

**Strategic Report on the implementation
of the European Economic Area Financial Mechanism
and the Norwegian Financial Mechanism
2009-2014 in Poland in 2015**

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Financial Mechanism and the Norwegian Financial Mechanism
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1. SUMMARY

In 2015, the key stage of implementing the EEA and Norway Grants in Poland was to maximize the spending of financial resources in projects and programmes and in consequence optimize the actions and planned effects. The level of fund contracting amounted to EUR 534,742,500.00, i.e. 100% of the programme allocation. As of the end of 2015, Poland submitted advance payments to programme operators under the Mechanisms (grants) in the amount of approx. EUR 324.3 million, which is equivalent to 68% of the amount allocated to Poland. As of the end of 2015, financial resources (grants) of almost EUR 166.7 million were expensed out of the amount, which is equivalent to approx. 70.5% of the advance payment submitted for the programmes for the particular settlement period.

In agreement with the Donors, the National Focal Point also reallocated funds between programmes in 2015, which influenced the increase in the level of spending. The reallocation was aimed at using unused funds allocated originally under the provision for foreign exchange losses. The changes made it possible to finance additional projects from reserve lists. In comparison with the original assumptions, the amount of allocation, which was made available for financing tender programmes, increased by approx. EUR 80 million in the framework of the current reallocation.

In order to achieve the planned effects and results of the projects, it was decided to extend the eligibility period of the projects until 30 April 2017 for the contracted projects. The donors accepted a list of projects submitted by the programme operators and the National Focal Point, the eligibility period of which is to be extended as an exception. In total, the performance period was extended for 256 projects that are carried out under 11 programmes in Poland.

The year 2015 was a year to finalize the planned on-going calls for proposals. It seems that the period was the last year calls for proposals were opened (it is to be decided how savings will be used in PL04). The formerly planned calls for proposals were decided, operators signed contracts with beneficiaries of individual projects, monitored their implementation, as well as settled the first completed undertakings in material and financial terms. On the basis of the reports presented by the operators, it shall be pointed out with great satisfaction that the planned indicators reached a high level, while the values achieved in many programmes significantly (even several times) exceeded the target values.

To summarize, grants were allocated to 1225 tender projects until the end of 2015, which were chosen out of 10,101 received applications, which reflects the scale and intensity of the actions by the institutions engaged in the programme implementation, the effectiveness of the information and promotional campaign, the great effort of the applicants, but also the insufficient value of allocation to re-granting in comparison with the needs – only 12% of submitted proposals were co-financed.

2. ASSESSMENT OF THE EFFECT OF THE GRANTS

2.1. Cohesion

In the following year the European Economic Area Financial Mechanism and the Norwegian Financial Mechanism were being implemented, the implementation of the programmes started in previous years was continued. At such an advanced stage of implementing the programmes and projects, it may be concluded that the allocation granted to Poland did influence its social and economic development. Although Poland is not among leading European countries in terms of economic development yet, already at the stage of implementing the current financial perspective, a significant progress may be noticed in comparison with the years when it was at a preliminary stage. The below macroeconomic analysis shows indicators illustrating the social and economic growth of Poland in order to point out and emphasize the impact the implementation of the EEA and Norway Grants in Poland has on the

development of our country. Of course, it shall be borne in mind all the time that the funds do not have an exclusive impact on the macroeconomic indicators in Poland.

Starting from the **demographic factors**, which are a basis of each analysis, Poland's population is equal to 38,478 thousand citizens in accordance with the data of the *Central Statistical Office*. The result positions Poland among medium countries in the EU. In accordance with the *Human Development Reports*, the average age of Polish citizens is 39.4 years. The number of population within the age brackets 0-14 years is 21.74/100 adults, while above 65 years – 22/100 adults (15-64 years). This is consistent with the current trend in industrialized countries where their societies are ageing. Unfortunately, the process generates numerous problems for the future. In consequence, the number of persons in the post-productive age exceeds the number of persons in the productive age. Such a state increases the problem of paying out benefits to an increasing number of retirees and increasing costs related to financing the benefits for persons in the productive age. 60.7 % of the population in Poland live in urban areas, which is consistent with world trends. On the one hand, the result may reflect a continuous development of the Polish society, inflow of persons into cities, which influences the creation and development of metropolises. On the other hand, smaller towns and rural areas become however depopulated. The average life expectancy in Poland is equal to 77.41 years. In accordance with the data of the World Bank, the rate of natural increase in Poland is equal to -0.1%. Although it would be expected to increase the index, it is not surprising in comparison with other European countries.

With regard to **economic factors** illustrating the economic situation in Poland, the situation is as follows. In accordance with *Eurostat* data, Poland's **economic growth** has recently amounted to 3.3 %. Poland's **GDP** per capita is equal to 68% of the average GDP per capita for the whole EU. 0.5% **deflation** is currently recorded in Poland, as results from *Eurostat* data for December 2015. As far as **foreign trade** is concerned, Polish imports amounted to EUR 160,736.3 million in the period from January until November 2015 according to data published by the *Central Statistical Office* and was higher by 3.6% compared to the previous reporting period, while exports amounted to EUR 164,223.10 million and increased by 7.3%. According to the announcement of the President of the Central Statistical Office, **public debt** amounted to PLN 867,066 million in 2014, i.e. 50.4% of the GDP. According to *Eurostat*, the **unemployment rate** in Poland is lower than in previous years and amounts to 7.5%. Poland ranks 10th among EU countries. Unemployment among young persons under the age of 25 years is worrying. The EU average (EU28) is equal to 20.4%, while the index amounts to 20.9% in Poland.

The impact of the EEA and Norway Grants on the Polish economy is all the more significant that the support offered by the Donors includes multiple sectors. However, it shall be borne in mind that several different financial interventions influence positive changes and it is difficult to determine explicitly the scope of the impact of the EEA and Norway Grants. It is worth pointing out that the large number of "soft" projects offered under the EEA and Norwegian Financial Mechanisms influences not only the macroeconomic factors, but also the demographic ones. The level of the impact of the financial resources allocated to Poland is multiple and comprehensive. Numerous projects and activities undertaken under the programmes and projects are aimed at investing into infrastructure and human capital, which makes the evaluation of the effects possible only in the longer term. A highly important aspect by implementing the funds is also their correct management and the care for maintaining the implementation effects in time. Therefore, the evaluation of the impact of the allocated funds must be also multidimensional and must take into account various aspects of their implementation. Of course, they shall not be evaluated separately from other factors that appear independently. Very strong factors decisive for the economic situation are the parallel implemented European Funds. The economic development of Poland is also driven by its internal potential and external factors and trends in world economies. Moreover, it shall be taken into account as well that many of the above mentioned factors do not reflect the effects of some implemented priority areas, i.e. revitalization of the cultural heritage or environmental protection. However, it shall be remembered above all that the basic objective of the EEA and Norwegian Financial Mechanisms is to increase the social and economic cohesion both internally and externally (in comparison with other European countries).

The below analysis includes factors that may not be classified to any of the above mentioned groups and influence the general situation in Poland. Moreover, they are significant from the point of view of

implementing the projects and programmes that may influence their values. With regard to **expenditure on research and development**, Poland has recorded a slight increase in recent years, as results from data of the *Central Statistical Office*. In 2014, the value of internal expenditure amounted to PLN 16,168 million, i.e. by 12.1% more than in the previous year. The intensity of R&D works, i.e. the share of internal expenditure on research and development in the GDP, amounted to 0.94% (compared to 0.87% in 2013), while the EU average was equal to 2.02%, which reflects still too low investments in Poland in this respect.

In terms of Poland's place in the **corruption perception ranking** (according to data published by *Transparency International*), Poland has recently ranked 30th out of 168 countries. This is a good place from the point of view of both world and European rankings. Our neighbouring countries, eg the Czech Republic and Slovakia, ranked 37th and 50th accordingly. However, lower places were assigned to our Eastern neighbours, Ukraine ranked 130th and Russia 119th. A European country almost free from corruption is Denmark. Such a result factually reflects in the economy of our country, while demonstrating that there are anti-corruption standards in place, which may contribute to Poland's being considered as a secure country for investors and may attract foreign capital. In consequence, it may have a positive impact on the economic development.

As far as the **economic freedom ranking** is concerned (according to the *Index of Economic Freedom*), Poland moved up to the 39th place among 178 classified countries in the current reporting period. The first place was taken by Hongkong, while the EU leader is Ireland.

As far as **social inequality** in Poland is concerned, the Gini coefficient amounted to 30.8 in Poland according to Eurostat, while the EU average is equal to 30.9. That means we are at an average level in the EU. According to data published by Eurostat, disproportions in Poland are slightly decreasing in the long term. From the point of view of the programmes to combat social inequality, the coefficient is quite meaningful, as it may reflect the level of social and economic cohesion in Poland, although this is not a comprehensive coefficient. Although the disproportions measured in the above mentioned way may appear not to be significant, it shall be however taken into account that they reflect a certain average. Experts have been emphasizing for years now that the situation of the middle class has improved since the system transformation in Poland, while the situation of the poorest has not changed.

To summarize the above mentioned analysis, it may be concluded that the mentioned indexes show that the situation in Poland has improved. This refers to numerous fields and areas. Not all effects are visible immediately, not all changes take place quickly. However, that results from the specifics of certain phenomena and is unavoidable. It is certain that multiple issues and problems have not been solved yet and there is still a lot to do. The very awareness of the necessity to undertake further reforms is important as such. With regard to the implemented funds, it shall be pointed out that the implementation of programmes and projects in Poland develops in line with expectations. It shall be also emphasized that the programmes and projects are strongly welcomed by and spur interest among citizens. That shows that the society is aware of the significance and importance of the actions, which is also positive.

2.2. Bilateral relations

One of the two main objectives of the Financial Mechanisms 2009-2014 is to strengthen the bilateral cooperation between the Donor States and Poland, as specified in Art. 1.2 of the *Regulations*. Its implementation is ensured above all by:

- the Fund for Bilateral Relations at national level and the Fund for Bilateral Relations at programme level;
- Donor Partnership Programmes and partnership projects – pre-defined and selected under open calls for proposals.

Bilateral activities at national level

In accordance with the Work Plan 2015 under the Fund for Bilateral Relations at national level, which was approved by the Donors in July 2014, 12 initiatives were financed from the Fund in 2015. They were

aimed at exchanging knowledge, sharing experience and learning best practices of the partner country by taking up and developing contacts, extending areas for common actions and strengthening bilateral relations between representatives of the Beneficiary and the Donor States.

In accordance with the agreements concluded with the National Focal Point on the scope and manner of cooperation in the framework of using financial resources from the European Economic Area Financial Mechanism 2009-2014 and the Norwegian Financial Mechanism 2009-2014 under the Fund for Bilateral Relations at national level in 2015, projects were carried out by 6 Beneficiaries: the Chancellery of the Prime Minister – the Government Plenipotentiary for Equal Treatment, the Ministry of Labour and Social Policy (currently: the Ministry of Family, Labour and Social Policy), the Ministry of Environment, the Ministry of Health, the Ministry of Justice and the Central Board of Prison Service (two separate agreements on the implementation of projects were signed).

The initiatives performed by the above mentioned Beneficiaries included a wide range of topics: combating domestic violence and gender-based violence, education on the environmental protection, prevention and health protection, promoting active fatherhood and parental leaves, developing leadership skills among young women, as well as supporting the prison system and judiciary.

Completed projects were highly differentiated not only in terms of their topics, but also organizational forms – ranging from multi-day study visits to slightly longer scholarships, conferences, meetings and trainings, elaborating educational materials and initiating information and promotional activities by taking part in fairs or conducting social campaigns.

Implementation of the Work Plan for 2015

1. The Ministry of Environment continued its activities in the environmental protection by organizing the third edition of an international conference "Together Towards a Green Future – EEA and Norway Grants in the Environment Sector" and taking part in the International Trade Fair of Technologies and Products for Sustainable Development and Municipal Services POL-ECO-SYSTEM. The activities were aimed at exchanging experience in terms of implementing projects to increase the awareness of the human impact on the environment and educational initiatives in this field, as well as informing on projects implemented under the EEA Financial Mechanism and the Norwegian Financial Mechanism.

2. The Ministry of Health organized in Warsaw a cyclic meeting of programme operators of the Fund for Bilateral Relations in the field of health care in the Beneficiary States, with the participation of representatives of the Donor States. During the meeting issues concerning the status of the programme implementation and common solutions concerning current needs related to health care were discussed. On the second day, there was a seminar organized on social issues concerning social inequality in health.

3. The Chancellery of the Prime Minister – the Government Plenipotentiary for Equal Treatment continued the social campaign "Polish Dad" (launched 2014), the aim of which was to promote paternity leaves and active fatherhood. The activities were implemented by means of materials received under the 2014 photographic competition (in the 1. part of the campaign), printing and displaying billboards with a line of slogans on outdoor carriers in all voivodship cities. Moreover, calendars for 2016 were produced and distributed under the campaign, which included graphics shown on the billboards. The campaign concept was based, *inter alia*, on the experience of the Donor States of the EEA and Norway Grants, gathered during study visits, thanks to established contacts and cooperation in the field of promoting active parenthood.

The Beneficiary also completed a series of trainings, under mentoring activities, for young Polish women leaders – finalists of the competition "I Am the Boss", which was organized in cooperation with the Ministry of National Education. The aim of the project was to strengthen the leadership potential of

young women and develop competences of employees or carers of persons with leadership skills. During two training sessions for participants of the competition, as well as parents, carers and teachers, there was a discussion, *inter alia*, on myths and stereotypes concerning women advancing in their career ladders and holding power. During the meeting, representatives of the Embassy of the Kingdom of Norway in Poland did share their experience in performing diplomatic functions and presented the policy implemented by the Norwegian government for the purposes of promoting women up to high posts.

4. The Central Board of Prison Service nominated 6 prison guard officers for a 17-day internship in the prison in Ila (Norway). Interns got a possibility to learn the philosophy, methodology and practical aspects of the organization of the Norwegian programme of working with prisoners "Motivator". On the basis of the programme handbook made available to Poland, a Polish version of educational materials will be elaborated, adapted to Polish conditions and provisions on the prison system. The handbook is to be used to implement the "Motivator" programme in Polish prisons.

Furthermore, the Beneficiary organized a study visit to Poland for representatives of the Norwegian prison services – employees of the prison in Ila. During the meeting, Poland presented their partners two penitentiary units located in the south, while explaining the functioning of the therapeutic department in one of them.

Additionally, due to the fact that the costs of participation in the meeting held in Poland in autumn 2014 were not settled by the Norwegian service in due time, the Beneficiary covered the relevant costs in 2015, on the basis of the debit note submitted by the Norwegian partners.

5. Representatives of the Beneficiaries also participated in study visits to the Donor States. The aim of the meetings was to take up contacts with representatives of institutions of the Donor States, as well as gain knowledge, exchange experience and best practices:

- two study visits of the Ministry of Justice (Trondheim in Norway) concerning (1) the process of creating and methods of implementing the strategy, as well as the management system of project portfolios in the judiciary, and (2) the implementation of IT systems in the judiciary;
- two study visits of representatives of the Government Plenipotentiary for Equal Treatment (Oslo in Norway and Reykjavik in Iceland) concerning the promotion of activities for active fatherhood and paternity leaves;
- a study visit of representatives of the Ministry of Family, Labour and Social Policy (Reykjavik in Iceland) concerning the issue of combating domestic violence and gender-based violence.

Furthermore, at the request of the Norwegian side, an addendum to the Agreement for the financing of Technical Assistance and the Fund for Bilateral Relations at National Level was signed in May 2015, which concerned the allocation of EUR 250,000.00 directly by the Donors to the Foundation Auschwitz-Birkenau in 2016. The Work Plan for 2016 was amended accordingly.

Amendments to the Work Plan for 2015

In the course of implementing the Work Plan under the Fund for Bilateral Relations at national level for 2015, the following amendments were also made:

- The Government Plenipotentiary for Equal Treatment initiated activities to organize an all-Poland radio and Internet social campaign that was to increase the social awareness of the inadmissibility of sexual violence against women. Nevertheless, due to the necessity to annul the public procurement procedure for performing the above mentioned task in September 2015, the Beneficiary applied for postponing the project until 2016.

- Due to the fact that consultations with the Norwegian partners took longer than expected and the Beneficiary did not dispose of employees, the project of the Secretariat of the National Road Safety Council concerning road safety was postponed until 2016.
- The Ministry of Family, Labour and Social Policy abandoned one of the two planned study visits in 2015 (Norway) in the field of combating domestic violence and gender-based violence.
- Due to the fact that it was not possible to take up cooperation with the Norwegian side, the project of the Ministry of Interior concerning safety and public order was suspended at the request of the Donors; the project covered trans-border cooperation in combating and counteracting crime.

As a result of the projects implemented in 2015, the Work Plan 2015 under the bilateral fund was completed in the amount of approx. EUR 240,000, which made the level of the total allocation of the Fund for Bilateral Relations at national level (EUR 2.7 million) reach approx. EUR 1 million. All initiatives followed the idea of bilateral cooperation. The fact that common activities initiated in 2013 and 2014 were continued in the fields of combating domestic violence and gender-based violence, environmental protection, promoting active fatherhood, judiciary or prison system confirms the care for established contacts and strengthening bilateral relations in the above mentioned fields while giving them a long-term character.

Bilateral activities at the programme and project level

Activities related to the cooperation between Poland and the Donor States at the programme and project level focus in the first place on exchanging knowledge, experience and best practices. The planned objectives, i.e. strengthening bilateral relations and exchanging knowledge, are ensured above all by:

- partnership programmes and projects (the procedure of evaluating projects rewarded applicants in some programmes, which declared that they would carry out the project with a partner);
- seminars, workshops, thematic conferences (incl. international conferences), as well as study visits organized both in Poland and in the Donor States;
- a mobile component under the PL10 programme;
- meetings of operators undertaking activities in the same thematic field in multiple Beneficiary States;
- calls for proposals to the Fund for Bilateral Relations and implementing positively assessed projects;
- meeting of the Cooperation Committee;
- Internet sites of programmes are updated in Polish and English together with a database of entities from Poland and the Donor States that makes it possible to establish partnership, telephone helpline.

The international nature of the projects requires regular consultations/meetings of partners during their performance, which reflects in a better implementation of the very projects and contributes to achieving the objectives of the Financial Mechanisms, while influencing a better understanding of cultural differences and needs. With regard to the partnership programmes, eg PL09 or PL12, the formula of which assumes a cooperation of partners at almost all levels of the programme implementation, the partnership is focused on achieving common objectives, in particular developing a common strategy, policy and knowledge and practices in order to use financial resources under the programme in a more efficient way. The development of bilateral scientific cooperation by supporting the implementation of research projects and the popularization of scientific results or multilateral cultural projects, under which an intercultural dialogue is initiated automatically, generates a positive knock-on effect for exchanging knowledge and experience leading to new quality. Regular meetings of

partners, jointly implemented projects create ties that are maintained, as declared by numerous institutions, also after the completion of the project co-financed from mechanisms under other initiatives. For instance, according to statistical data published by the Polish National Focal Point, there were 976 project applications with at least one partner from Poland and Norway submitted under the 7th Framework Programme, out of which 269 projects were implemented. Under the Horizon 2020 Programme, 182 applications with Polish and Norwegian partners have been submitted so far, out of which 42 projects were co-financed and are being implemented.

The international conference *Polish and Norwegian research on climate and environment. Strategies and actions – polar research – climate change – technology*, which took place on 19-20 November 2015 in Sopot, attracted 163 participants from Poland, Norway and other countries, incl. Polish and Norwegian specialists in the fields of climatology, polar research and climate policy. A direct meeting of researchers was also a chance to extend bilateral scientific cooperation.

Direct bilateral results include the extension of mutual understanding, increasing competences of persons in the programme operators' structures, improved communication between entities. All projects implemented under the PL09 programme are implemented in partnership with entities from Norway, Iceland or Liechtenstein. Until the end of 2015, 121 partnership contracts were signed under 62 projects selected for co-financing. There are 107 institutions in total from Donor States involved in there. Only in 2015, 14 partnership contracts were signed due to co-financing 9 additional projects, out of which 10 contracts with entities from Norway and 4 contracts with institutions from Iceland. The major part of project activities takes place both in Poland and in partnership countries, which requires great engagement of all parties.

