum of History of Polish Jews POLIN, with an intention to have it distributed among the visitors and interested persons.

In 2016, NFP continued to publish the HUMAN quarterly, which is dedicated to informing about the Funds. The publication is issued in 70,000 copies and distributed in all voivodships, in over 4,000 points. The magazine has a lifestyle formula, and its main objective is to inform the society about the benefits arising out of the implementation of the Norway and EEA Grants in Poland in a friendly way, mentioning e.g. social issues.

Apart from the aforementioned undertakings carried out in 2016, NFP run a website www.eog.gov.pl, through which NFP published current news. Moreover, NFP handled a hotline and an e-mail address, to which many questions from interested parties were sent.

As regards Article 4.7(2) of the Regulation, Programme Operators meet the obligations imposed on them. All Programme Operators comply with the rules of the Communication Plans adopted for the programmes by the Financial Mechanism Office, they also run websites that provide news about the programmes.

4.5 Action plan

Implementing extended pre-defined projects and competition projects, including those extended under the procedure outlined in Article 6.9 of the Regulation, on-going monitoring of progress in achieving programme objectives, payment of funds, verifying final reports. In connection with the final eligibility deadline for expenses in the extended projects (April 2017), the operators plan training sessions for the beneficiaries related to documenting and settling expenses.

By the end of 2017, the bilateral fund is eligible in the case of 10 programmes; therefore, we predict that there will be many initiatives in this area, also such initiatives that will make it possible to spend the savings achieved in the last stage of implementation, to the benefit of the entire programme. It will require transfers in the programme budget, and thus, changes to the programme agreement. Operators of Programmes PL09 and PL10 are obliged to submit a final report on the programme implementation. Below you will find a review of the plans of operators for the last year of implementation:

- completing the calls for proposals in the BF announced in 2016 and within the Bilateral Fund, continuing some (PL02, PL08, PL17) and holding new (PL04, PL07, PL12, PL13, PL15, PL16);
- initiating new bilateral activities in cooperation with the relevant entities from the Donor-States;
- partnership cooperation, including meetings of the Cooperation Committee;
- implementing the procedure of applying for additional grants to expand the material scope of projects in environmental programmes;
- organising conferences:
 - PL02 in cooperation with the Norwegian Environment Agency on the protection of wetlands.
 - PL03 organisation of study visits on the impact of electrical mobility on air quality and on the protection of air quality in urban areas through electrical mobility, in cooperation with the Norwegian Environment Agency;
 - PL06 DiverCITY3 (September/October),
 - PL12 summarizing the partnership research programme (Q4)

- PL17 activities undertaken towards repeat imprisoned offenders and re-adaptation programmes
- PL16 legal education
 - international meetings as part of sharing experiences and good practices with programme operators from other countries
 - a seminar on e-protocol (PL16)
 - a Poland-wide campaign intended to increase awareness and to make the society more sensitive to the issue of violence (PL14)
 - study visits of Polish and Norwegian judges to the seat of the European Court of Human Rights (PL16) and the heads of penitentiary units (PL17)
 - *job shadowing* (PL17)
 - a handbook for judges prepared as part of the series of seminars on the methodology of applying the provisions of the European Convention on Human Rights in the work of judges, in particular as regards the statements of reasons for judgements (PL16)

Moreover, NFP plans to finalise a comprehensive evaluation study of EEA FM 2009-2014 and NFM 2009-2014. Information on the evaluation studies planned for 2017 by the Operators was presented in s. 4.3 of this Report.

Informational and promotional activities will be continued next year on a large scale. The official closure of the II edition of the Funds is planned, which will involve both a media campaign and a summary event.

In 2017, the programme implementation will be monitored by way of inspections of the National Focal Point conducted in the programme operators and in projects. Programme operators will conduct inspections of individual projects in 2017, in line with the inspection plans presented in their annual reports. Moreover, the Auditing Authority plans to audit selected projects. Two sessions of the Monitoring Committee for Financial Mechanisms are also planned. Nevertheless, 2017 will be filled with intensive work on closing and settling both projects individually and the programmes in general.

5 SUMMARY OF OPEN ISSUES AND RECOMMENDATIONS

The analysis of implementation of individual programmes and the results of the bilateral cooperation allow us to confirm that the plans for 2016 were implemented.

At the moment, the biggest challenge takes the form of managing available funds and using them in line with the objectives of each programme and strengthening the already achieved effects. The on-going monitoring of spending and savings forecasting allow us to get ready and to implement measures that will contribute to multiplying the results of actions. Due to the available funds and the near eligibility deadline, there is a real risk of not being able to spend the entire allocation. This applies mostly to large investment projects like PL04 and PL07, and to pilot projects, like PL13 and PL15. Assuming the increased intensity of measures both among the operators and the National Focal Point, we estimate that the spending of funds allocated for programmes implemented by Poland will be approx. 98%. At the current stage, this value is indicative only, as the full spending of the funds will depend on the using of funds by individual beneficiaries and on the final settlement of programmes.