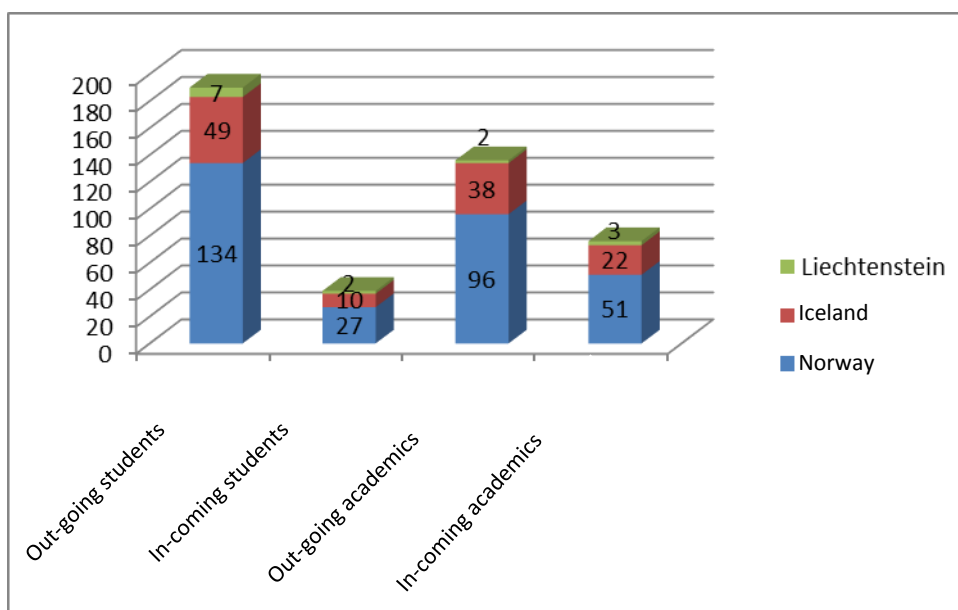
In the framework of the study performed for the purposes of the Ministry of Culture and National Heritage "Evaluation of the impact of bilateral cooperation on achieving the objectives of the programme: Promoting cultural and artistic diversity in the framework of European cultural heritage", researchers conducted 35 in-depth individual interviews with Polish beneficiaries and 20 interviews with project partners from the Donor States, as well as analysed 20 projects under the in-depth case study. From the evaluation results that the international nature of projects requires regular consultations/meetings of partners during their performance, which reflects in a better implementation of the very projects and contributes to achieving the objectives of the Financial Mechanisms, while influencing a better understanding of cultural differences, needs, challenges and threats for the cultural sector in different countries. The Beneficiaries also pointed out additional difficulties they have to grapple with under partnership projects. The impact of cultural differences appears to be a challenge in settling expenses under the projects. The difficulties result above all from the fact that formal and legal procedures and valid requirements and legal provisions of the project implementation in Poland are specified much more in detail than in the Donor States. The project reporting (incl. settling expenses incurred by its partners) is a duty of the Polish leader, while valid requirements are sometimes viewed by partners as complicated or requiring a lot of bureaucracy. The ignorance of requirements in terms of information and promotional activities by project partners may sometimes create a problem. Therefore, programme operators and partners stay in steady contact with leaders and project partners and provide assistance in interpreting disputable issues, explaining additionally principles of settlement and information and promotional activities. Operators organizing calls for partnership projects under the Fund for Bilateral Relations publish a database of partners on programme websites, support potential beneficiaries by telephone (telephone helpline).

The majority of organizations involved in the implementation has also a lot of project experience, so cultural difference usually do have neither major influence on the communication efficiency between partners nor significantly threaten the maintenance of high quality of the partnership cooperation. At the stage of establishing and initial cooperation, a useful tool is a common seminar organized by the operators during or/and after the call for proposals.

The activity *Mobility of Students and University Staff* under the PL10 programme contributed to increasing mobility between Poland and the Donor States. In the academic year 2013/2014, 343 mobilities in total were completed. In the academic year 2014/2015, there were in turn 371 mobilities completed. Beneficiaries of the activity *Mobility* planned 441 exchange programmes to be carried out in

the academic year 2015/2016 (projects will be completed until 30 September 2016). The figure below shows a detailed schedule of planned exchange visits.

Figure 1. Schedule of planned exchange visits 2015/2016.



Under the activity *Mobility of Students and University Staff*, 392 partnership contracts in total were signed until the end of 2015, out of which 48 contracts were signed with new partner institutions.

Table 1. Number of contracts under the activity *Mobility of Students and University Staff*

	Number of contracts (incl. contracts with new partner institutions) under the activity <i>Mobility of Students and University Staff</i>		
	2013/2014	2014/2015	2015 ¹
Norway	91 (16)	92 (16)	104
Iceland	40 (11)	25 (5)	27
Liechtenstein	5 (0)	4 (0)	4
Total	136 (27)	121 (21)	135

The possibility to finance activities *Institutional Cooperation and Development of Polish Universities* contributes to increasing and strengthening institutional cooperation at all levels of education (schools, universities, vocational schools, adult education) between Poland and the Donor States. There were 29 partnership contracts in total signed under the projects, incl. 17 contracts with institutions from Norway, 2 institutions from Iceland and 2 institutions from Liechtenstein. Additionally, 8 Polish partnership contracts were signed under the projects. The largest number of partners includes universities (22 institutions), schools and research institutions (5 institutions each) and non-governmental organizations (4 institutions).

Institutions carrying out projects often conclude that they find it difficult to start a new partnership. From the current experience of Poland results that this is related to the reluctance of institutions from the Donor States to sign new partnership contracts both due to a lack of potential and administrative burdens (the necessity to formalize the partnership by means of a contract). Communication problems

¹ For the year 2015/2016, the final number of signed contracts, incl. contracts with new institutions, will be available after the completion of projects and submissions of final reports, i.e. in November 2016.

between project partners may be observed only in single cases. In such situations, the operator provided assistance in reaching an agreement and working out the most effective solution for the purposes of further realization of the project.

Under the investment cultural programme with no requirement of partnership, there are 12 projects being implemented in this manner. It is worth pointing out projects for the benefit of the Royal Łazienki Museum, the Malbork Castle Museum, the National Maritime Museum, the Silesian Museum in Katowice or the Museum of Warsaw. Furthermore, there are two additional partnership projects carried out: the partnership project of the National Heritage Board of Poland and the Norwegian Directorate for Cultural Heritage (Riksantikvaren), fully financed from the Fund for Bilateral Relations, as well as the pre-defined project of the Museum of the History of Polish Jews carried out in cooperation with HL-Senteret and four other Norwegian institutions. Under the project *"Jewish cultural heritage"*, partnership activities are carried out in the following components: "Let's meet in a museum" (visits of teachers and pupils and a summer academy for Polish and Norwegian schools), "Faces of diversity" (expert seminars dedicated to historical, intercultural and civic education), as well as "Neighbours - witnesses. Objects, people, stories" (exploratory visits, interviews and historical studies on the common history and Polish-Jewish and Norwegian-Jewish relations). In the framework of the Fund for Bilateral Relation, partnership activities include study visits, workshops for young people and international conferences on the historical education and protection of Jewish heritage. Throughout the whole year 2015, there was an open call for proposals for co-financing under the Fund for Bilateral Relations for beneficiaries carrying out projects under the PL08 programme in cooperation with partners from the Donor States. 7 applications were submitted, out of which all applications were positively assessed and co-financing contracts were signed.

Under the PL07 health programme, one project is carried out in Polish-Norwegian partnership. The exchange of experience between Poland and Norway includes the introduction of an innovative method of working with dementia patients "Marte Meo" in Poland, which became well-established in Norway and is used by the project partner. In May, representatives of the Norwegian partner visited the beneficiary. Partners also exchange theoretical approach and practical experience in working with elderly people, dementia patients, incl. Alzheimer's disease and their carers. In 2015, projects under the second call for proposals of the Fund for Bilateral Relations were implemented and settled, which were carried out in cooperation with Norwegian partners. 2 additional calls for proposals were announced in the reporting period. 4 projects have been co-financed so far, while 3 projects of the last call for proposals are being evaluated. Under the PL13 programme, 2 calls for proposals of the Fund for Bilateral Relations were completed. The project of the Polish Medicine Association was co-financed to be carried out in partnership with the Norwegian University of Science and Technology (NUST), while four remaining positively assessed projects will be implemented under the next call for proposals provided that they are re-submitted. In June, the Ministry of Health and the Norwegian Directorate for Health hosted an international seminar dedicated to the exchange of experience in implementing the strategy of limiting inequality in health by the Beneficiary States of the Norway Grants. Experts from the Norwegian Directorate for Health and the Norwegian Public Health Institute shared inter alia their experience in this field. A partnership seminar was organized in autumn under health programmes, which gathered 29 representatives of self-government organs and public and private entities in the health care sector representing care and medical centres, hospitals, hospices medical universities and foundations. Norwegian solutions in public health were presented, it was possible to establish contacts with experts and Norwegian institutions to exchange knowledge, experience, best practices, which will help in carrying out common projects under the Fund for Bilateral Relations. During the January study visit, the Norwegian delegation learnt the way the Polish health care system functions in Poland, in particular different levels of decision-making in the context of shaping and making policy in the field of health care and public health at the central and local level.

Bilateral cooperation plans were prepared in cooperation with appropriate Norwegian institutions for all operational programmes implemented by the Ministry of the Environment with the assistance of the

National Fund for Environmental Protection and Water Management. In 2015, 3 calls for proposals under the Fund for Bilateral Relations were announced (1 under the PL02 programme and 2 under the PL04 programme).

Under the PL02 Fund for Bilateral Relations, a study visit to Norway (Hjerkind) was organized in June, the aim of which was to exchange Polish and Norwegian experience in the field of protecting biodiversity and ecosystems, incl. best practices in managing populations of species and protected areas. In May, representatives of the operational programme participated in a conference on mapping and valuing ecosystem services, which was organized by the Norwegian Environmental Agency. One of the projects selected in the main call for proposals is carried out in partnership with the Donors - the Regional Directorate of State Forests in cooperation with the Forestry Extension Institute in Norway implement a complex programme to increase public awareness of the biodiversity in the territory of the Regional Directorate of State Forests in Gdańsk. In February, a call for bilateral projects under the Fund for Bilateral Relations was announced. There were 11 projects in the list of projects recommended for co-financing, however, they use only approx. 40% of the available allocation. The next allocation, taking into account the strategy of using the Fund for Bilateral Relations at the programme level as approved by donors (the group of potential beneficiaries was extended), was planned for January 2016.

The effective cooperation with the Norwegian Environmental Agency, which is a partner of the PL03 programme, was continued. In April, a study visit to Norway was organized, which focused on preventing threats related to air pollution and odours. At the June meeting of the Cooperation Committee, decisions on the implementation of bilateral actions were taken among others. An accompanying event was a seminar on the air quality. Under the pre-defined project carried out by the Chief Inspectorate for Environmental Protection "Strengthening the evaluation system of air quality in Poland on the basis of Norwegian experience", a visit study to Poland took place in September 2015, the aim of which was to exchange knowledge and experience in terms of organizing and functioning of the evaluation system of air quality in Poland. Under another project of the Chief Inspectorate for Environmental Protection "Monitoring effects of the implementation of the PL0100 programme *"Increasing effectiveness of the activity of the Inspectorate for Environmental Protection on the basis of Norwegian experience"*, a study visit to Norway was organized in September, which focused on monitoring threats related to medical waste treatment. Under the projects of the open call, 3 bilateral projects will be carried out. In May 2016, the Municipality of Kraków will start implementing the project concerning the gathering, modelling and publishing space data for improving air quality. Contracts with the Lodz University of Technology and the Adam Mickiewicz University in Poznań will be annexed in 2016.

Under the PL04 programme, a partnership contract was signed in March with NVE to perform tasks under the Fund for Bilateral Relations; the first Steering Committee was organized, during which a framework action plan was agreed. During the June study visit to Trondheim, participants learnt the activities in the field of promoting effective energy use, incl. the Norwegian energy saving policy and renewable energy sources. Two calls for bilateral projects in the field of energy efficiency and renewable energy sources were announced. 2 projects were recommended for co-financing (1 project under each call for proposals, in which 10 applications in total were submitted). In October, the contract on the pre-defined bilateral project was signed to be carried out by the Warsaw University of Technology and the Norwegian University of Science and Technology in Trondheim. During a bilateral conference held in November in Gdańsk, the discussion focused on developing renewable energy sources.

At the level of open calls for proposals under the PL15 programme, 3 initiatives were co-financed, which were carried out in partnership with a Norwegian institution. Under the project "Strengthening competences and qualifications of public services in the field of migration and asylum with particular attention to preventing illegal migration", representatives of the Norwegian Directorate of Immigration (UDI) participating in a Warsaw conference opening the project in June and an international conference "Jurisprudence and exchange of best practices in terms of returns of citizens of third countries and the EU". In September, there was a conference initiating the project "Training of public services for protecting the Schengen heritage in terms of verifying protection of identity documents, travels, residence cards and documents in business transactions in the EU by means of new technologies",

which is carried out jointly by the Capital City Police Command and the Norwegian National Criminal Investigation Service (KRIPOS). Apart from initiatives selected under open calls for proposals, a project co-financed from the Fund for Bilateral Relations contributes to strengthening bilateral relations, which includes a temporary secondment to Norway for an adviser of the Polish Police to provide assistance and increase the effectiveness of common bilateral activities between appropriate services. Current assumptions of the project include the expert's mission at least until the end of 2016. The Council of Europe (CE) is responsible for conducting the above mentioned research study on the strategy of reducing the demand for forced labour and services provided by victims of human trafficking (with particular attention to the role of the private sector), as well as organizing a seminar in Warsaw, during which results of the study are to be presented. At the initiative of the Council of Europe, it is planned to organize lectures of experts in human trafficking at Polish universities. Selected experts are also to coordinate the elaboration of the study document from the substantial point of view. It is planned to conduct the second part of the social campaign in 2016 that is to cover threats related to human trafficking, the preparation of a mobile exhibition, organization of lectures at universities, completion of works on the research study, as well as the organization of a seminar in Warsaw.

The PL16 programme includes the creation of a collaborative network with other Beneficiary States of the Norway Grants, under which the programme operator intends to organize additional ventures. Together with the Norwegian partner (the Norwegian State Court Administration) and partners from the Czech Republic, Lithuania and Romania, it organized a series of seminars on the methodology of applying the provisions of the European Convention for Human Rights by justifying judgments issued by national courts. The Council of Europe was also invited to take part in the organization of the event and further events are planned for the coming year.

Any and all cooperation activities under the PL17 programme are shared by programme or project partners. Study visits, conferences, seminars or reports are prepared jointly by both parties, which makes it possible to improve the knowledge and mutual understanding between partners. In Norway, partners organized a seminar on the ethics and professionalism in the prison system. Representatives of the operator participated in an international conference on preventing the radicalization of behaviour among prisoners that was organized by the partner in Norway. Further cooperation is based on a bilateral meeting of experts on the exchange of experience and the preparation of common assumptions for further cooperation between the Polish and Norwegian prison system. The project *"Conference – Education of employees of the Prison Service. Practical aspects of the bilateral cooperation performed by the Correctional Service of Norway Staff Academy (KRUS) in Oslo and Central Training Centre of Prison Service in Kalisz (COSSW) in Kalisz"*, co-financed from the Fund for Bilateral Relations, was an opportunity to present bilateral experience to 128 participants, incl. 12 representatives of the Norwegian partner. There were 5 study visits that contributed to improving vocational competences of officers and employees of the Prison Service. Negotiations were taken up to initiate bilateral activities under the pre-defined project on telecommunication and information systems.

The regional programme PL06 contributes to a large extent to developing mechanisms of effective cooperation between both self-government units and representatives of the civil society and business in order to take jointly decisions of great significance for solving important problems of the functional area.

The implementation of the pre-defined project under the programme directly influences the creation of partnerships that were co-financed under the completed call for proposals. The cooperation with the Norwegian partner, the Association of Local and Regional Authorities (KS), is conducted by the Association of Polish Cities, in particular through the exchange of knowledge and bilateral transfer of experience and best practices in the field of management at the local level. Associations promote the creation of networks and strengthening of bilateral relations between Polish and Norwegian self-government units, although it shall be pointed out that the establishment of such a tight cooperation

may create difficulties, both due to their potential and cultural differences, incl. differences in legal and financial systems or administrative requirements.

Under the 2015 Fund for Bilateral Relations, the operator additionally cooperated at the programme level with Wrocław and Łódź and the Norwegian Association of Local and Regional Authorities (KS) under the DiverCITY 2 project. Łódź and Wrocław hosted workshops on engaging local communities and private sector in actions to improve the quality of urban environment and finance revitalization activities. The workshops brought together experts from Poland, Norway and Iceland. They are to be continued in Norway in 2016; a final conference will be organized afterwards to present best practices and solutions presented during the workshops. The project continues the DiverCITY project, which was carried out in 2014 under the Fund for Bilateral Relations at the national level.

The PL14 programme includes two partnership projects – one project in the public sector “Polish Family – Free from Violence” (carried out by the Ministry of Family, Labour and Social Policy in partnership with the Council of Europe), and one project with a non-governmental organization (carried out by the Foundation “Feminoteka” together with the Norwegian non-governmental organization “Kvinner for Kvinner”). The beneficiary of the project “Polish Family – Free from Violence” started trainings for Interdisciplinary Teams, which were preceded by a meeting of Polish and international experts in the field of counteracting domestic violence and a training for trainers by experts of the Council of Europe. Under the Fund for Bilateral Relations at the national level, a study visit to Iceland was organized, in which representatives of the operator and beneficiaries of the pre-defined projects took part. Meetings focused inter alia on best practices in terms of friendly interrogation of children, providing protection and safety to victims of domestic violence and interdisciplinary cooperation of the engaged services.

Operators are more and more willing to organize *peer review* meetings that make it possible to present achievements and challenges that Beneficiary States or institutions carrying out projects in the particular thematic field have to face (eg research, promoting cultural diversity, scholarship) or in cooperation with the same partner (PL16). Entities exchange experience and learn from each other. There were usually two meetings at the forum of the Cooperation Committee (or the Programme Committee in the case of PL12), while even four during a year in some programmes. They serve for reviewing the progress and verifying the results of the programme implementation, working out solutions, directing activities and evaluating the status of the programme implementation, and are an opportunity to strengthen the cooperation between partners. Additionally, they decide jointly on disposing of financial resources allocated under the Fund for Bilateral Relations set out under the programme.

It is beyond any doubt that the Fund for Bilateral Relations at the programme level is an important source of financing ventures and partnership initiatives. The establishment of a lower limit equal to 1.5% of the programme budget at the level of the Regulation shall be considered once again. A steady proportion in large investment programme budgets results in that financial resources for bilateral activities are sometimes inadequately high compared to the absorption capacity of the operator and beneficiaries, but also the limited potential of entities from Donor States. Under 14 programme contracts performed by Polish operators, financial resources in the total amount of over EUR 7.2 million were allocated to the Fund for Bilateral Relations. It will be possible to factually assess perspectives of spending the bilateral allocation in the programme after the following year of their implementation; however, it shall be assumed that it may create a huge challenge for the operator in some programmes. Experience gathered during 2015 confirms the thesis, which was formulated in the previous year’s report, that the demand for financial resources under the “a” activity was immaterial with savings being transferred to the “b” activity. This calls into question the correctness of the division of financial resources of the Fund for Bilateral Relations.

3. REPORTING ON PROGRAMMES

3.1. Overview of programme status

There are 17 programmes implemented in the framework of the European Economic Area Financial Mechanism and the Norwegian Financial Mechanism 2009–2014, as well as the Technical Assistance Fund and the Fund for Bilateral Relations at the national level.

As long as previous years of implementing financial mechanisms in Poland were marked by fund contracting, calls for proposals and re-allocation of funds between programmes, the year 2015 way of key importance for ensuring the maximum amount of spending in projects and programmes. The National Focal Point used the possibility specified in Art. 7.14.4 of the *Regulations*, i.e. to exceed the eligibility period of expenses in projects, as well as specified more in detail in the *Regulations* related to re-allocation between projects in cooperation with Donors. After consultations with the Ministry of Finance and the Donors, the unused financial resources of the provision for foreign exchange differences were transferred to other budget categories within the programmes, while the review of indexes, which took place still in 2014 at the programme level, made it possible to update them.

In the context of the upcoming deadline of the project eligibility mentioned in Art. 7.14.3 of the *Regulations*, the National Focal Point and operators make their best to complete the implementation of the projects in due time, achieve the objectives expressed in the form of indexes, and achieve the maximum amount of spending. In the current perspective 2009-2014, the four first programmes in Poland were approved in spring 2012, while 9 other programmes were not accepted until December and 4 programmes until 2013. The contracting process was finished in February 2014 by signing a contract on the PL18 programme *Green Industry Innovation* that was created in the framework of the re-allocation of the free amount released from the PL11² programme. In the context of a later start of mechanisms, a lack of possibilities to re-allocate funds between programmes (the deadline expired on 31 October 2014), as well as the risk of internal factors, in particular weather conditions in the case of large infrastructure investment, the lengthiness of tender procedures or the cooperation with external organizations, incl. the Council of Europe, WHO or IOM, the timely completion of projects may be difficult or even impossible. By letter of 14 January 2015, the National Focal Point initiated a discussion on the possibilities to extend the eligibility of expenses in projects beyond 30 April 2016, while it applied to the BMF in April to confirm the validity of Art. 6.9 of the *Regulations* in all cases savings were re-allocated between projects under the programme. The review of indexes in all programmes was also completed and indexes were modified in PL12 and PL16.

Extending the eligibility of expenses in projects

The matter of extending the eligibility period of projects was raised during a yearly meeting with Donors' representatives in 2015, when Poland presented the results of a preliminary analysis on individual cases of ventures/projects, which will not be completed during the eligibility period of expenses mentioned in Art. 7.14.3 of the *Regulations* for justified reasons. In order to achieve the planned results and effects of the ventures, the Donors decided to allow for applying an exception mentioned in Art. 7.14.4 of the *Regulations*, i.e. extending the eligibility of expenses in projects until 30 April 2017 for contracted projects (i.e. those projects for which relevant contracts were concluded) and entering data about the projects into DoRIS (Project Level Information) until 15 September 2015. On 30 June 2015, there was a meeting with all stakeholders on extending the eligibility period for projects, while on 27 July, representatives of the operators took part in workshops to simplify the entering of project data into DoRIS for projects requiring extension. The National Focal Point submitted all applications in due time, i.e. until 30 September 2015.

By letter of 14 October 2015, the Donors accepted the list of projects provided by the programme operators and the National Focal Point, the eligibility period of which was to be extended as an

² The budget of the programme (EUR 20 million) comes from the allocation originally dedicated to the *Programme to support the development and widespread use of CCS technology in Poland* (PL11). Details were provided in the Strategy Report for 2013.

exception beyond 30 April 2016 in accordance with Art. 7.14 of the *Regulations on implementation of the EEA and Norway Grants*. The performance period of 256 projects in total was extended to be carried out in Poland under the programmes PL02, PL03, PL04, PL06, PL07, PL08, PL13, PL14, PL15, PL16, PL17. The procedure of concluding addenda to project contracts was started without delay, which take into account the extension of the eligibility period of expenses, and afterwards agreements/decisions concluded with the programme operators. The good cooperation between the National Focal Point and the programme operators and Donors is worth pointing out in this respect.

Extending the eligibility of expenses in programmes

In accordance with the Donors' decision, the extension of the eligibility of expenses of at least one project under the programme until 30 April 2017 made it necessary, as specified in Art. 7.10 of the *Regulations*, to extend the eligibility of management costs of 11 programmes until 31 December 2017. During the meeting of 30 June 2015, the Donors confirmed that any costs managed directly by the programme operator are subject to extension in such a situation, i.e. the Fund for Bilateral Relations at the programme level, the category of complementary activities and the provision for covering foreign exchange losses.

The postponement of the eligibility deadline for the above mentioned expenses made it necessary to extend the eligibility period of the Fund for Bilateral Relations at the national level (until 30 April 2018), final reports for programmes (until 28 February 2018) for the total of financial mechanisms (until 30 June 2018) and the Assistance Fund (until 15 November 2018).

To remind, it shall be added that the eligibility period of projects and programmes was earlier (in 2013) extended in research projects at the initiative of the Donors, and the final deadline of the eligibility of expenses in programme projects already at the stage of signing the contract PL18 was April 2017.

Re-allocation of funds between projects – interpretation of Art. 6.9 of the Regulations

Another tool to increase the effectiveness of using available funds is provided in Art. 6.9 of the *Regulations*. If interpreted literally, the article means that its provisions cover only situations when free funds remained after the completion of the project and as a result of withdrawing full co-financing due to irregularities. The *Regulations* do not define the way of acting in order to use savings in other situations. This is why the National Focal Point applied by letter of 2 April 2015 for confirming the use of the article with regard to any and all circumstances of identifying savings in projects. At the request of the National Focal Point, the Donors confirmed by letter of 12 May 2015 that the provisions of Art. 6.9 shall apply to any re-allocation of funds between projects, i.e. they make it possible to re-allocate any and all savings between projects and their use to contract further projects included in the reserve lists approved by the Project Selection Committee or the Programme Committee. Decisions in this respect shall be based on the recommendation of the Project Selection Committee and consistent with the formerly published criteria so that the procedure is transparent and the decision objective. It shall be furthermore added that the Donors (by letter of 7 July 2015) defined situations, when the programme operator may modify the project individually, and which situations are subject to the procedure of re-allocating funds as mentioned in Art. 6.9 of the *Regulations*. The procedure of modifying the project, which the programme operator grants its consent to, takes place when amounts are moved within the budget of the same venture. However, shall the project receive additional funds from external sources, eg savings in other projects or corrections resulting from irregularities, the procedure mentioned in Art. 6.9 of the *Regulations* shall apply. The re-allocation of funds under the procedure described in Art. 6.9 of the *Regulations* may be done until the project has been completed, i.e. the programme operator has approved the final report on the project implementation. Shall the beneficiary complete the physical performance of the project, but shall it not submit the final report yet and shall the programme operator not approve the report yet, it is possible to undertake the re-allocation to additional activities under this project. Thereby, potential savings may be re-allocated after 30 April 2016 to projects extended under the programmes.

In the context of Art. 6.9, it shall be reminded that in accordance with the re-interpretation of the Donors of Art. 12.2.2 of the *Regulations*, funds not used in the project due to identifying irregularities may be re-allocated to other activities, in the case of which no irregularities were identified, under the same or a different project of the programme. Such funds identified in the category of programme management may be in turn used for other activities of the same category as long as the irregularities is not systematic, which results directly from the wording of the above mentioned article of the *Regulations*.

In April, the National Focal Point requested the programme operator to inform the beneficiaries about the possibility to apply for additional funds and remind them of principles to apply to the participation of the applicants in the call for proposals so that the requirements of the Regulations are fulfilled in the case of a justified application for amending the project. Following the arrangements made with the Donors, it was confirmed that the deadline of the eligibility of expenses under additional activities (eg which may be an extension of the scope of the on-going activity) may be consistent with the date the operator took the first decision about co-financing the project (in accordance with Art. 7.14.1 of the *Regulations*).

Re-allocation between budget categories in programmes

In April 2015, the National Focal Point applied for the possibility to move funds between budget categories in programmes PL02, PL03, PL04, PL06, PL07, PL13, PL14, PL15, PL16 and PL17 in order to use available funds originally allocated under the provision for foreign exchange losses. In consequence, it was possible to co-finance inter alia additional projects from reserve lists.

Implementation of programmes

Since 2015, all programmes have been at the stage of intensive implementation, tight monitoring of planned ventures and reacting to project risks. The calls for proposals, which were planned earlier, were resolved (excluding the additional call for proposals PL04, under which one entity raised a claim against the decision). The operators signed contracts with the beneficiaries of individual projects, monitored their implementation, and settled the first completed ventures in substantial and financial terms.

Basic information on all programmes together with the estimated amount of payments made under the programmes is presented in the table in Annex 1. The National Focal Point – List of Programmes of the Norwegian Financial Mechanism and the EEA Financial Mechanism 2009-2014.

In accordance with the information included in the previous strategy report, the level of fund contracting under the EEA Financial Mechanism and the Norwegian Financial Mechanism amounted to **EUR 534,742,500**, i.e. **100 %** of the allocation to programmes.

Calls for proposals – summary

There were 3 calls for proposals announced in the reporting period. One of them (under PL10) was a planned one, two remaining calls for proposals (under PL04 and PL05) were to serve for consuming savings (it was possible only under the dedicated programme for NGOs). Calls for proposals under PL04, PL15 and PL18 were also resolved.

Table 2. List of calls for proposals announced and resolved in the reporting period

Programme		Calls for proposals/SGF			Submitted applications		Applications approved by the Committee		Performed contracts	
		Date of the call for proposals	Grant (EUR)	Budget incl. PO/state budget co-financing (EUR)	Number	Amount applied for (EUR)	Date	Number	Amount of co-financing (EUR)	Number of contracts
PL04	Saving energy and promoting renewable energy sources	07.07.2014 15.09.2014	10,469,089	10,469,089	84	38,044,335	16.03.2015	38	17,148,401	33
		10.07.2015 14.09.2015	10,142,358	10,142,358	2	3,003,257	N/A	N/A	0	0
PL05	Fund for non-governmental organizations/ Citizens for Democracy	19.10.2015 10.11.2015	800,000	800,000	50	2,549,044	14.12.2015	17	?	?
PL10	Scholarship and Training Fund	03.02.2015 02.04.2015	1,440,000	1,600,000	35	5,011,869	26.05.2015	31	2,112,743	31
PL15	Schengen cooperation	15.07.2014 15.09.2014	1,189,460	1,189,460	24	6,494,689	06.02.2015	8	2,455,344	8
PL18	Green Industry Innovation	28.02.2014 28.05.2014	17,783,000	17,783,000	84	60,654,910	01.04.2015	29	17,010,000	28

It seems that the reporting period was the last year calls for proposals were announced (the matter of using savings under the PL04 programme is to be decided) and was not market by great intensity in this respect if compared to the previous year. Nevertheless, more projects were co-financed apart from those selected in the above mentioned calls for proposals. Operators dedicated additional funds to the projects in reserve lists by means of:

- the re-allocation between programmes approved in 2014,
- the re-allocation under the programme,
- the re-allocation between projects in accordance with Art. 6.9 of the Regulations (comp. Amendments to programmes).

It was possible to co-finance additional projects thanks to:

- great popularity of calls for proposals, after which the Project Selection Committees approved long reserve lists providing a possibility to support highly evaluated initiatives,
- extending the eligibility period of expenses under selected programmes until April 2017, which made their implementation schedules more flexible,
- intensive activities of the institutions engaged in the implementation of programmes and additional effort of the applicants that updated they applications submitted one or even two years earlier.

Compared to the original assumptions, the amount of allocation made available for co-financing projects under calls for proposals increased by almost EUR 80 million, i.e. 25%, due to current re-allocations. The below table shows the increase in allocations for re-granting in comparison with the amounts planned at the stage of programming.

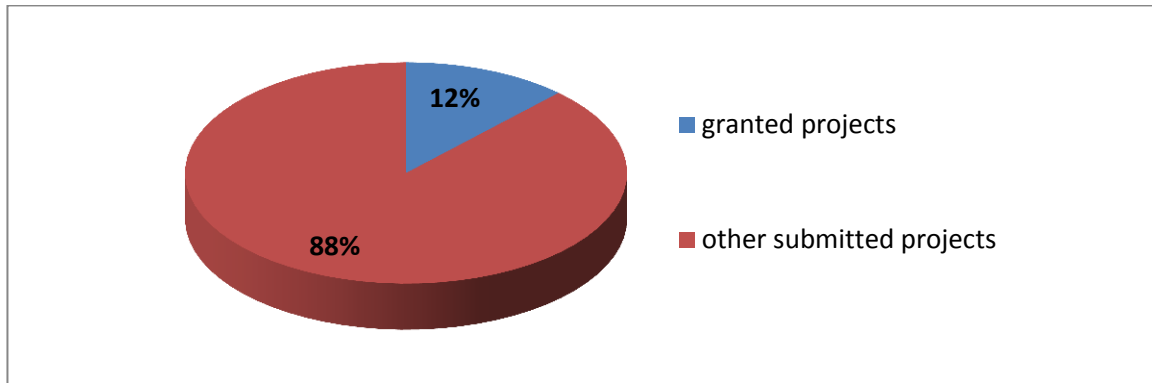
Table 3. Original allocation versus allocation contracted under calls for proposals

Programme number	Original allocation for calls for proposals (EUR)	Completed contracts	
		Amount of co-financing (EUR)	Number of contracts
PL02	13,190,181	14,874,895	34
	4,235,294	4,346,784	26
PL03	897,625	2,034,554	5
PL04	67,394,000	50,258,942	73
		4,999,980	1
		17,148,401	33
		0	0
PL05	7,401,548	9,500,000	154
		10,829,402	196
		9,149,041	172
		3,457,802	9
		?	?
PL06	7,401,548	8,094,492	17
PL07	46,995,275	54,825,225	37
PL08	77,842,794	74,680,708	22
PL09	9,755,555	11,043,136	62
PL10	9,733,333	18,332,157	173
PL12	38,713,827	57,537,357	68
	N/A	10,541,176	7
	2,352,941	3,339,851	34
PL13	15,423,206	16,334,971	26
PL14	600,000	725,000	19
PL15	9,319,634	6,692,957	15
		2,455,344	8
(PA22)	3,065,320	3,065,320	11
PL18	17,783,000	17,783,000	28
TOTAL	332,105,081	412,050,495	1225

To summarize, 1225³ projects selected out of 10,101 applications were completed until the end of 2015, which illustrates the scale and intensity of activities of the institutions engaged in the programme implementation, the efficiency of the information and promotional campaign, great effort of the applicants, but also the insufficient amount of allocation for re-granting against needs – only 12% of the submitted applications were selected for co-financing. The below figure shows the level of success, i.e. the comparison of allocated grants to the number of submitted applications.

³ The number does not include 17 projects that were recommended for co-financing under an additional call for proposals under the PL05 programme and where no contracts for co-financing have been signed yet (negotiations with potential beneficiary were in process as of the end of 2015).

Figure 2. Number of projects implemented versus applications submitted under resolved calls for proposals



Pre-defined projects

Under the EEA and Norway Grants, there are 28⁴ pre-defined projects implemented in Poland, out of which 8 have been completed. The below list of means (from the mostly used one) of using savings identified both in completed projects, as well as those projects for which eg tender proceedings were completed in lower amounts than previously assumed:

- increasing the allocation available for projects selected under the call for proposals to co-finance additional projects from reserve lists;
- distributing according to the procedure specified in Art. 6.9 of the *Regulations*;
- re-allocating to other pre-defined projects or the Fund for Bilateral Relations at the programme level;
- extending the scope.

It is planned to complete 11 projects in the following year, while as much as 9 projects in the first trimester of 2017 (i.e. 32% of the completed ones), which raises a challenge for beneficiaries and operators, both in terms of the implementation of all planned activities and the effective spending of all available financial resources.

Amendments to programmes

In 2015, 28 addenda to contracts on programmes were signed in total. They resulted from:

- modifications to indexes due to the completion of the project selection process and updating target values, as well as the attempt taken up by the Donors to standardize the indexes in the field of research programmes in the light of the later aggregation of data (PL12, PL16);
- extending the eligibility period of 256 projects (until 30 April 2017 the latest), as well as programmes PL02, PL03, PL04, PL06, PL07, PL08, PL13, PL14, PL15, PL16, PL17 (until 31 December 2017);
- re-allocating between budget categories under programmes, in particular liquidating the provision for foreign exchange losses (PL02, PL03, PL04, PL06, PL07, PL13, PL14, PL15, PL16 and PL17), releasing unused amounts from the category of preparing a draft programme (PL03, PL04, PL06, PL15 and PL16) and programme management (PL03, PL04, PL06, PL07, PL13, PL15, PL16 and PL17), moving between results (PL15) and using under other categories of savings occurred in the framework of the results (PL04, PL07, PL15), as well as creating (PL16) or additionally supporting the category of complementary activities (PL14).

Small amendments were also made to Annex II of the contracts, eg the provisions on payments to final beneficiaries were modified (PL07 and PL13). The National Focal Point signed 17 annexes to agreements with programme operators, 11 further annexes related to extending the eligibility period of expenses until December 2017 will be signed in the following year.

⁴ The number includes 23 industrial projects co-financed under the PL04 programme as one pre-defined project.

It shall be pointed out that it is expected to modify programmes in the following years, because it is necessary to use potential savings, in particular in terms of management costs. Due to the fact that the approval of such amendments is not assigned to the national level, it will be required to continuously cooperate with the Donors in order to make the modification process efficient and effective.

Effects of the implementation of programmes/projects – reporting on indexes

The year 2015 was marked by the completion of planned open calls for proposals and the final analysis of project indexes related to the objectives and effects of the programmes, as specified in the programme contracts. Following the initiative of the Donors of December 2014, indexes in all programmes were reviewed. Only in the case of two programmes (PL12 and PL16), Poland applied for their modification. This means that the indexes planned at the stage of programming appeared to be correct as a rule (modifications to PL12 were to make it possible to aggregate data within a research area). On the basis of the reports submitted by the operators, it shall be pointed out with great satisfaction that the assumed indexes were achieved at a high level, while the achieved results significantly (even several times exceed target values in many programmes, which may reflect the underestimation of the latter ones in the context of some programmes, eg for fear of insufficient quality of applications/projects or low competition in the process of applying for co-financing. However, as already commented in the strategy report for 2014, experience resulting from completed calls for proposals confirms great interest for proposed support among potential beneficiaries, which reflected in a high number of applications in the total requested amount that sometimes exceeded the available allocation in the call for proposals (and/or programme) even over a dozen times. Such a great number of applications makes it possible to select the most valuable projects. Details on the indexes were included (if possible) in the further part of this report.

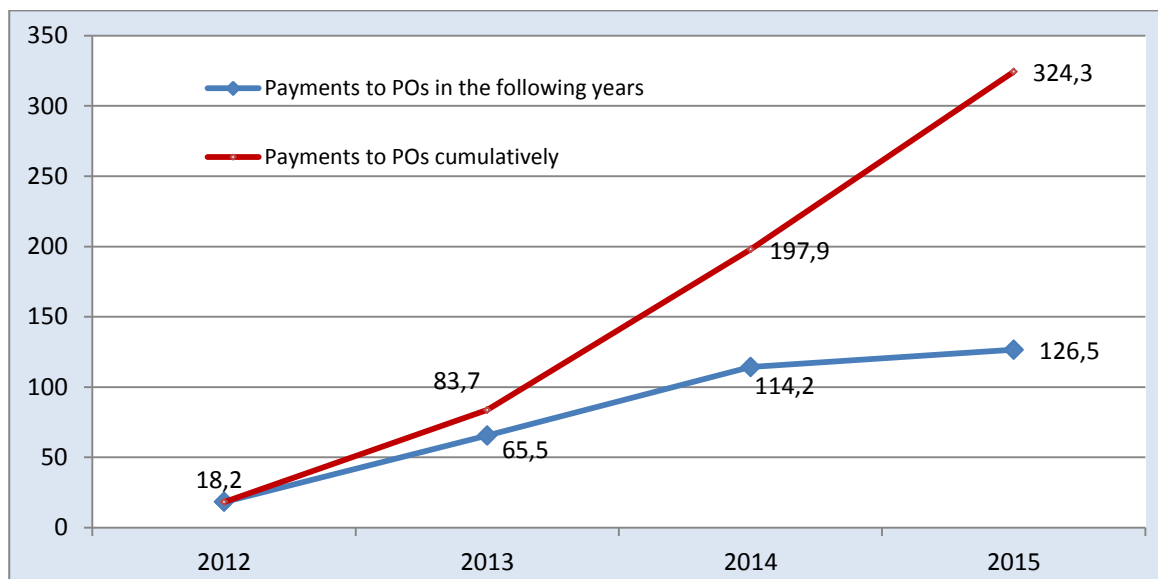
Schedule of implementing programmes/projects

The eligibility of programmes under the Financial Mechanisms in Poland expires on 30 April 2017 as a rule, while the eligibility of projects under the programmes expires on 30 April 2016. The programmes, under which the Committee of the Financial Mechanism decided to extend the eligibility period by one year in accordance with Art. 7.14.4 of the *Regulations*, i.e. until 30 April 2017, are treated as an exception. The programmes PL12 (research programme) and PL18 (Green Industry Innovation) with the above mentioned extension were followed by industrial projects under the PL04 programme in 2014 – in terms of the industrial projects focused on reducing CO₂, and the following programmes PL02, PL03, PL04, PL06, PL07, PL08, PL13, PL14, PL15, PL16 and PL17 in the reporting period. Taking into account that the allocation shall be used and the assumed objectives of the Financial Mechanisms in Poland shall be achieved, the eligibility period of expenses in 256 projects under these programmes as extended until April 2017, which means that the eligibility deadline of management costs, the provision for foreign exchange losses, programmes under the Fund for Bilateral Relations and supplementary activities under these 11 programmes expires on 31 December 2017. This means that only three programmes (PL05, PL09 and PL10) retained original eligibility frameworks, as assumed in Art. 7.14.3 and 7.10.1 of the *Regulations*. The eligibility period was also extended for the Fund for Bilateral Relations and the Technical Assistance Fund (comp. Extending the eligibility of expenses in programmes).