Launching the procedure under Article 6.9 of the Regulation served to minimize the risk of failing to use the entire allocation. This refers mainly to infrastructural projects, where large projects for significant grant amounts are being implemented. For example, in the PL04 programme, there have been savings after the tender procedures, and some beneficiaries resigned from implementing their projects. However, the practice shows that reallocation of funds under Article 6.9 of the *Regulation* is a lengthy procedure which requires engaging the Committee for Selecting Projects/Cooperation Committee, is inflexible, and burdensome for potential beneficiaries. Lack of any other ad hoc reallocation mechanisms between projects, in particular in the context of the nearing eligibility deadline for funds

and tight deadlines, makes it difficult to manage the funds on the current basis. The implementation experiences regarding Article 6.9 of the Regulation show that it is highly recommended to change the approach in the next financial perspective.

Based on the provisions of the Regulation, the only available way of using the funds except for the aforementioned one is to transfer them to other budget lines, such as management costs, Bilateral Fund, and complementary actions, which each time requires a consent of the Donors. Considering the strengthening of bilateral relations, which is one of the main two objectives of the EEA and Norway Grants, the funds are moved to BF. Considering the length of the procedure of introducing amendments in the agreement, it would be desirable to leave the ability to decide about such transfers at the national level, in particular during the last stage of programme implementation.

Irrespective of the aforementioned, it is important to add that in the context of the limited absorption options within BF, it is extremely vital for the operators to identify such initiatives that enjoy interest among potential beneficiaries. This is a true challenge for all engaged institutions.

Program Operators and the National Focal Point still indicate that it is necessary to correct data visible in the DoRIS system as regards the output indicators of programmes and the bilateral indicators, which are not included in the programme agreements or in the database. The proposals to correct them were presented e.g. in annual reports on programmes.

The bilateral indicators, as the latest annual reports show, were mostly attained. The risk of failure is minimal. BF activities and the supplemental activities are eligible in the vast majority of the programmes until the end of December 2017. Therefore, it is assumed that the funds for such measures will increase, in particular after the projects are ended. Plans include expanding the bilateral activities with additional calls for proposals, increasing the allocation amount for such calls, the grant amount under BF, undertaking other actions within the partnerships, such as organising bilateral conferences, study visits, media campaigns.

In some areas, e.g. environment, despite high interest among Polish beneficiaries in implementing undertakings with partners from the Donor-States, there are a lot of difficulties in finding entities from Norway, Iceland, or Liechtenstein that would be interested in cooperation based on the non-profit rule. It could be beneficial to promote the benefits and the opportunities brought on by the bilateral cooperation in the Donor-States in a more extensive scope.

In the context of the upcoming launch of another edition of the Norway and EEA Grants, the preparatory works of the new programme will overlap with the settlement period of the current financial perspective. In the case of some operators, it might lead to some difficulties in terms of personnel availability.

Norway and EEA Grants enjoy a lot of interest. We would like to remind you that the number of applications filed as part of open calls exceeded 10,000. Grants were awarded to over 1,200 projects, which made it possible to improve the standard of life, to care for the environment, safety, culture, or scientific cooperation, among other things. Grants were awarded to local governments, NGOs, cultural institutions and enterprises as well as to public administration authorities. The majority of the programmes and projects is implemented jointly by Polish entities and by entities from the Donor-States.

It is important to emphasize that as of today, it was possible to achieve approx. 75% of the indicators, despite the fact that the majority of the programmes have not yet been completed. The programme outcomes are visible in multiple areas all over Poland, e.g. in the form of restored monuments, cleaner air, modernised hospitals, new research initiatives, and cultural and social undertakings.

Frequently asked questions submitted by institutions and individuals on the ability to apply for co-financing in new calls for proposals and the large response in the extension procedure show that there is an unwavering need for the support from the EEA and Norway Grants.

6 APPENDICES

The requisite appendices from the DoRIS database and appendices drawn up by NFP have been enclosed to the Strategic Report. The National Focal Point identified discrepancies between the its data and the data presented in Appendix no. 1 on the DoRIS system. It was reported to the Donors in the working mode. Appendices DoRIS no. 4 and 5 referring to the irregularities in the programmes and projects contain data, which are encoded as case numbers. The National Focal Point cannot access the data assigned to individual cases, and therefore cannot comment on them.

NFP appendices:

1. Technical Assistance;
2. Financing Personnel;
3. Plan of monitoring and auditing tasks for 2017;
4. Risk analysis at the national level;
5. Risk assessment of the programmes.

Appendices generated in the DoRIS system, as at 21 March 2017:

1. For each Programme, a table showing the breakdown in respect of applications received and projects selected / contracted, as well as the types of intervention supported.
2. For each Programme, a table providing information in respect of donor partnership projects (names of Donor State entities, number and proportion of partnership projects).
3. A summary table on Donor partnership projects on the Beneficiary State level.
4. A list of irregularities detected at the Beneficiary State level and at Programme level during the reporting period and financial corrections made. Provide an update on previously reported irregularities.
5. For each Programme, a list of irregularities detected at project level during the reporting period and financial corrections made. Provide an update on previously reported irregularities.