Spending financial resources under the Financial Mechanisms

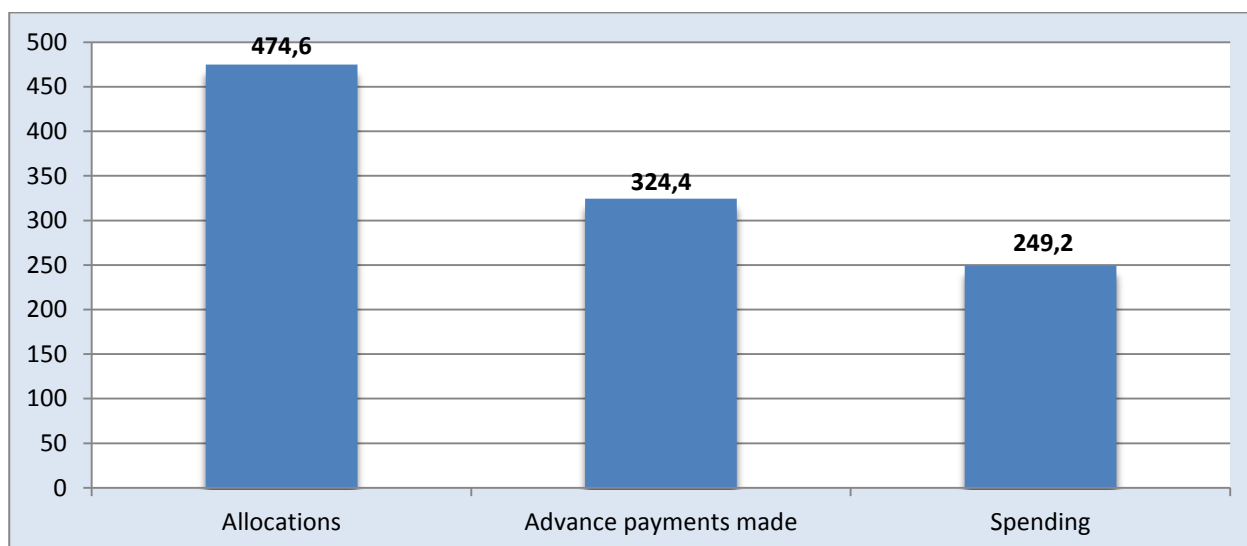
The year 2015 was marked by a further progress in spending financial resources under the Financial Mechanisms.

Figure 3. Payments to programme operators (grants) by Poland (EUR million) – in following years and cumulative from the beginning of the programme



Until the end of 2015, Poland made advance payments to programme operators under the Mechanisms (grants) in the amount of approx. EUR 324.3 million, which is equal to 68% of the amount allocated to Poland. Until the end of 2015, financial resources (grants) in the total amount of almost EUR 249.2 million were spent, which is equal to 84.6% of the advance payment for the programmes for the particular reporting period⁵. It shall be explained simultaneously that the received advance payments refer to the period preceding the period of submitting applications and settling previous tranches by 2 months.

Figure 4. Comparison of funds under the Financial Mechanisms (grants), which were spent in programmes until the end of 2015, with the amount of the advance payment made to programme operators and the allocation (EUR million)



* The amounts do not refer to programmes implemented directly by the Donors.

⁵ Under the PL15 programme, the considered data refer to the period until the end of August 2015.

Moreover, the amount allocated to Poland amounted to approx. EUR 324.3 million until the end of this reporting period, which is equivalent to 100% of the pre-financed amount allocated to programmes from the state budget.

Horizontal matters

Good governance practices shall be followed mainly by using transparent principles of participating in the programme and projects, ensuring equal access to all stakeholders (incl. by consultations, participation of observers in decision-making bodies), as well as by adhering to law, guidelines and procedures. Announced calls for proposals shall be conducted in a transparent way – the transparency of activities is achieved above all by ensuring free access to information, incl. reports, minutes of the meetings of project recommendation teams, and publishing documents on a programme. Information on calls for proposals were published on the Internet site of the programme operators, all-Poland press, or sent electronically in the form of newsletters. Documents of the calls for proposals included its detailed principles, incl. evaluation criteria. Documents were available to the public – results of the calls for proposals and information on following activities of the programme operator were published on the Internet site. Particular attention was paid to the principle of zero tolerance for corruption – the mechanisms of evaluating and selecting projects are to ensure against the conflict of interests. Poland also cares about the efficiency and effectiveness, in particular in terms of maximizing spending, updating indexes, and adjusting schedules. Our aim is to identify irregularities quickly, perform an in-depth analysis of risk factors on an ongoing basis and adequately as necessary.

The implementation of horizontal policies by the beneficiaries is monitored by the operators on an ongoing basis by analysing periodic reports and final reports on the project implementation that are submitted by the beneficiaries. Institutions are also obliged to care about a high quality of the conducted activities and concluded partnerships. Projects shall be based on the principle of mutual responsibility, equality, transparency and partners' full participation in the project. In many projects, the beneficiaries increased their institutional potential and knowledge in the course of trainings (eg in the PL15 programme).

The overriding objective of the Norwegian and EEA Funds, i.e. decreasing social and economic differences, is reflected in the principle of sustainable development. Projects implemented under the programme contribute to building social capital, ensure that the priorities and needs of different groups with regard to sex, disability, ethnic origin, religious identity are respected, support the principles of equality, non-discrimination, tolerance and understanding, as well as strengthen intercultural dialogue and counteract social exclusion.

Mobility activities shall be referred to in the social context. Participants of the PL10 projects have the opportunity to attend lecture in partnership institutions, increase thereby the awareness and social cohesion, as well as develop dialogue between Poland and countries of the European Economic Area. The social sustainable development also results from a stable system of health care, which ensures equal access to services – this is the main objective of PL07 and PL13. The health care system is also represented among research projects. Activities in the field of gender equality and work-life balance are particularly supported by PL12 and PL14. The beneficiaries of bilateral projects find the cultural aspect extremely important, as well as the possibility to extend the experience of mobility participants to live in a different social environment than the indigenous one.

Programmes and projects were subject to evaluation, inter alia in terms of their cost effectiveness. While establishing criteria for evaluating projects under calls for proposals, programme operators took in to account inter alia the evaluation of the applicant's institutional capacity, the degree of consistency between the project and programme objectives, the innovation of project solutions or its effectiveness (eg ecological). Their objective is to use available funds as effective and responsible as possible, as well as achieve long-term benefits/the durability of results. The expected results of students and academics exchange programmes, cooperation between researchers and representatives of culture institutions are to increase employment opportunities and entrepreneurship. In a longer term, the established contacts may lead to developing other fields of cooperation. The programme PL08 *Conservation and revitalization of cultural heritage* shall contribute to the social and economic development of less developed regions of Poland. The implementation of works in these territories, where monuments need

particular support, is an investment into a systematic development of tourism, and in consequence, their economic development measured by the increase in the GDP, a higher number of jobs reflecting in the increasing in the prosperity of their citizens. For example, the project for the Castle Museum in Łańcut is implemented in the south-eastern part of Poland, the social and economic development of which is far from the level of the western or central part of the country. The complex revitalization of historical buildings and the digitization of material culture monuments makes it possible not only to preserve the monuments for future generations, but also increase its accessibility. Other venture carried out on the so-called eastern wall of the country focuses on restoring the former glory of 7 unique historical orthodox churches of European significance (in Białowieża, in the Holy Mount of Grabarka, Kobylany, Sławatycze, Lublin, Hrubieszów and Tomaszów Lubelski), which will be linked with each other by a common route of religious tourism in the framework of the currently established system of routes "In the footsteps of the Orthodox Church". The investment is carried out by the Orthodox Diocese of Lublin-Chełm and covers unique objects all over Poland, which makes its rank so special. An important effect of the investment projects is the new cultural and educational offer that influences the development of social competences and the creation of the awareness and cultural identity. Museum classes, lessons, workshops, educational routes will be organized inter alia in renovated museum objects. This will increase access to culture for the disabled and those threatened with social exclusion. As a result of the project "*Construction of the Józef Czapski Pavilion in the National Museum in Kraków*", the offer of classes for the disabled and persons with special needs or threatened marginalization will be extended. Under the project for the Royal Łazienki Museum, systems for persons with hearing and visual disabilities will be installed, both in the communication and exhibition area. The cultural infrastructure of the *Museum of Papermaking in Duszniki Zdrój* will be adapted for servicing the disabled, the activation of the elderly was also planned. In the course of repair and maintenance works to retain the castle in Lidzbark Warmiński against degradation, the cultural and education offer was extended, social competences are also supported. The mobile educational platform of the Museum of the History of Polish Jews, which is active under the PL08 predefined project, makes it possible to access inter alia the the communities and groups with limited access to the museum's resources. During the International Film Festival WATCH DOCS (...) co-financed under the PL09 programme and implemented by the Public Film Institute, as well as the project "Faces of Current Times" carried out by the Off Camera Association, matters of human rights, migration, counteracting exclusion, incl. due to age, social integration and cultural diversity were subject to discussion. In 2015, the project "Preserving the Heritage of the Wawel's Dragon's Den" implemented by the Wawel Royal Castle included classes (incl. exploration, artistic and theatrical workshops) that were dedicated to children with disabilities and conducted in the Framework of the cooperation with the Training and Education Centre for blind and visually impaired children and children with mental dysfunctions.

Investments in culture and cultural heritage are a factor of the development of cities and regions, while contributing to the increase in their touristic and investment attractiveness. At the same time, they positively influence the development of international cooperation. The project of the Royal Łazienki Museum in Warsaw is an interesting example of such cooperation. The project partner is the Foundation for the Museums in the Ostfold Region in Norway that manages a historical, wooden theatre of the 19. century Fredrikshalds Teater in Halden, the equivalent of the Stanisławowski Theatre. Both institutions exchange their experience in carrying out investments related to such unique monuments.

Thanks to projects co-financed under the PL09 programme, local and regional communities and ethnic and cultural minorities participate in cultural events of high artistic and significant factual value, which contributes in turn to increasing their cultural competences, as well as strengthening human and social capital. The programme also contributes to enriching the cultural offer for customers in the whole country and abroad. Moreover, it shall be mentioned that while taking into account inter alia the projects "*Institutional cooperation*" and diversified cultural activities under the activity "*Mobility of Students and University Staff*", it is assumed that the PL10 programme shall achieve the index of project implementation in the field of culture, as specified in the contract (i.e. 10% of the programme budget for scholarships in the field of culture).

Under the above mentioned project "Yiddish for all ...", activities were undertaken to promote the Yiddish language and culture, open lectures about culture and heritage, as well as the realization of the

spectacle “Yiddish between Norway and Poland”. Additionally, the project is aimed at counteracting anti-Semitism, intolerance and overcoming stereotypes.

The principle of gender non-discrimination is a horizontal rule for all programmes and projects. One of the objectives of the PL12 programme is to increase the number of female researchers in research projects, in particular in technical disciplines, where they are the smallest group. Under the Small Grants Fund, 34 projects are co-financed in this area (5 additional projects received grants in the reporting period), and their total budget amounts to EUR 3,339,851. Moreover, the operator monitors the number of women – managers involved in the projects. The number of women – project managers is equal to 28 out of 68 projects under the main call for proposals, 1 out of 7 CCS projects and all projects under the Small Grants Fund. Partnerships and Polish-Norwegian consortia support the principle to be adhered to. Under the project carried out by the Bente Kahan Foundation, an exhibition “Women in the Yiddish culture” was shown in 2015 that was aimed at presenting how Jewish women could become known thanks to the egalitarianism of the Yiddish culture despite their functioning in a patriarchal system and have a significant impact on the character and development of the culture. The project “Faces of Current Times” of the Off Camera Association included a discussion panel “Does the cinema have a sex?” that was organized together with the Association of Polish Female Filmmakers. At each stage of recruitment, implementation and project settlement, the priority is to follow the principle of gender equality. Programme operators endeavour so that the principles do not discriminate any gender. Exclusively objective criteria are taken into account during the recruitment process. Female and male participants of the projects possess equal rights and obligations, as well as equal access to such resources as financial resources or development opportunities. An interesting point is that on the basis of completed projects under the PL10 activity Mobility of Students and University Staff, it may be concluded that the major part of students participating in student exchanges are women, while men are more active in exchange programmes for academics.

Social cohesion also reflects living conditions. The differences in the health of the Poles depending of their place of residence were presented in the report of the World Health Organization of 2012 “Social health inequalities in Poland”. The objective measurements of the survey on health inequalities include the analysis of life expectancy and infant mortality rates which are significantly differentiated among voivodships. The area is covered by the PL13 programme, under which 26 projects are conducted by Polish powiats and which treats the matter of decreasing health inequalities in a complex way.

Programmes implemented under the mechanisms in Poland also address challenges regarding the security. Facilitations related to the functioning of the Schengen area are used by criminals, while their effective identification, detection and prosecution, as well as support to victims require appropriate services and authorities to increase the institutional potential, improve cooperation procedures (incl. non-governmental partners), training activities and exchange of knowledge and best practices. One of the greatest challenges faced by Polish prosecution organs and other appropriate state authorities remains, as in previous years, human trafficking that may lead to forced labour, sexual exploitation, forcing to theft or swindling social benefits. The support of the Norway Grants under PL15 reflected in the intensification of activities aimed at appointing voivodship teams on human trafficking, with the participation of representatives of competent central and local authorities. The implementation of the predefined projects of the Migration Policy Department of the Ministry of the Interior and Administration and the project of the Voivodship Office in Lubin is of key importance for effective counteracting and combating human trafficking.

The survey conducted in 2014 on the commission of the Ministry of Labour and Social Policy revealed the stereotypes functioning in the society, eg the tendency to interpret violence mainly as physical violence, inclination to shift the blame on the victim or quite a high degree of consent to using physical penalties against children. It is worth pointing out that victims of domestic violence rarely search for help somewhere else. Thanks to the activities undertaken under the PL14 programme, it is possible to observe an increase in quality and availability of services addressed both to victims of domestic violence and its offenders. Support of the penitentiary system under the PL17 programme by decreasing the disadvantages of serving a sentence of imprisonment will make it possible to adhere more fully to human rights against prisoners while ensuring that international standards are fulfilled in this respect.

As a rule, programmes shall be implemented with the principles of the least damage for the environment. Under some programmes and projects, social and ecological aspects are raised in a specific way, as in the case of the programmes PL02, PL03 or PL04. They have a positive impact on environmental matters by striving to stop the process of losing biological diversity and improving activities of entities that are responsible for monitoring and controls in the field of the environment. Operators undertake activities to prevent negative impact on the environment, incl. shaping the awareness and interest of ecological matters among citizens. Beneficiaries also expect that social policy focused on widely understood matters of caring for the environment will become more and more popular. Moreover, while supporting research projects in terms of carbon capture and storage technologies (CCS) or those dedicated to the environmental protection and climate changes under the PL12 programmes, it will be possible to solve ecological problems. On 19-20 November 2015 in Sopot, there was a conference *“Polish and Norwegian research on climate and environment. Strategies and actions – polar research – climate change – technology”*. The conference was an opportunity to discuss the current state of knowledge on climate changes, the environmental protection and polar research, as well as present other Polish and Norwegian projects and initiatives in the area.

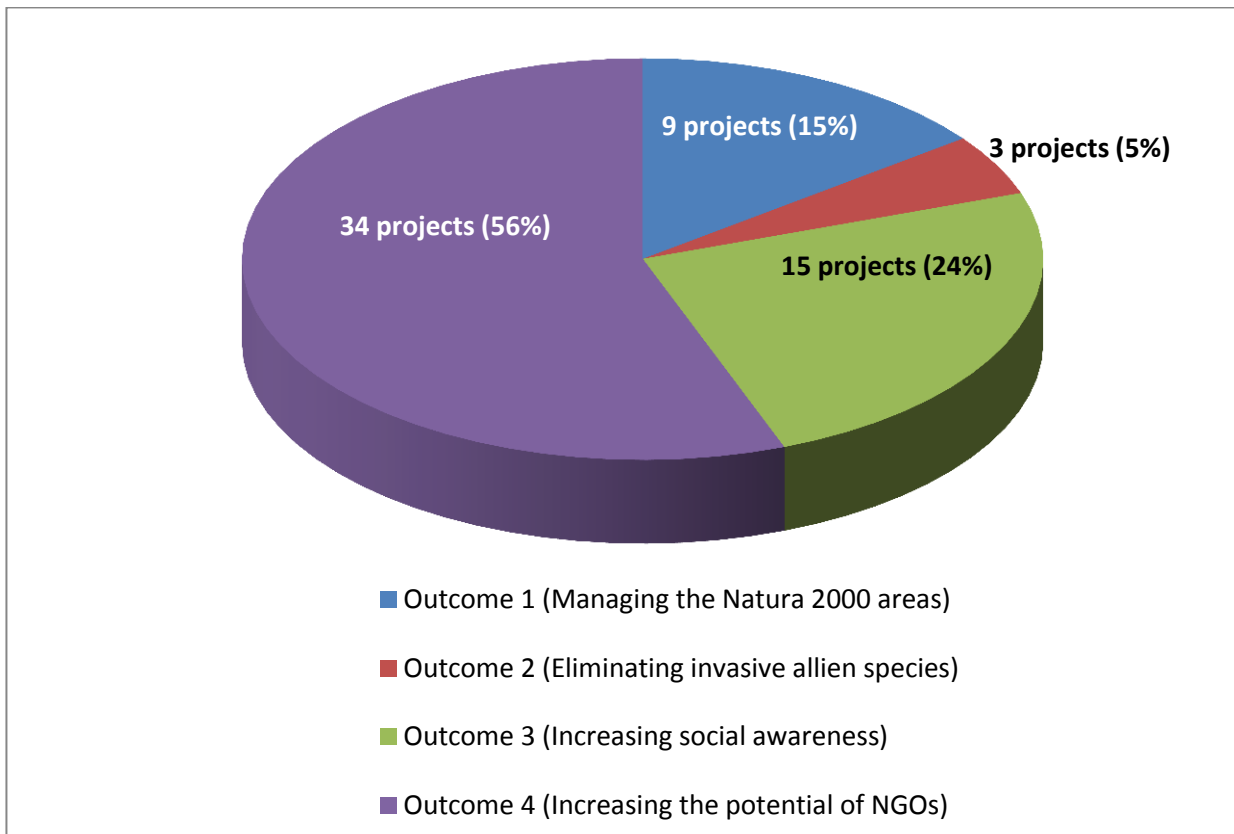
3.2. Summary of individual programmes

a) PL02 Protection of biological diversity and ecosystems

In 2015, 9 contracts with beneficiaries were signed under the PL02 programme. Thereby, the total number of co-financed projects amounted to 61: 34 projects were co-financed under the main call for proposals, 26 projects from the Small Grants Fund, and one pre-defined project was also implemented. Furthermore, a pre-defined project is being implemented. In accordance with the information provided by the beneficiaries, indexes of the results were achieved or even exceeded. Indexes of the programme results will be also achieved.

The implementation of 2 projects was completed, incl. one pre-defined project and one project under the Small Grants Fund. The pre-defined project was completed successfully with all planned indexes having been achieved.

Figure 5. Number of co-financed projects by programme outcomes together with the pre-defined project and the Small Grants Fund PL02



As a result of the decision of the Donors, the extension of the eligibility period of expenses was approved for 52 projects. Taking into account the seasonal character of activities under the projects due to the rhythm of nature, the change of the implementation period minimized the risk of not finishing the projects within the original tight schedules and not achieving the assumed indexes and results. Moreover, the Donors made it possible to re-allocate EUR 100,000.00 of the grant out of the provision for foreign exchange losses to the result no. 3, by which 2 projects from the reserve list were co-financed.

Following the call for proposals, 11 partnership projects with the total amount of approx. EUR 108 thousand were co-financed under the Fund for Bilateral Relations at the programme level. It is planned to announce another call for proposals in the following year.

In May, representatives of Poland participated in a conference on mapping and evaluating ecosystem services, which was organized by a Norwegian institution.

In June 2015, a study visit was organized to Norway that gathered representatives of Polish central state institutions responsible for the environmental protection policy together with representatives of the Regional Directorate for the Environmental Protection in Rzeszów and Olsztyn and the National Park "Ujście Warty". The visit was hosted by the Norwegian Environmental Agency. Participants exchanged their experience in protecting the biological diversity and ecosystems, and learnt the Norwegian system of the environmental protection and best practices in managing populations of protected species.

In September 2015, the programme operator organized an international conference in Wrocław "Together Towards a Green Future – EEA and Norway Grants in the Environment Sector" that was financed from the Fund for Bilateral Relations at the national level. The conference was aimed at summarising the activities and exchanging experience between beneficiaries and institutions engages in the implementation of projects under the EEA and Norway Grants. Additionally, during

the October International Trade Fair of Technologies and Products for Sustainable Development and Municipal Services POL-ECO-SYSTEM 2015 in Poznań, a stand was organized to promote the EEA and Norway Grants and environmental programmes.

In 2016, it is planned to monitor further the implementation of projects, completed and settle a part of them and organize two thematic bilateral conferences in Poland on the protection of indigenous species against invasive foreign species and the protection of coastal areas.

b) PL03 Improving environmental monitoring and inspection

In 2015, 4 predefined projects and 2 projects from the basic list of the open call for proposals were being implemented. Contracts for 3 further projects were signed under available savings. Projects are implemented correctly, the risk of their non-completion in due time is low, in particular in the context of the Donor's consent to extending the eligibility period of expenses. Approx. 52% of the allocation to projects have been certified so far.

Due to the fact that the results of the programme were specified on the basis of predefined projects, the implementation of the latter one reflects directly in the values of the indexes. Projects selected during calls for proposals will contribute to exceeding values of some target indexes and/or achieving results not specified in the programme. After the completion of the projects, it will be possible to report on the results and effects.

Activities of the programme are consistent with the national priorities included in the *“National Ecological Policy for the years 2009-2012 with a perspective until 2016”* with regard to monitoring, evaluating the environmental quality, requirements towards inspection, as well as priorities of the INSPIRE Directive.

Under predefined projects, bilateral activities were carried out – study visits were organized both in Poland and Norway in order to exchange knowledge and experience on the functioning of the evaluation system of air quality in Poland, as well as threats related to treating medical waste and ways of treating in the case the Norwegian provisions on medical and veterinary waste are infringed upon.

Information bulletins about environmental monitoring were published. A bilateral project within the predefined project „Model of space database concerning the natural environment with the management system in the light of thematic studies of cartography, implemented by the Head Office of Geodesy and Cartography in cooperation with the Norwegian Mapping Authority (Kartverket), was completed.

The most important challenges related to management focused in 2015 on the re-allocation of financial resources to projects from the reserve list, extending the substantial scope of implemented projects, extending the period for performing projects and bilateral activities. In June 2015, there was a meeting of the Cooperation Committee held in Norway, during which Poland summarized current achievements and agreed matters concerning the further implementation of the programme with the Norwegian Environmental Agency. In August 2015, the Project Selection Committee decided that financial resources released by beneficiaries may be allocated to extending the substantial scope of the ongoing projects.

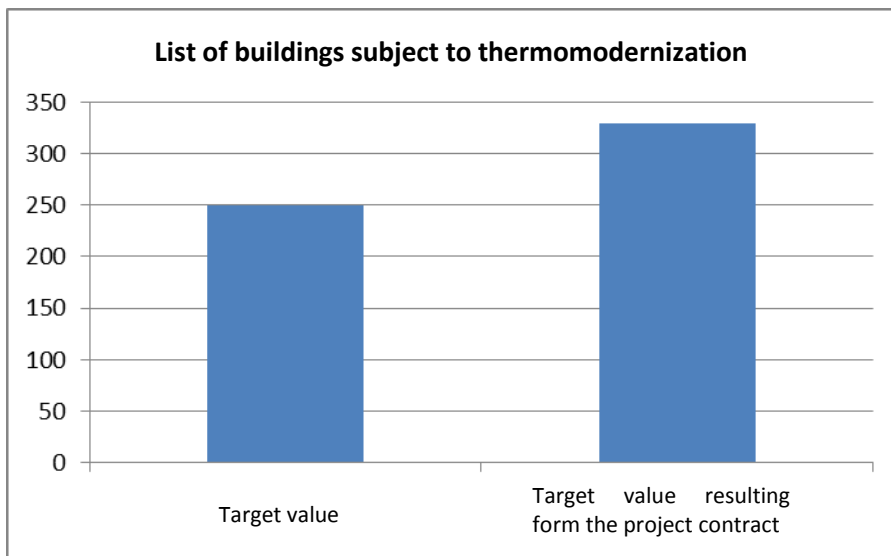
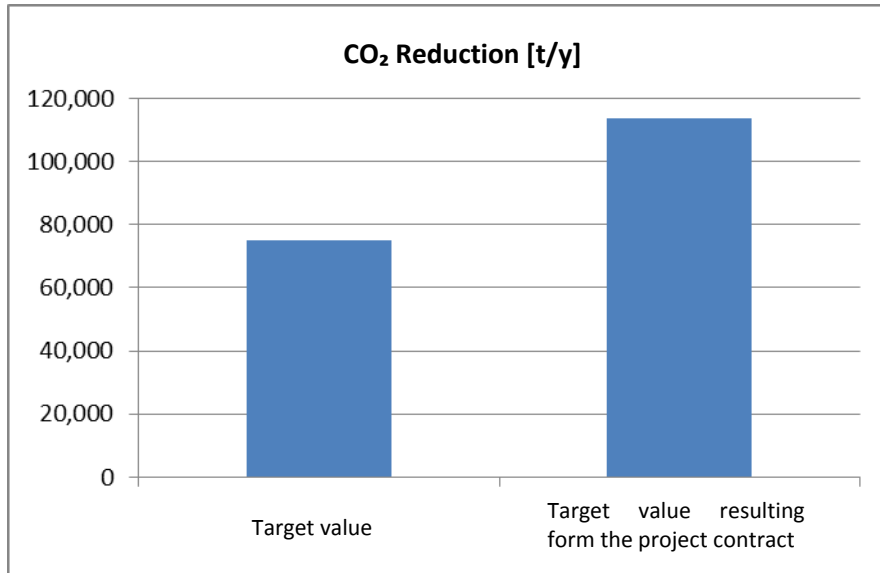
Key tasks for the following year include monitoring of the timely implementation of all projects, achieving the assumed values of indexes, spending of the preliminary allocation (in the mode specified in Art. 6.9 of the Regulations), as well as undertaking assumed bilateral activities, both at the programme and project level.

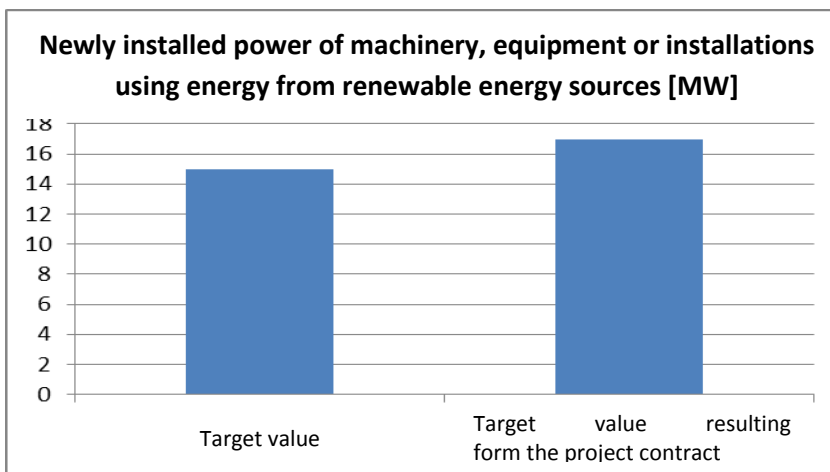
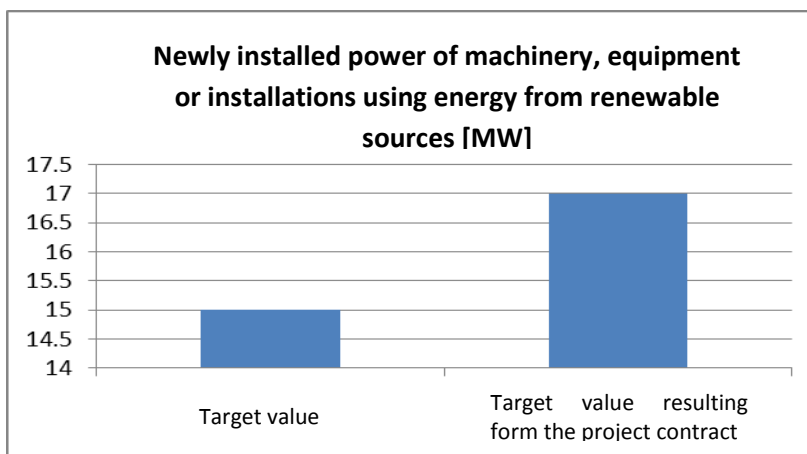
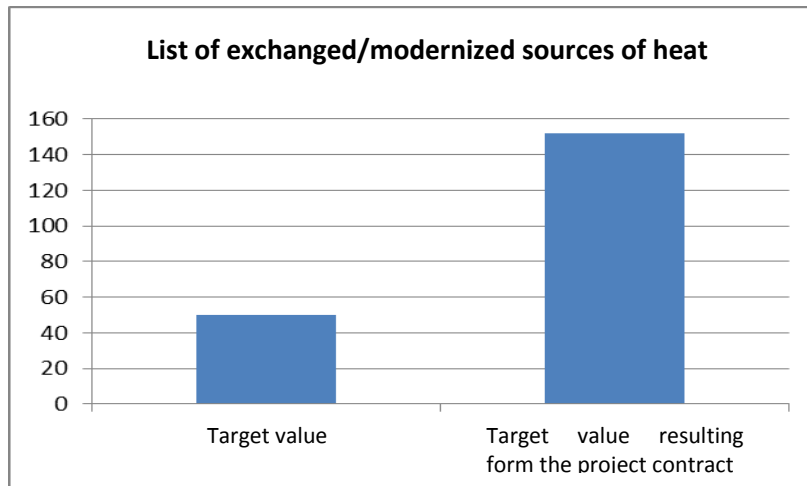
c) PL04 Saving energy and promoting renewable energy sources

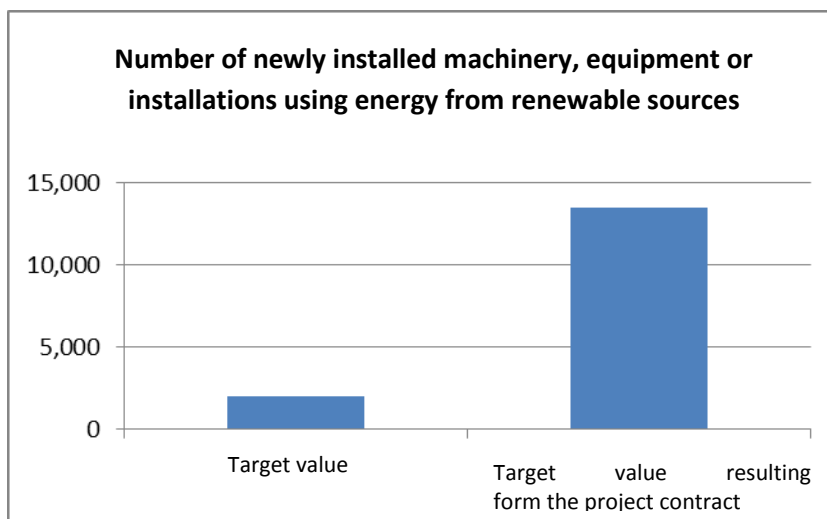
The implementation of the project is marked by a significant level of advancement. In 2015, the evaluation of all projects submitted under main calls for proposals was completed (the evaluation of projects under the supplementary calls for proposals is still ongoing), as well as the process of concluding contracts under the EEA Financial Mechanism was finished. In consequence, 106 projects were implemented in the reporting year, under the results *“Improving energy effectiveness in buildings”* and *“Increasing energy production from renewable energy sources”*.

The next year will be the last year of project implementation and will be therefore key for the implementation and progress in achieving selected results in terms of energy efficiency and renewable energy sources. Figures below present the planned implementation of selected indexes in projects.

Figure 6. Status of the implementation of indexes in PL04







Due to savings, the operator announced the possibility to re-allocate financial resources among projects in accordance with Art. 6.9 of the *Regulations*. In the reporting period, there were 20 applications with the total amount of over EUR 8 million submitted, i.e. three times the amount of the available allocation as of the date the call for proposals was announced.

The predefined project under the outcome *“Increased public awareness and education on energy efficiency”* was finished, and the assumed indexes were achieved. 3 information activities and media campaign were conducted among others. The activities under the above mentioned outcome covered over 7 million persons.

Under the outcome *“Reducing waste production and emissions of pollutants into air, water and soil”*, which currently covers 24 projects being implemented by industrial companies, beneficiaries completed 6 ventures in the reporting year (26 %). The achieved indexes are the first results in reducing CO₂, SO₂, NO, CO and dust. Under the above mentioned outcome, two beneficiaries announced in the 1. half of 2015 that they would withdraw from implementing the projects. Poland informed the Donors about the problem already at the last yearly meeting. Afterwards, in order to restore the lost ecological effect and use savings in the amount of approx. EUR 10 million, proposals of using released financial resources were submitted to the Donors. Due to a lack of the Donors’ consent to initiating the procedure of extending the substantial scopes of ongoing ventures, an additional call for industrial proposals was announced that attracted two applications. In relation to initiating the appeal procedure, the evaluation process is due to finish in 2016. Therefore, the programme operator reviewed ventures for co-financing that fulfilled the Donors’ requirements, as well as considered the possibility to absorb additional financial resources under activities already in progress. At the initiative of the National Focal Point, various proposals were consulted with the Donors on an ongoing basis. Until the end of 2015, it was however not possible to work out a solutions combining the requirements and capacities of all stakeholders. As there was no approved manner of using savings in the programme within the limited timeframe of the Mechanisms, the risk of not using financial resources increases, as specified in the previous year’s report. There are intensive works going on the manner of using the savings.

Under bilateral cooperation, there was a study visit to Norway that covered the topic of energy efficiency in the public sector. The programme operator signed a bilateral project contract with the Warsaw University of Technology in cooperation with the Norwegian University of Science and Technology (NTNU) and positively reviewed the bilateral project implemented by the National Energy Conservation Agency in cooperation with Norsk Energii with regard to energy management in the industry. In November 2015, the programme operator organized a conference on renewable energy sources, and afterwards finalized two calls for proposals for projects in the public and private sector, out of which one project was co-financed in each sector.

The problem of using financial resources for implementing the industrial outcome is the most risky one. The amount of the programme budget requires particularly detailed monitoring of conducted activities in order to maximize the spending of the allocation.

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

The PL06 programme is implemented according to its schedule. Following the re-allocation completed in 2014, 2 additional projects from the reserve list were co-financed. In consequence, there are currently 17 projects under the call for proposals and 1 pre-defined project being implemented under the PL06 programme, the latter one being conducted by the Association of Polish Cities in cooperation with the Norwegian Association of Local and Regional Authorities (KS).

Lengthy procedures of selecting contractors together with the lengthy process of receiving documents elaborated within the projects increased the risk of non-achieving the objectives and results of the project during the original eligibility period, i.e. until April 2016. The extension of the eligibility period of projects and the additional time for conducting planned activities together with additional possibilities of using potential savings did minimize the risk. Following the amendment, 15 contracts were annexed.

The bilateral strategy focuses in particular on strengthening bilateral relations in the programme, in particular within activities conducted in the predefined project. The Association of Polish Cities is involved in the cooperation with a Norwegian partner (KS), in particular by exchange of knowledge and bilateral transfer of experience and best practice in governance at the local level. Moreover, the 2015 Fund for Bilateral Relations at the programme level covered the cooperation of the programme operator with the Cities of Wrocław and Łódź and the Norwegian Association of Local and Regional Authorities (KS) under the DiverCity 2 project. Wrocław and Łódź hosted workshops on involving local communities and private entities in activities to improve the quality of urban environment and finance revitalization activities. Workshops brought together experts from Poland, Norway and Iceland. In 2016, they are to be continued in Norway; a final conference will be organized afterwards to present best practices and solutions presented during the workshops. The project continues the project which was carried out in 2014 under the Fund for Bilateral Relations at the national level. Furthermore, it is planned to organize bilateral meetings in 2016 for representative of selected beneficiaries of the programme and representatives of Norwegian cities. The Norwegian Association of Local and Regional Authorities (KS) will act as a partner of the programme operator in the framework of planned activities. The final scope of planned activities is still to be agreed with Norway.

In 2016, the programme operator is to continue activities in order to implement the projects correctly and efficiently. It is planned to perform approx. 90 substantial tasks which mainly involve the preparation of strategy and sectoral plans, incl. strategies for functional areas, spatial planning, diagnostic tests, technical documentation for future investments. The performance of the majority of the activities was initiated in the reporting period.

Under the Fund for Bilateral Relations at the programme level, there were workshops at the end of the year that covered the matter of involving local communities and private entities in activities to improve the quality of urban environment and finance revitalization activities. The activity will be continued in Norway in the upcoming year. Best practices and solutions worked out during the workshops will be presented at the final conference.

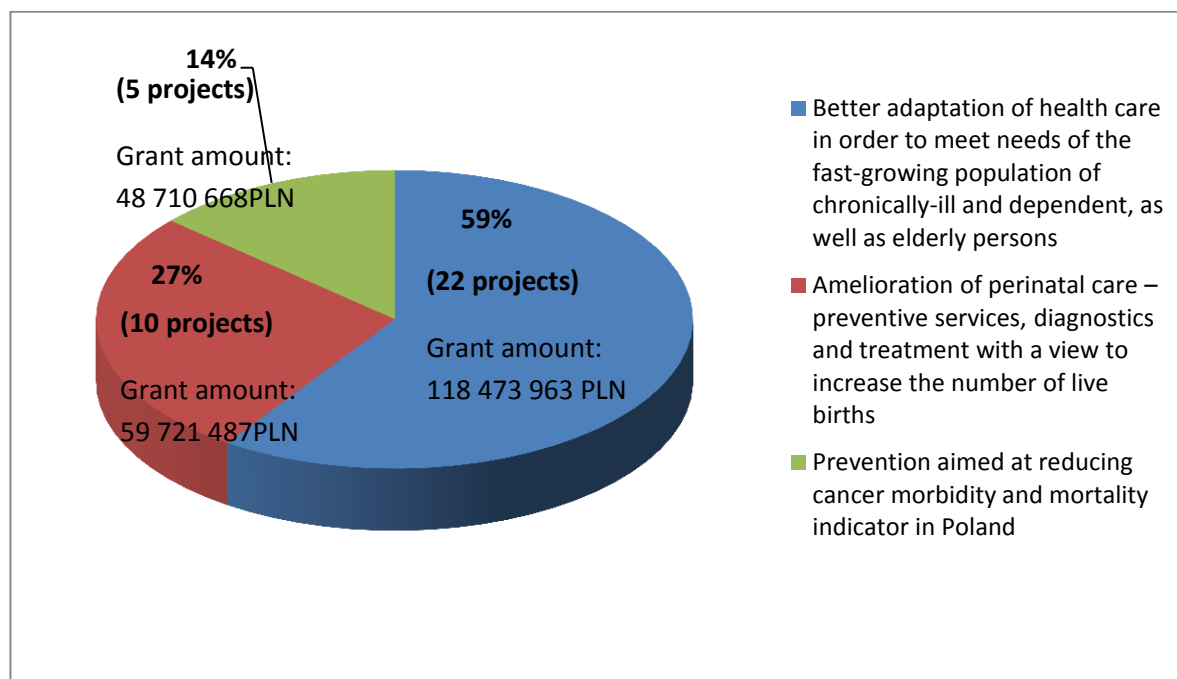
The operator updates the Internet site of the programme, elaborated and published a bulletin in there (in Polish and English) that includes details on the implementation of the projects. Activities conducted under the predefined project are of great significance for promoting the whole programme, eg the competition "Self-Government Leader in Management", and the database of best practices which is a source of knowledge about best practices in self-government for contenders.

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

In the reporting period, the PL07 programme was at an advanced stage of implementation. The call for proposals was finished in the previous year, and the operator signed 4 additional contracts for co-financing in 2015, as one of the applicants resigned and financial resources were moved within budget

positions. Moreover, following the recommendation of the Project Selection Committee, the amounts of co-financing were increased for 6 projects, the co-financing of which was lower than the maximum 80%. In consequence, 37 projects in total were co-financed in the total amount of PLN 227,034,999 (EUR 54,823,480) and the financial resources for the call for proposals were used in full.

Figure 7. Number of projects by areas of support PL07



The beneficiaries continued the implementation of co-financed ventures, which directly reflects in the indexes achieved in the relevant period.

Taking into account the advancement of the implemented projects, there is no risk that the assumed results may not be achieved. The planned products were achieved, while the values of the indexes were significantly exceeded in 4 out of 5 cases.

Table 4. Status of the implementation of indexes in PL07

Outcome	Indexes for products	Value	
		Achieved	Target
Improved access to health care services and their improved quality, incl. care in reproductive health and child health prevention, as well a helath care related to the society's ageing	Number of trained medical employees	2,184	1,100
	Number of newly purchased diagnostic and therapeutic equipment	2,082	800
	Number of modernized, rebuilt or extended institutions functioning in the health care sector	19	20
Preventing or decreasing lifestyle related diseases morbidity	Number of consultations (health education and health promotion)	71,373	5,600
	Number of organized events related to health promotion and education (eg trainings, meetings)	784	170

The highest risk identified during the reporting period was a high probability of not completing a part of the projects within the contractual eligibility period, i.e. until April 2016. This was caused by delays in

signing the programme contract, the lengthy procedure of evaluating the applications and signing project contracts. The risk was minimized thanks to the Donors' decision to extend 25 projects until April 2017. It shall be added that delays in the performance of the investment due to the length public procurement process could increase the risk. While addressing the needs of the beneficiaries, the operator organized a training on risks related to the performance of the investment, as well as monitored the status of implemented projects on an ongoing basis.

The beneficiaries undertake information and promotional activities while adjusting them to target groups in order to prevent a low level of participation among final beneficiaries. Taking into account the changing situation on the market of training offers and the impact on the project's objectives, the operator reacts to the needs reported by the beneficiaries in terms of modifying their programme in a flexible way.

The programme contract was changed twice during the reporting period. Firstly, the value of management costs and the provision for foreign exchange losses were reduced while increasing the allocation for the main call for proposals at the same time. The objective of the amendment was to use potential released financial resources and increase the programme's outcomes. Secondly, the eligibility period of the programme was extended, which contributed to minimizing the risk of not completing the projects.

In 2015, 3 partnership projects selected in the 2. call for proposals in 2014 were implemented and 4 projects selected during in the 3. call for proposals announced in 2015. Moreover, the 4. call for proposals was announced, under which 3 projects were submitted to be implemented in 2016. There is also one project under the main call for proposals being implemented in Polish-Norwegian partnership, the objective of which is to introduce an innovative method of working with dementia patients in Poland.

The programme operator manages a telephone helpline and an Internet site www.fbr.zdrowie.gov.pl, which is dedicated to the beneficiaries and potential beneficiaries of the programme wishing to establish a cooperation with entities from the Donor States and apply for support under the Fund for Bilateral Relations, as well as its potential partners.

In January, there was a study visit of the Norwegian delegation to Poland that was organized at the initiative of the Norwegian Directorate for Health. The main goal was to learn the way the Polish health care system functions in Poland, in particular different levels of decision-making in the context of shaping and making policy in the field of health care and public health at the central and local level.

In February, the Ministry of Health together with the Norwegian Directorate for Health organized a seminar co-financed from the Fund for Bilateral Relations. The seminar attracted 29 representatives of self-government authorities and public and private entities active in the health care sector, representing care and medical centres, hospitals, hospices medical universities and foundations. The main objective of the seminar was to present Norwegian solutions in public health, establish new contacts with experts and Norwegian institutions to exchange knowledge, experience, best practices, which will help in carrying out common projects under the Fund for Bilateral Relations at the level of the programmes PL07 and PL13.

Thanks to extending the eligibility period, the year 2016 will be marked by an intensive implementation of the co-financed ventures settling the first completed projects.

f) PL08 Conservation and revitalization of cultural heritage

Due to savings in the implementation of the projects, it was possible to co-finance an additional project ranked first in the reserve list. Therefore, a co-financing contract was signed in May for the project of the Municipality of Kraków "*Modernization of the Theatre Łaźnia Nowa*". Under the programme, there are 22 investment projects implemented, which were selected in the open call for proposals, and 1 predefined project of the Museum of the History of Polish Jews.

Upon the Donors' consent, there were two additional modifications made to the programme during the reporting period: the budget of the predefined project "*Jewish cultural heritage*" was increased by allocating savings under the category *Provision for foreign exchange losses*, as well as the performance period of 9 projects under the programme was extended (incl. the predefined project), while extending the performance period of the whole programme until the end of 2017. The amendment makes it

possible to reduce the risk of not completing the projects that require a time provision in the schedule due to their investment and complex nature.

In 2015, all projects were in progress. Due to the fact that the projects selected in the calls for proposals are infrastructural ventures requiring a long investment process, while their implementation did not started until 2014 and will be finished in the years 2016-2017, it is planned to achieve first results of the projects in 2016. It shall be however pointed out that on the basis of the conducted monitoring, the programme operator does not face any risk at the current stage that would be related to not achieving the assumed indexes and products under the programme. On the contrary, it is expected to exceed the original indexes.

The implementation of all 6 components of the predefined project *“Jewish cultural heritage”* was also continued, in the framework of which 929 events related to cultural heritage were organized, inter alia a tour of a mobile educational platform through 22 localities in Poland, a series of workshops, meetings and conferences, a campaign *“Daffodils”*, publishing and promotion of the book by Jerzy Jurandot *“City of the sentenced. 2 years in the Warsaw Ghetto”*. 107,749 visitors participated in the organized events. Activities supporting bilateral cooperation were also conducted in the reporting period. Throughout the whole year, the open call for proposals under the Fund for Bilateral Relations – part *“b”* was conducted, under which 7 applications were submitted. All of them were evaluated positively and relevant contracts on their co-financing were signed. The project cover the exchange of knowledge and best practices between Polish beneficiaries and their foreign partners, while including mainly the organization of study visits, seminars and conferences. Additionally, a bilateral project of the National Heritage Board of Poland and the Norwegian Directorate for Cultural Heritage was also in progress. The objective of the project is to improve the management system of local heritage resources in participating municipalities in Poland and Norway.

There was a number of information and promotional activities performed, inter alia a marketing film *“Strong in culture”*, a training for the beneficiaries of the programme on 15-16 September in Łódź, purchasing and donating sets of books and DVD films for children to 150 orphanages.

The upcoming years is marked by an intensive implementation of 8 extended projects and one predefined project, completion and settlement of 14 projects, strengthening bilateral cooperation and a final conference on the achievements of the cultural programmes.

g) PL09 Promotion of diversity in culture and arts within the European cultural heritage

The PL09 programme is one of the most advanced programmes. It addresses the needs of entities conducting international cultural projects (cultural institutions, artistic schools and universities, non-governmental organizations); also facilitates the exchange of artists and authors (incl. pupils and students) and experts in various fields of arts. Following the re-allocation in 2014 and the liquidation of the provision for foreign exchange losses after receiving the recommendation of the Project Selection Committee, 9 additional projects from the reserve list approved under the 2. call for proposals were co-financed. Financial resources were contracted for 62 large and small projects according to the programme contract, i.e. with the ratio of approx. 70-30%. The assumed indexes of the outcome and product were exceeded several times.

Table 5. Status of the implementation of indexes in PL09 (1)

Outcomes	Number of projects	
	Until the end of 2015	Target value
Projects in artistic and cultural education	14	3
Projects in cultural heritage	20	5
Projects in performing arts music	16	8
Projects in plastic and visual arts	12	4

Due to the eligibility period of the projects to expire in April 2016, the majority of planned events under the project took place in the reporting period. 37 projects have been completed so far, out of which 23 projects in the reporting period. The completion of 25 projects falls onto the last 4 months of implementation in 2016, which means a high intensity in substantial progress and great reporting effort. The operator monitors the co-financed ventures on an ongoing basis, incl. by inspections in the places the projects are implemented in Poland and in the territory of the Donor States.

Table 6. Status of the implementation of indexes in PL09 (2)

Outcome	Indexes	Value until 2015⁶	Target value
Presenting arts and culture to the wide public	Number of cultural events	2,093	100
	Number of contracts concluded under partnership projects	121	20
	Number of institutions, where cultural and artistic events took place	535⁷	40
	Number of spectators visiting cultural and artistic events	1,172,167	140,800
	Number of persons involved in creating intercultural events	3,863⁸	880
	Number of completed intercultural projects	37	20

Until the end of 2015, 121 partnership contracts were signed under 62 projects selected for co-financing, out of which 90 contracts were signed with Norwegian institutions, 30 with institutions from Iceland and 1 institution from Liechtenstein. 107 institutions from the Donor States are involved in total (out of which 81 from Norway, 25 from Iceland and 1 from Liechtenstein), which results from the fact that 95 partnership institutions are involved exclusively in 1 project, 10 are involved in 2 projects, and 2 institutions are simultaneously involved in 3 different projects under the PL09 programme.

An important tool of evaluating the quality of bilateral cooperation is the report on the implementation of the evaluative study on the impact of bilateral cooperation on achieving the objectives of the programme "Promotion of diversity in culture and arts within the European cultural heritage", which was elaborated by an independent company Pracownia Badawcza MONITOR on the commission of the operator.

From the experience gathered in 2015 results that the demand for financial resources "seed money" under the Fund for Bilateral Relations was immaterial (they were used only in 4 projects). As of the end of December 2015, the programme operator spent only 32% of the financial resources of the Fund for Bilateral Relations planned in the programme contract. It is planned to organize a final conference in 2016 to summarize the programme, meetings for all 10 programme operators in the priority area, as well as prepare a programme of new proposals under the Fund for Bilateral Relations at the programme level together with the partner, which shall make it possible to use available savings.

The operator cooperates with its partner, i.e. the Arts Council Norway, to work out common ideas for the programme, share experience, knowledge and know-how. It is thereby possible to use improved solutions for specific questions related to the implementation of the programme. Direct bilateral outcomes are to strengthen mutual understanding, increase competences of employees of the programme operator, as well as improve communication between entities. Conclusions drawn from the above mentioned evaluative study confirm the effectiveness of the Cooperation Committee as the key tool in strengthening bilateral relations and a platform for long-term and professional cooperation

⁶ On the basis of the periodic reports approved by the operator for the 1. and 3. trimester of 2015. After the approval of all periodic reports for the 3. quarter of 2015, the values of the indexes shall be higher.

⁷ On the basis of information included in all periodic reports approved by the programme operator so far (institutions/persons may appear in different projects and in different periodic reports on 1 project).

⁸ Ibid.

(there were 4 meetings in 2015). Moreover, the Arts Council Norway support information and promotional activities of the programme inter alia by means of Facebook, creating a “Bank of Projects” on its Internet site or preparing an exhibition of photographs “People & Possibilities”, which will use the photographic documentation of the project ordered by the operator. In 2015, a new Internet site www.eog2016.mkidn.gov.pl was created to cover both the PL09 programme and the PL08 programme Conservation and revitalization of cultural heritage.

Representatives of the programme operator participated inter alia in the meeting of the programme operators in the priority area concerning the promotion of cultural diversity, which took place on 7-9 October 2015 in Prague. The meeting was to exchange knowledge, experience and best practices, as well as discuss and consider the current progress in implementing the programmes in the Beneficiary States. It also became an opportunity to present the achievements of the programme.

The implementation of the projects is to finish in early 2016, while its beneficiaries and operator will be involved in their settlement. The operator will continue its cooperation with the Arts Council, above all in terms of using the financial resources under the Fund for Bilateral Relations. It is planned to hold a final conference in the 3. quarter to summarize the implementation of the programmes in the field of culture, which shall be accompanied by a partnership seminar.

h) PL10 Scholarship and Training Fund

The Scholarship and Training Fund was halfway implemented in 2015. All out of 7 planned calls for proposals were completed – one call for proposals was announced in 2015 under the activity “*Mobility of Students and University Staff*”. The call for proposals enjoyed great interest, while the amount applied for (over EUR 5 million) was three times higher than the amount of the available allocation. Thanks to promotional and information activities conducted by the programme operator, a major part of the applications submitted to the Fund were very well prepared and fulfilled the criteria of co-financing. After the formal evaluation and the appeal procedure, 31 projects were co-financed (out of 35 submitted projects) with the total amount of EUR 2,112,743 that covered 539 exchange programmes. All contracts with beneficiaries were signed.

Table 7. Number and destinations of exchange programmes under the activity *Mobility of Students and University Staff* PL10

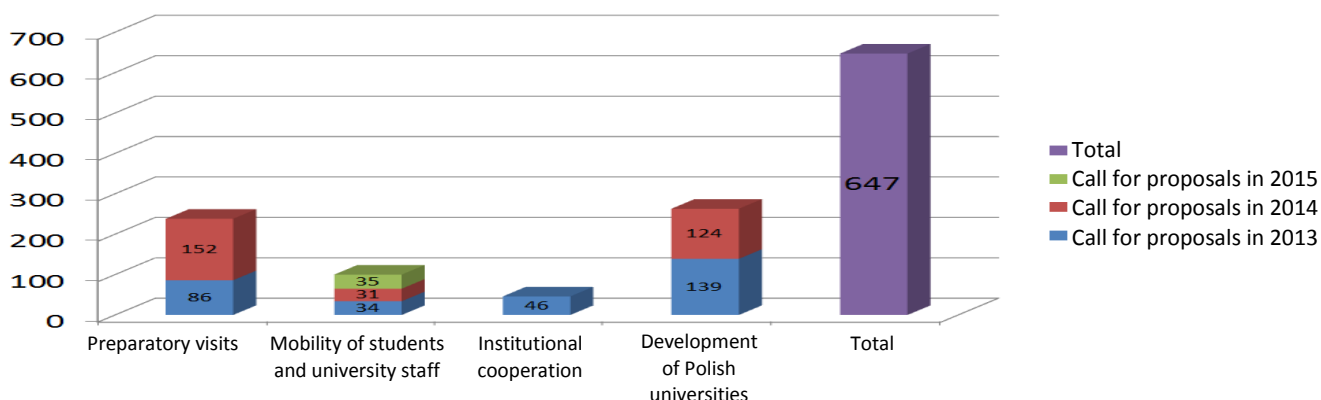
CATEGORY	NORWAY	ICELAND	LIECHTENSTEIN	TOTAL
Out-going students	231	47	6	284
In-coming students	51	15	0	66
Out-going academics	81	32	2	115
In-coming academics	55	19	0	74
TOTAL	418	113	8	539

The applicants found it very difficult to find new Project partners in the Donor States.

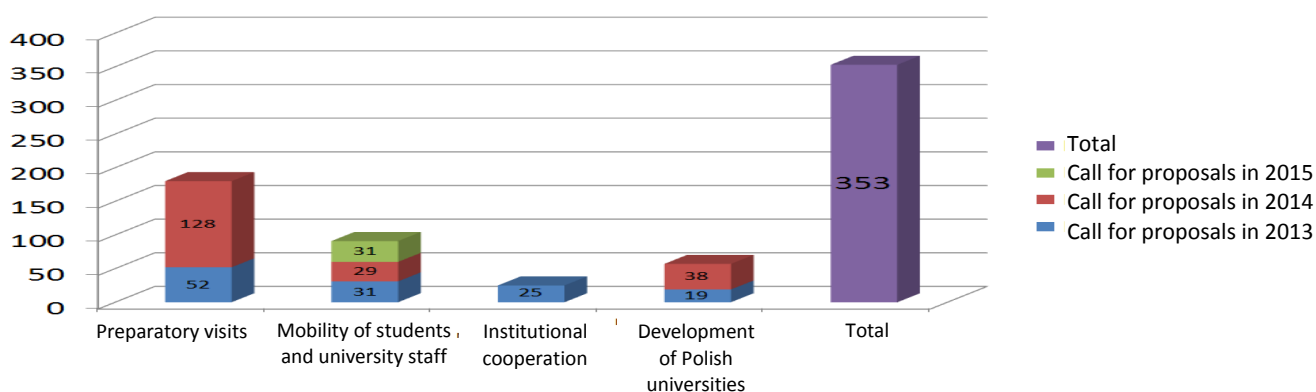
The projects selected in the calls for proposals in 2013 and party in 2014 were finished. The figure below is a summary of all planned calls for proposals under the Fund.

Figure 8. Number of projects submitted and co-financed under the PL10 programme

Applications submitted under the calls for proposals



Projects granted under the calls for proposals



As of the end of 2015, 839 motilities in total were realized (out of 800 planned for the programme), incl. 545 student exchanges (out of 350 planned) and 294 exchanges of academics (out of 450 planned). This means that the planned indexes were already achieved or even exceeded in some areas. The following fields of study were most popular among students: engineering, business, languages, economics, education, political science, public affairs, earth science, history, law⁹.

From the current outcomes results that the programme fully implements the assumed outcomes and contributes to establishing, performing, strengthening cooperation and common initiatives between educational institutions from Poland and the Donor States. It is estimated that all indexes will be achieved until the end of the Fund’s implementation.

Open Days, an Internet site with a map of projects, social media and press are the main tools of communication about the programme. The Cooperation Committee held two meetings in 2015 and an evaluative meeting with experts examining applications that were used to sum up the process of evaluating the applications and discuss best practices. In November 2015, the programme operator organized an international conference “Green universities” that was dedicated to the role the universities play in shaping the pro-ecological awareness by strengthening competences of students, graduates and university staff in the field of environmental protection and climate change. The meeting attracted international experts, representatives of the Donors, appropriate Ministries, beneficiaries and

⁹ According to the naming provided by the Financial Mechanism Office in the form *project level template*.

project partners from Norway, which jointly presented examples of best practices in the Project co-financed from the Scholarship and Training Fund.

In June, representatives of the operator also participated in the contact seminar of the operators of the scholarship funds, the National Focal Points, as well as the programme partners from the Donor States: SIU from Norway, RANNIS from Iceland and AIBA from Liechtenstein and the representative of the Financial Mechanism Office. The discussion focused on implementing scholarship programmes in individual Beneficiary States, evaluating and promoting the outcomes of the programmes.

Under the conducted controls, both by the programme operator and external auditor, no irregularities in the projects were identified that could threaten their correct implementation and achievement of planned outcomes.

In 2015, the operator identified savings in the programme. Unspent amounts were identified under already finished projects or cancelled contracts. The programme operator submitted a proposal of using released amounts to the National Focal Point and the proposal was subject to negotiations with the Financial Mechanism Office as of the end of 2015. Potential amendments to programme documents are to be made in 2016.

i) PL12 Norwegian-Polish Research Programme

In 2015, the majority of activities under the programme focused on implementing the projects: 68 under the main call for proposals (CORE), 34 under the *Small Grants Fund* (SGF) and 7 under the call for proposals *Carbon capture and storage* (CCS). 18 projects were completed: 3 under the CORE call for proposals, 15 under the SGF.

The 2014 reallocation made it possible to co-finance 15 projects from the reserve list under the Small Grants Fund; appropriate contracts were signed.

Table 8. Status of the implementation of indexes in PL12

	Products	Index of the product	Value of the index	
			2015	Target value
Outcome 1. More intensive cooperation in the research field between Norway and the Beneficiary State	Improved cooperation of research institutions (Polish and Norwegian) under the programme	Number of institutions co-implementing the projects under the programme	152 ¹⁰	220
Outcome 2. Improved capacity to perform research in the Beneficiary State and improved use of their results by cooperating in the field of research between Norway and the Beneficiary State	Improved use of the results of the research in terms of cooperation between Norway and Poland	Number of patent applications	6	15
	Improved use of the results of the research in terms of cooperation between Norway and Poland	Number of reviewed publications in international journals	95	110
	Increased participation and role of women employed in the field of R+D in the lease feminized Fields of science	Number of academic degrees and titles granted to women: doktor, doktor habilitowany and/or professor	25	30

In the framework of supplementary activities, the programme operator took part in workshops for programme operators in 2015. The June workshops were dedicated to public communication and information on programmes and particular projects, the October ones focused on reporting and

¹⁰ 232 research teams were created. A large number of institutions, both from Poland and Norway, participate in more than one project; they are counted as one entity in such case, which explains the difference between the target value and the achieved one under the index.

auditing. Furthermore, representatives of the programme operator participated in the CLIMIT Summit – an international conference on CCS technologies (24-25 November).

The international conference on climate and polar research (more details in the paragraph on bilateral relations) was to exchange experience and opinion on polar research and climate, as well as adapting to climate change.

In August 2015, an annex to the programme contract was signed that included modified, i.e. adjusted to the essence of the programme, indexes and horizontal indexes for the whole area.

The current status of the programme together with challenges and changes were discussed during the meeting of the Programme Committee, which took place on 22-26 June 2015 in Tromsø.

At the current stage of implementing the programme, risks may be identified in the area of cooperation between Polish and Norwegian partners. Difficulties arise out of differences in legal and financial regulations. The ongoing monitoring of the projects, as well as the distribution of information on rules and procedures related to the implementation of the projects are aimed at identifying and solving potential problems as soon as possible. During 10 control visits, experts did not detect any irregularities that could result in issuing recommendations or making amendments to the project.

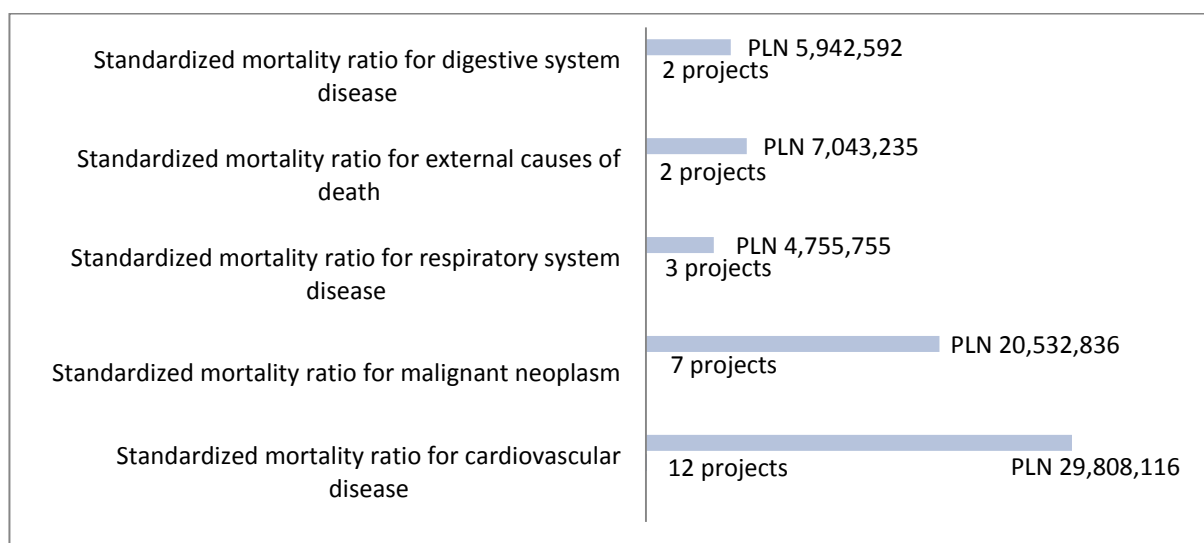
Information and promotional activities accompanied the conference, meetings and workshops, as well as press articles, activity in social media, on the Internet site of the operator and partner of the programme, the Research Council of Norway.

The eligibility of expenses under the projects was prolonged by the Donors in 2013 until April 2017; therefore, the upcoming year will be marked by intensive implementation, monitoring and control of 91 projects. The operator also expects to receive 64 final reports for 64 projects.

j) PL13 Reducing social inequalities in health

The PL13 programme is a partnership programme implemented in cooperation with the Norwegian Directorate for Health. In 2015, contracts on the implementation of the projects were signed with 26 beneficiaries (24 projects from the basic list and 2 projects from the reserve list), in the total amount of co-financing of over EUR 16.3 million. It was possible to co-finance additional projects as a result of the reallocation of financial resources, approved by the Donors in 2015, from the so-called provision for foreign exchange losses for projects selected in the call for proposals. Ventures concern far reaching activities in public health in local communities in selected powiats (territorial units covering several municipalities).

Figure 9. Classification of projects by thematic areas in PL13



Thanks to the decision of the Donors of the 4. quarter of 2015, the eligibility period of expenses was extended for 16 projects, incl. a predefined project, until the end of April 2017. This means that the risk of not completing the projects in due time was minimized.

In the substantial implementation of the partnership predefined project, two training programmes were created: for medical staff and managers of the public health system at the self-government level. Trainings were initiated.

Additionally, two calls for proposals under the Fund for Bilateral Relations at the programme level were organized. Applications are examined in cooperation with the Norwegian Directorate for Health. Due to the fact that the allocation was exhausted, one project was co-financed. It is assumed that the remaining applications, which were highly evaluated, will be re-submitted in the next call for proposals.

The Cooperation Committee held two meetings in 2015 to jointly monitor the implementation process of the programme. In January 2015, there was a study visit of the Norwegian delegation to Poland, which was organized at the request of the Norwegian Directorate for Health. Its main objective was to learn the functioning of the Polish health protection system more in detail. The visit brought together representatives of the programme partner, Norwegian self-government authorities, as well as Norwegian non-governmental organizations active in health protection. In June 2015, the Ministry of Health and the Norwegian Directorate for Health hosted an international seminar on exchanging experience in the implementation of the strategy of reducing health inequalities by the Beneficiary States of the EEA and Norway Grants. Nearly 100 guests from Norway, Poland, Lithuania, Estonia, Portugal, the Czech Republic and Slovenia took part in the meeting. At the turn of September and October 2015, there was a seminar for Norway for representatives of the self-government authorities and public and private entities active in health protection, representing care and medical centres, hospitals, hospices medical universities and foundations from Poland. The partner presented Norwegian solutions in public health, it was also possible to take up contacts with experts and Norwegian institutions to exchange knowledge, experience, best practices, which will contribute to the implementation of common projects.

It is assumed to complete and settle 11 pilot projects in 2016, the performance period of which was not extended. Other activities will be continued, eg the cooperation with the Norwegian Directorate for Health, monitoring of the implementation of the projects. Furthermore, in order to strengthen bilateral relations, it is planned to organize another seminar in Norway and a conference for beneficiaries of the health programmes PL07 and PL13. Additional calls for proposals will be announced and projects co-financed from the Fund for Bilateral Relations at the programme level will be implemented.

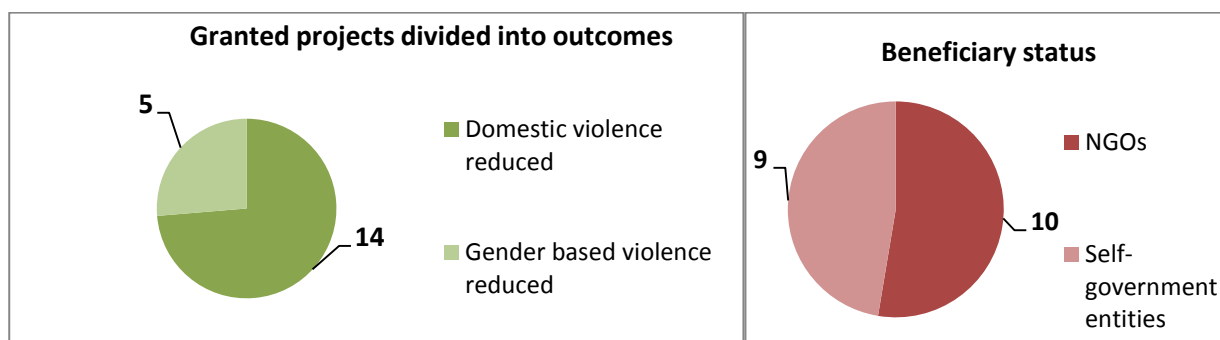
k) PL14 Counteracting domestic and gender-based violence

The programme is advanced. 22 projects were co-financed, out of which 3 predefined projects and 19 projects under the Small Grants Fund. Upon the Donors' consent of 2015, 5 projects (incl. 2 predefined projects) will benefit from the extended eligibility period until 30 April 2017. The indexes of the programme outcomes were achieved or exceeded in most cases.

The indexes of the predefined project "Stop violence – the second chance" were achieved and the project will be settled in 2016. Under the predefined project "*Polish family – free from violence*", the cooperation with the Council of Europe was continued. In accordance with the cooperation contract, all financial resources in the total of over EUR 82 thousand were transferred to the Council of Europe, the final report is due in 2016.

Following the reallocation of financial resources between programmes of 2014, the value of the Small Grants Fund increased by EUR 125,000. Thereby, it was possible to co-finance 3 projects from the reserve lists, 2 projects under the outcome 11 and 1 project under the outcome 2. Under the Small Grants Fund, 19 projects in total were assisted. The implementation of 13 projects was finished in 2015. The figures below include information on projects co-financed under the Small Grants Fund.

Figure 10. Classification of allocated grants by the status of the beneficiary and the outcome PL14



Under the Fund for Bilateral Relations at the programme level, two study visits were organized. Representatives of Polish institutions learnt the adopted solutions and the functioning of the domestic violence counteracting systems in Austria and in Spain. Under the Fund for Bilateral Relations at the national level, a study visit to Iceland was organized to continue the activities of 2014. Representatives of the programme operator and the beneficiaries of the predefined projects participated in this visit.

As a result of performing supplementary activities, representatives of Poland participated in 2 conferences in 2015 that were thematically strictly related to the programme. In May 2015, there was a conference in Prague *“Europe free from gender-based violence: from commitment to action”*; in November 2015, there was a seminar in Tallinn that was organized by the Estonian Ministry of Social Affairs that brought together representatives of the programme operators and the project beneficiaries from the Central and Eastern Europe together with representatives of the Embassy of Norway, the Financial Mechanisms Bureau and Norwegian institutions involved in the implementation of the programmes. The meeting was dedicated to best practices worked out in the framework of the projects co-financed from the EEA and Norway Grants. The Council of Europe performed a study and elaborated a draft report on gender-based violence in Poland. The report was submitted to experts in Poland for verification. It is expected that the final report will be approved in 2016.

The majority of projects are to be settled in 2016, incl. the predefined project no. 3. The programme operator plans to organize a study visit to Norway under the Fund for Bilateral Relations at the national level. Information and promotional activities are planned, incl. an international conference on counteracting domestic violence. Additionally, supplementary activities are to be continued. The predefined projects includes a social campaign on consequences of gender-based violence.

I) PL15 Schengen cooperation and combating cross-border and organized crime, incl. counteracting human trafficking and itinerant criminal groups

The year 2015 was of key importance for the dynamics of the implementation of the PL15 programme. The 2. call for proposals was decided, contracts with beneficiaries were signed, incl. annexes to extend the performance period of the projects. The major part of the ventures were inspected; many information and promotional events were organized.

At the meeting of the Project Selection Committee in February 2015, it was decided to co-finance 5 projects in the second call for proposals and include 11 projects in the reserve list. Having analysed the available budget, grants were allocated to 3 additional projects from the reserve list with the highest number of points. Shall several projects receive the same points, initiatives engaging Norwegian institutions as a project partner were favoured.

One of the applicants under the first call for proposals withdrew from the project after concluding the contract, but before drawing the resources, due to which the contract was terminated with the allocation increasing the budget of the second call for proposals.

The final number of implemented initiatives includes 23 projects selected in open calls for proposals, 2 predefined projects and 1 project under the Fund for Bilateral Relations at the programme level. 3 out

of all projects are partnership projects. Until the end of 2015, activities under all co-financed projects were initiated, incl. those selected in the second call for proposals from the reserve list.

In summer, the programme operator conducted consultations with beneficiaries with regard to the necessity to potentially extend the performance period of particular projects. Following the decisions taken by the Donors, annexes to prolong 8 projects were being signed.

The postponement of the eligibility deadline of expenses makes it possible to use the allocation and available savings in a more efficient way, while minimizing the risk of delays in the tender procedures at the same time.

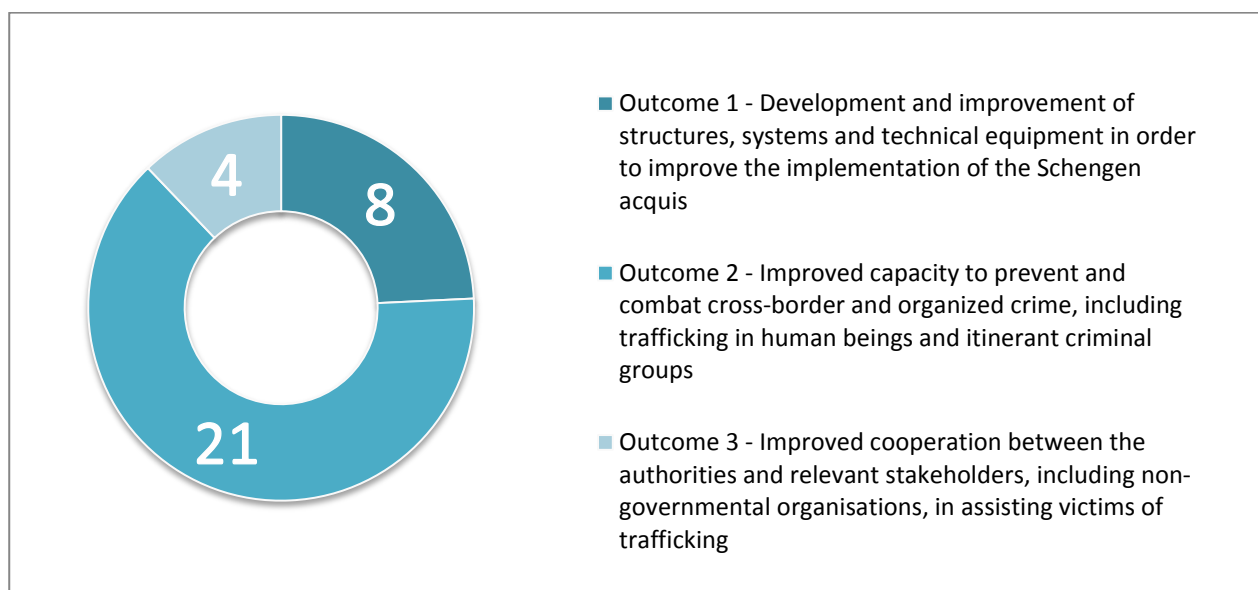
Table 9. Status of the implementation of indexes in PL15

Name of the index	Value	
	Until the end of 2015	Target
Number of law enforcement services engaged in the projects under the programme	8	3
Number of specialized structures at the national and regional level to counteract human trafficking	16	2
Number of conferences/workshops/trainings on the legislation of the Schengen area and operating appropriate equipment	105	7
Number of representatives of law enforcement organs trained in the legislation of the Schengen area and operating appropriate equipment	11,584	230
Number of representatives of law enforcement organs taking part in language courses	3,400	120
Number of concluded partnership contracts with public institutions from the Donor State (bilateral index)	3	3

A major part of planned trainings, seminars, workshops and practical simulations were completed, while strengthening the potential of Polish services and contributing to achieving the objectives of the programme at the same time.

In order to tighten the cooperation inter alia in counteracting organized crime and human trafficking, one of the officers of the Polish National Police Headquarters was seconded to Oslo in October 2015.

Figure 11. Classification of projects by outcomes in PL15¹¹



Some projects under the first call for proposal were inspected in situ. Monitoring confirmed the correct implementation of ventures. The same is confirmed by the indexes achieved until the end of 2015.

m) PL16 Judicial capacity building and cooperation/Improvement in the efficiency of the judiciary

There are 6 predefined projects implemented under the programme, incl. 3 projects in partnership with the Norwegian State Court Administration. All projects were being implemented in 2015, however, due to previous delays, it was necessary to significantly modify a part of the implemented projects due to the high risk of not completing the tasks in due time. This resulted inter alia in making changes to the substantial scope and schedules of the ongoing projects.

In 2015, projects were at different stages of implementation with some of their components having been already completed. The project no. 4 “Strengthening the positions of those harmed by crimes and supporting witnesses in the criminal proceedings” was the most advanced one – the majority of indexes were achieved, while some of them exceed the assumed target value.

The year 2015 was of key importance for the projects “Improving administrative capacities of courts, incl. Computer systems” and “IT archiving centres for common courts – court files management system”, which require effective changes and improvements. In relation to delegating the performance of the tasks under the project for the Court of Appeal in Wrocław, it was possible to achieve significant progress in their implementation. The table below illustrates the implementation of the most important indexes in terms of the programme’s objective.

¹¹ 9 out of 23 projects contribute to achieving more than one outcome.

Table 10. Status of the implementation of indexes in PL16

Index	Value		
	Basic	End of 2015	Target
Created infrastructure of shared services and central post services	0	0	1
Number of courts using the court files management system	0	0	21
Number of care centres for persons harmed by crimes that provide psychological and legal assistance to those harmed by crimes	0	16	16
Number of workshops (for pupils of lower and upper secondary schools)	0	300	506
Number of persons declaring that their awareness of mediation/needs of mediation increased	0	0	600
Number of cases submitted to mediation	10,398	16,569	12,000
Number of persons that improved their knowledge by participating in the project	0	2,020	6,000

No major risk for the implementation of the whole programme was identified at this stage. The greatest risk in the projects results from delays in the implementation at earlier stages. The most important challenges addressed by the entities involved in the implementation of the projects on an ongoing basis included the risk of unstable project structures, lengthy public procurement procedures, as well as difficulties in external and internal communication.

Bilateral activities, which were undertaken at that time, focused above all on exchanging information, best practices and experience at the Cooperation Committee and organizing 2 study visits. Under the project “Promoting alternative methods of dispute resolution”, the Norwegian partner ensured that experts from Norway took part in the consultations on the methodology and examination-diagnosing the status of mediation in Poland.

In October 2015, there was a conference “Cooperation between institutions of the judiciary and non-governmental organizations” that brought together over 20 experts from Poland and guests from Norway and Lithuania. Lectures and workshops of the seminar in Lublin on implementing the rulings of the European Court for Human Rights were conducted by specialists in human rights – trainers of national judicial schools, professors in law and judges of supreme and constitutional courts from Norway, the Czech Republic, Lithuania, Romania and Poland.

n) PL17 Correctional services, incl. non-custodial sanctions

5 predefined projects under the programme were completed as of the end of 2015, i.e. the projects no. 1, 2, 3, 4 and 6. The implementation of the two remaining projects, i.e. the project no. 5 “Creation and implementation of telecommunication and information systems to improve the management of penitentiary units”, and the project no. 7 “Dissemination of the use of non-custodial penalties and probationary means in the criminal judiciary system”, was extended beyond April 2016 upon the Donors’ consent.

Thereby, the performance of the whole programme was extended in 2015 until the end of 2017. Additionally, the Donors accepted the proposal of the programme operator on using savings identified under the budget category *Provision for foreign exchange losses*, and the activities within the management costs undertaken under the Fund for Bilateral Relations at the programme level.

The year 2015 was crucial from the point of view of achieving two main outcomes of the programme: “Improved competences of the prisoners and employees of the Prison Service (PS)” and “More frequent use of penalties alternative to the imprisonment”. The first outcome covered 285 vocational trainings, in the framework of which the prisoners received 2,997 certificates, and 725 trainings in soft skills, in the framework of which the prisoners received 7,727 certificates, as well as 14 trainings in dog therapy,

after the completion of which the prisoners received 110 certificates (project no. 1), 1,605 trainings and other forms of assistance, under which the officers and employees of the PS received 8,917 certificates (projects no. 2-6). The implementation of the second outcome was supported above all by the project no. 7, under which 52 trainings for 4,958 persons from the judiciary and the implementation of non-custodial penalties were organized.

Table 11. Status of the implementation of indexes in PL17

Index	Value as of the end of 2015	Target value
Number of certificates/diplomas for prisoners (project no. 1)	15,490	5,500
Number of certificates/diplomas confirming the completion of courses/training programmes/post-graduate studies for the staff (project no. 2)	4,963	3,400
Number of certificates/diplomas confirming the completion of courses/training programmes/post-graduate studies for the staff (project no. 3)	2,184	1,680
Number of certificates/diplomas confirming the completion of courses/training programmes for the staff (project no. 4)	7,730	3,940
Number of certificates/diplomas confirming the completion of courses/training programmes for the staff (project no. 5)	418	11,250
Number of certificates/diplomas confirming the completion of courses/training programmes/post-graduate studies for the staff (project no. 6)	8,618	6,300
Number of certificates confirming the completion of trainings for judges, prosecutors, probation officers, self-government authorities and other employees (project no. 7)	4,958	5,000

Substantial activities were supported by partnership cooperation under the Fund for Bilateral Relations, both at the level of programme partners and projects implemented by programme beneficiaries. The partners' activities include in particular: the organization of a seminar in Norway on the ethics and professionalism in the prison system, which was devoted to exchanging experience in the implementation of professional duties by the employees of the Prison Service, as well as in the area related to training the staff, the participation of the operator's representative in an international conference on preventing the radicalization of behaviour among the prisoners, which was organized by the partner in Norway, the organization of a bilateral expert meeting of representative of the Polish and Norwegian prison system. In 2015, the implementation of 2 projects of the beneficiaries under the Fund for Bilateral Relations was finished, under which there was a study visit of the Norwegian delegation to Poland and an international conference on the education of the staff of the penitentiary services. The implementation of the programme was conducted correctly. Effects of the completed projects significantly exceed the assumptions adopted at the stage of elaborating the programme proposals. As of now, no difficulties in the successful completion of two remaining projects are expected. The challenge faced by the operator will be to use a significant amount (over EUR 700 thousand) of savings identified after the completion of 5 predefined projects. This matter will be discussed between partners of the programme at the upcoming meetings of the Cooperation Committee.

* * *

Under the allocation granted to Poland, 3 programmes managed by the Donors are implemented. In accordance with Art. 5.13.5 of the Regulations, if the programme is managed by the Financial Mechanisms Bureau or an entity from the Donor State, the Member State is not responsible for its implementation.

The PL05 Programme – Fund for non-governmental organizations is implemented by the Financial Mechanism Office through the Stefan Batory Foundation. In January, the last call for proposals for thematic projects was decided, under which grants were awarded to 176 projects in the total amount of **PLN 36,596,163**. Financial assistance was awarded under 5 thematic paths on increasing public participation, citizens’ control over the functioning of public institutions, combating discrimination, counteracting exclusion, as well as problems of children and young people. According to the adopted principles, the first examination of applications was to select initiatives to take part in the second stage.

Savings generated in the programme budget made it possible to announce an additional call for **short-term** projects in 2015 that were to focus on the preparation to welcome and integrate new groups of refugees (mainly from the Middle East), the so-called “refugee” projects. Following the call for proposals, the Selection Committee took a decision to recommend 17 projects for co-financing in the total amount of PLN 3,673,011 (approx. EUR 854,000). The performance period of the projects expires on **30 April 2016**.

Table 12. Number of applications by calls for proposals in PL05

Calls for proposals	Number of applications		
	Submitted	Qualified for the 2. stage	Co-financed
Thematic (I)	1,931	351	154
Thematic (II)	2,076	422	196
Thematic (III)	2,380	362	172
System	289	39	9
“Refugee”	63	50	No data available.

On 12 October 2015, the Stefan Batory Foundation organized a yearly meeting to summarize current effects of the programme (with the participation of the Embassy of Norway and the National Focal Point).

Under **the PL18 Programme – Green Industry Innovation**, the process of examining applications was finalized. 28 contracts in the total amount of EUR 17,010,000 (out of the available allocation in the amount of EUR 17,783,000) were signed in total. Due to the fact that two beneficiaries resigned and the budget for one project was reduced, the available allocation was not contracted in full as of the end of the reporting period. The programme operator undertakes activities in order to sign a contract with the applicant of the following project from the reserve list. As specified in the contract, the eligibility period of expenses is to expire on 30 April 2017, so the risk of not using the grant may be deemed to be immaterial.

The operator conducted monitoring visits, incl. inspections in the place the projects are implemented. What’s more, there were two workshops for beneficiaries of the programme, as well as one kick-off meeting.

In the reporting period, a visit to Romania was organized to exchange knowledge and experience between institutions engaged in the implementation of the programme in Poland and in the host country. Participants had a chance to learn the financial projects under the programme in the place they are implemented.

Poland continued its cooperation with Innovation Norway through the participation of the National Focal Point and its appointed observers from other institutions in the Cooperation Committee, as well as through technical meetings organized if necessary.

In 2016, the operator intend to start new activities under the programme, incl. to support bilateral cooperation between Norway and Poland under the EU initiative “Horizon 2020”, establish cooperation between clusters and activate a travel grant to search for partners in Norway.

The process of submitting final reports on the implementation of projects co-financed under the programme “**Fund for decent work and tripartite dialogue**” (programme area no. 22, managed by Innovation Norway) was finished in the reporting period. The programme covered 11 projects in total. The whole allocation granted to Poland, i.e. EUR 3,065,320, was contracted under two calls for proposals (the main and supplementary ones), conducted in 2011 and 2012.

The objective of the co-financed projects was above all to strengthen the structures and practices in terms of social and trilateral dialogue, as well as to increase the awareness and understanding of the benefits resulting from ensuring conditions for decent work. These objectives were implemented inter alia by conducting studies on the matter of decent work; the problems of women’s involvement in professional life, incl. at managerial positions, or combining work with private life, were also raised. What’s more, the projects covered a series of trainings, conferences, seminars, workshops for employees, employers or representatives of the trade unions. The topic of these projects concerned above all the matters related to work-life balance, counteracting discrimination, health and safety in the work place. Information campaigns also served for strengthening the awareness and knowledge in this respect. To do that, different communication channels were used: radio (radio shows), Internet and publications distributed among interested entities. It shall be also pointed out that the completed programme contributed to strengthening bilateral relations between Polish and Norwegian entities. Under the established cooperation, 4 projects were implemented in a partnership. The group of Norwegian partners included: the Confederation of Norwegian Enterprises, the Norwegian Confederation of Trade Unions, UNIO and the Norwegian Association of Local and Regional Authorities. Poland learnt the solutions used in Norway with regard to social dialogue and ensuring decent working conditions.

4. MANAGEMENT AND IMPLEMENTATION

4.1. Management and control system

In the years 2013–2015, Poland prepared, verified and submitted to the Financial Mechanisms Bureau all the *Descriptions of the management and control systems* (DMCE) for the programme operators. In October 2015, the last Description of the management and control system was submitted to the FMB that was prepared by the operator of the PL15 programme *Schengen cooperation and combating cross-border and organized crime, incl. counteracting human trafficking and itinerant criminal groups*.

In accordance with Art. 4.8.3 of the Regulations, the Descriptions of the management and control system submitted to the FMB were accompanied by an opinion and a report of the Audit Authority, which covered the conducted compliance audit and confirmed that the implementation systems of the above mentioned operators were consistent with the Regulations and the generally accepted principles of accounting.

Furthermore, the programme operators updated the Descriptions with regard to 4 programmes in 2015:

- PL09 *Promotion of diversity in culture and arts within the European cultural heritage,*
- PL10 *Scholarship and Training Fund,*
- PL14 *Counteracting domestic and gender-based violence,*
- PL16 *Judicial capacity building and cooperation/Improvement in the efficiency of the judiciary.*

The amendments to the Descriptions made by the programme operators resulted above all from changes in the organizational structure of the institutions and recommendations from the audit conducted by the Audit Authority in 2014.

Audit of the system and operations conducted by the Audit Authority in 2015

In accordance with Art. 4.6(1) of the *Regulations*, in 2015 the Audit Authority (AA) conducted a compliance audit of the management and control system of the operator of the PL15 programme

Schengen cooperation and combating cross-border and organized crime, incl. counteracting human trafficking and itinerant criminal groups.

Furthermore, in 2015 the Audit Authority audited operations on a sample basis in order to verify the declared expenses under the projects of the following programmes:

- PL03 *Improving environmental monitoring and inspection,*
- PL04 *Saving energy and promoting renewable energy sources,*
- PL07 *Development and better adaptation of health care to demographic and epidemiological trends,*
- PL08 *Conservation and revitalization of cultural heritage,*
- PL09 *Promotion of diversity in culture and arts within the European cultural heritage,*
- PL10 *Scholarship and Training Fund,*
- PL12 *Norwegian-Polish Research Programme,*
- PL14 *Counteracting domestic and gender-based violence,*
- PL17 *Correctional services, incl. non-custodial sanctions.*

The audit of operations was based on a sample of 30 projects.

Following the audit of operations, findings were formulated to 8 projects, in the case of which ineligible expenditures were identified. However, the identified financial errors are not of a system nature. Therefore, the Audit Authority expressed an opinion that the management and control system for the above mentioned programmes was effective in 2015 in order to deliver a justified assurance that the reports of factually incurred expenses, which were submitted to the Committee of Financial Mechanisms and the Ministry of Foreign Affairs of Norway, were correct and consequently the assurance is correct that the underlying transactions were conducted on time and in compliance with law.

The ineligible expenditures identified during the audit result above all from findings in the public procurement field and concern in particular:

1. the lack of appropriate publishing of information on the planned public procurement – with regard to the projects: FSS/2013/HEI/W/0121 implemented by the Silesian University in Katowice, - NOR/196940/22/2013 implemented by the Institute of Occupational Medicine, POL-NOR/202952/5/2013 implemented by the Medical University of Lodz;
2. violations of the conditions of participating in the proceedings (establishing excess conditions of participating in the proceedings or selecting a contractor that does not fulfil the requirements) - with regard to the projects: 1/PD/2013/PL08/NMF implemented by the Museum of the History of Polish Jews, 3/2014/PL08/MF EOG implemented by the Malbork Castle Museum, project no. 2 by the Personnel and Training Bureau of the Central Board of Prison Service;
3. violations with regard to the description of the subject of the order (inadmissibility of alternative solutions) - with regard to the project NOR/196940/22/ implemented by the Institute of Occupational Medicine;
4. differences between tender documents - with regard to the project 421/2013 implemented by the Chief Inspectorate for Environmental Protection.

Moreover, there were ineligible expenses related to violating the guidelines included in the *Regulations on the implementation of the Norwegian Financial Mechanism 2009-2014* – with regard to the projects: NOR/196940/22/2013 implemented by the Institute of Occupational Medicine, POL-NOR/198352/2013 implemented by the Institute of Nature Conservation of the Polish Academy of Sciences.

Irregularities identified in the public procurement field and the eligibility of expenses are to be reported by particular programme operators in 2016.

Findings made during the above mentioned audit were included in the *Yearly report on the audits conducted in the implementation of the EEA Financial Mechanism and the Norwegian Financial Mechanism 2009-2014*, which was submitted together with the opinion of the Audit Authority to the Financial Mechanism Office on 29 December 2015. The implementation of the recommendations included therein will be subject to a follow-up audit.

Audit of the management and control system ordered by the Donors

At the turn of March and April 2015, the Financial Mechanism Office ordered an external audit of the management and control system in the Beneficiary State with regard to the Financial Mechanisms 2009-2014. The audit covered the National Focal Point, the Certifying Authority, the Audit Authority, as well as the operators of the programmes PL09 *Promotion of diversity in culture and arts within the European cultural heritage* and PL17 *Correctional services, incl. non-custodial sanctions*. Additionally, under each of the two audited programmes, auditors planned visits to places the three projects are implemented.

The objective of the audit was to verify if the established management and control system both at the national and programme level is consistent with valid provisions, inter alia the Regulations on the implementation of the EEA Financial Mechanism and the Norwegian Financial Mechanism 2009-2014, programme contracts, agreements on the implementation of the programmes; in particular, the audit activities were to establish if the designer system works correctly.

Poland has not received a written summary of the findings from the audit of the management and control system that was ordered by the Financial Mechanism Office.

4.2. Compliance with EU legislation, national legislation and the MoU

Irregularities

In accordance with Chapter 11 of the *Regulations*, the Beneficiary State is obliged to report identified irregularities in the implementation of the EEA Financial Mechanism and the Norwegian Financial Mechanism 2009-2014.

During the reporting period 2015, there were 34 new irregularities reported that were identified in projects financed under the following programmes:

- PL06 *Urban development by strengthening competences of self-government units, social dialogue and cooperation with civil society representatives* (5 reports),
- PL07 *Development and better adaptation of health care to demographic and epidemiological trends* (1 report),
- PL08 *Conservation and revitalization of cultural heritage* (10 reports),
- PL09 *Promotion of diversity in culture and arts within the European cultural heritage* (12 reports),
- PL10 *Scholarship and Training Fund* (5 reports),
- PL15 *Schengen cooperation and combating cross-border and organized crime, incl. counteracting human trafficking and itinerant criminal groups* (1 report).

In accordance with Art. 11.5 of the above mentioned *Regulations*, the identified irregularities were reported to the Donors in the regular reporting mode. The irregularities concern the violation of the provisions of the Public Procurement Law and the *Guidelines of the Ministry of Infrastructure and Development in terms of awarding contracts under the EEA Financial Mechanism and the Norwegian Financial Mechanism 2009-2014 for which the Public Procurement Law does not apply*.

Additionally, in 2015 the programme operators presented 11 reports on the progress with regard to previously reported irregularities under the programmes PL08, PL09 and PL10.

In accordance with the data included in the reports on the irregularities, which were submitted to the FMB in 2014 and 2015, the total amount of imposed financial corrections amounted to over EUR 116 thousand.

It shall be noted that all beneficiaries of the projects, under which irregularities were identified, did or obliged themselves to settle the imposed financial corrections, and the amounts are reported by appropriate programme operators in periodic financial reports as ineligible expenditure.

Furthermore, there were no irregularities identified during the reporting period that shall be reported immediately.

4.3 Audit, monitoring, review and evaluation

In 2015, the monitoring over the implementation of particular programmes was mainly conducted by means of periodic reporting and monitoring visits of the National Focal Point to the programme operators and selected projects. What's more, there were two meetings of the Monitoring Committee at the national level in 2015.

The programme operators and the National Focal Point intend to perform an evaluation in 2016 and 2017. A detailed schedule of individual evaluations is to be agreed in 2016.

Reporting

Until the end of 2015, the operators submitted 133 periodic financial reports in total, out of which 43 in 2015. Additionally, the operators submitted 32 yearly reports in total, while 14 reports for 2014 were submitted in 2015.

Controls of the programmes and projects

In accordance with the provisions of the *Description of the management and control system* for the EEA Financial Mechanism and the Norwegian Financial Mechanism 2009-2014, the National Focal Point conducts yearly controls of the programmes and projects implemented under the Financial Mechanisms 2009-2014.

While preparing the plan of controls for 2015, which were to be performed by the programme operators, the National Focal Point took into consideration the principle specified in the *Description of the management and control system* that the programme operators shall be subject to control at least every two years, with regard to the correctness of the implementation of the programme and the spending of financial resources. On the basis of the above and taking into account the results of the risk analysis, in 2015 the National Focal Point decided to control 7 programmes out of all the programmes implemented under the Financial Mechanisms 2009-2014, excluding the PL06 programme *Urban development by strengthening competences of self-government units, social dialogue and cooperation with civil society representatives*, for which the correct control institution is the Department for Certifying and Designations of the Ministry of Development.

In 2015, the National Focal Point controlled the following programmes:

- **PL04** *Saving energy and promoting renewable energy sources,*
- **PL08** *Conservation and revitalization of cultural heritage,*
- **PL10** *Scholarship and Training Fund,*
- **PL12** *Norwegian-Polish Research Programme,*
- **PL13** *Reducing social inequalities in health,*
- **PL16** *Judicial capacity building and cooperation/Improvement in the efficiency of the judiciary (control postponed from 2014),*
- **PL17** *Correctional services, incl. non-custodial sanctions.*

As a result of the controls conducted by the programme operators, the National Focal Point did not identify any serious irregularities. Its recommendations concerned in particular the activities of the operators with regard to:

- fully using the available budget and allocating savings (eg in the programmes PL12 and PL17),
- monitoring the appearing risk and signalling problems related to the implementation of the programmes well in advance (eg in the programmes PL10 and PL16),

- intensifying cooperation with the partner, both at the programme and partner level (eg in the programme PL16),
- rationally applying for further financial resources (eg in the programme PL17),
- transferring financial resources to the beneficiaries – their speeding or adhering to deadlines (eg in the programmes PL04 and PL12),
- intensifying information and promotional activities (eg in the programmes PL16 and PL17),
- meeting deadlines for submitting reporting documents, both by particular projects to the programme operators and by the programme operators to the National Focal Point (eg in the programmes PL04 and PL16),
- the necessity to update the Descriptions of the management and control system and the procedure handbooks (eg in the programme PL04).

Moreover, in 2015 the National Focal Point conducted the first planned control of selected projects implemented under particular programmes. By selecting the projects to control for 2015, the National Focal Point made the following assumptions:

- project(s) was/were selected under the particular programme that was not selected for control in the calendar year on the basis of the risk analysis,
- as a rule, projects included in the plan of controls of the programme operators were excluded (the National Focal Point retained the possibility to control the projects if necessary),
- the risk analysis was performed that covered projects under the programmes selected on a sample basis, while taking into account additional criteria, eg the value of the awarded co-financing for the Project and 1-2 projects under each of the selected programmes were chosen.

As a result of the above mentioned activities, in 2015 the National Focal Point controlled 11 projects implemented under the following programmes:

- **PL02** *Protection of biological diversity and ecosystems* (2 projects),
- **PL03** *Improving environmental monitoring and inspection* (1 project),
- **PL07** *Development and better adaptation of health care to demographic and epidemiological trends* (2 projects),
- **PL09** *Promotion of diversity in culture and arts within the European cultural heritage* (2 projects),
- **PL14** *Counteracting domestic and gender-based violence* (2 projects),
- **PL15** *Schengen cooperation and combating cross-border and organized crime, incl. counteracting human trafficking and itinerant criminal groups* (2 projects).

During the controls conducted by the National Focal Point, no severe irregularities were identified. The recommendations concerned in particular the activities undertaken by the beneficiaries in terms of:

- ongoing monitoring of the financial programmes in order to use the allocated grant fully and in due time (incl. savings),
- eliminating delays in the substantial and financial implementation of the projects,
- submitting reporting documentation to the programme operators on a timely basis,
- updating project implementation plans,
- continuing tight cooperation with the partner(s) of the project,
- fulfilling tasks under information and promotional activities under the projects in a correct way,
- achieving the indexes assumed in the project.

Additionally, in 2015 the control covered 4 beneficiaries of the Fund for Bilateral Relations at the national level:

- the Ministry of Infrastructure and Development (currently: the Ministry of Development), the Department of Aid Programmes (as the operators of the PL06 programme),
- the Chancellery of the Prime Minister, the Office of the Government Plenipotentiary for Equal Treatment,
- the Ministry of Foreign Affairs, the Department of European Policy,
- the Ministry of Labour and Social Policy, the Department of Public Benefit.

During the controls conducted in 2015 by the National Focal Point by the beneficiaries of the Fund for Bilateral Relations at the national level, no severe irregularities were identified. The recommendations referred to:

- acting with due diligence while entering the values of eligible expenditure to the periodic financial reports,
- fully adhering to the *Guidelines of the Ministry of Infrastructure and Development with regard to awarding public contracts under the EEA Financial Mechanism 2009-2014 and the Norwegian Financial Mechanism, which the Act of 29 January 2014 – Public Procurement Law does not apply to*,
- preparing a separate audit path for the processes implemented under the Fund for Bilateral Relations,
- placing information about the source of aid on financial materials under the Financial Mechanisms.

Monitoring Committee

Under the monitoring activities at the national level, there were two meetings of the Monitoring Committee in 2015. The objective of the Committee is to ensure the effective use of financial resources and monitor the implementation of the EEA Financial Mechanism 2009-2014 and the Norwegian Financial Mechanism 2009-2014.

The first meeting during the reporting period took place on 10 March 2015, at which actual information on the implementation of the Financial Mechanisms were presented. Moreover, the Monitoring Committee adopted a resolution at the meeting to give a positive opinion on the strategy reports for 2014.

The second meeting of the Committee took place on 8 October 2015, and it was devoted to presenting the current status of the implementation of the Financial Mechanisms to its members. What's more, the meeting of the Committee was an opportunity to present information on the implemented operational programme by the representative of the Ministry of Health: *PL07 Development and better adaptation of health care to demographic and epidemiological trends*, which is implemented under the Norwegian Financial Mechanism 2009-2014, as well as to present one of the projects by its beneficiary, i.e. the University Hospital of Lodz's Transfiguration of the Poznan University of Medical Science in Poznan "*Oncology in Greater Poland – improvement and adjusting diagnostics and therapy of cancers to demographic and epidemiological trend in the region while ensuring the optimization of treatment and prevention*".

4.4. Information and promotion

The *Communication Strategy* approved by the Donors in 2012 assumes that information and promotional activities shall concentrate mainly on strengthening the message concerning the implementation of the EEA and Norway Grants in Poland. The following was inter alia assumed:

- informing the general public on progress in implementation,
- promoting first visible project results,
- promoting best practices,
- strengthening contacts with the media,
- an interim event.

In 2015, the National Focal Point conducted a number of far reaching information and promotional activities. Their objective was to strengthen the brand of the EEA and Norway Grants among Polish citizens. The process is long-term and requires a lot of work due to a high competition of the European Funds.

Taking into account the specificity of the conditions, under which information activities on the EEA and Norway Grants are undertaken, the National Focal Point decided to implement initiatives that were likely to attract the greatest attention of spectators. Therefore, the objective of the National Focal Point was to inform on the funds in an unconventional way, while abandoning direct promotion and intending

to focus on apparently unrelated matters. Horizontal promotional activities were also conducted outside of Warsaw, which resulted in an increase in interest reflecting in reaching the target group.

At the beginning of the year, the National Focal Point finalized the all-Poland photographic competition "Photo Grants Challenge". This was a competition for young amateurs of photography that were to make photographs with a fund-related topic and let them be assessed by a professional jury. The idea was to make young people familiar and interested in areas covered by the fund so that their photographs drew attention of themselves and other persons to problems and methods of solving them through projects under the EEA and Norway Grants. The initiative was followed by works with a variety of topics that were published in the Internet and became a basis of the discussion on the funds. The competition was highly popular, incl. Facebook where funds were promoted. The fanpage attracted over 6,000 fans from all over Poland. The competition and the very funds were also promoted by local media in the cities where its contenders were registered, i.e. in Warsaw, Lublin, Katowice, Poznań and Gdańsk. Additionally, a billboard campaign at 21 universities was organized in the above mentioned cities. The festive final stage of the competition on 19 February in Warsaw was also a chance to discuss the EEA and Norway Grants.

In August 2015, the National Focal Point organized a series of information and promotional events "#latostrefa". The objective was to strengthen the brand of the EEA and Norway Grants, as well as make the recipients aware of the fact that the funds exist and there are different thematic areas. The visitors had a chance to learn selected areas of support and implemented projects in a friendly and attractive way. The event hosted outdoor promotional cities consisting of three big spherical tents, in which different forms of presenting the EEA and Norway Grants were gathered. They were located in 4 coastal touristic resorts – in Międzyzdroje, Darłów, Kołobrzeg and Gdynia. Popular localities were selected that are visited by a large number of tourists from all over the country during the season, which made it easier to get to a larger target group (all citizens of Poland).

Main zones located in the tents were the following:

- "Health" devoted to health protection and promotion of active lifestyle;
- "Science" devoted to scientific studies where the youngest participants had a chance to conduct experiments independently;
- "Taste" devoted to bilateral cooperation presented in the light of Polish and Norwegian culinary traditions.

The events were accompanied by an information and promotional campaign that covered media relations activities, external advertising, press advertising, Internet advertising, direct advertising and other non-standard ways of promotion (with animators inviting citizens and tourists to take part in the action). The events attracted over 21,000 visitors in total and gathered over 5,000 fans on the Facebook portal.

In November 2015, the National Focal Point entered into a cooperation with Teatr Wielki – Polish National Opera in Warsaw, under which the EEA and Norway Grants were to hold patronage over the first premiere spectacle in the artistic season 2015/16. Thanks to the presence of the EEA and Norway Grants during the opening of the artistic season in one of the most prestigious cultural institutions in Poland, it was possible to target a particular group with a high level of sensitivity and knowledge about culture and arts and well-educated and opinion-making at the same time. The objective of the National Focal Point was to draw the recipients' attention to the support of EEA and Norway Grants to the Polish culture. The first premiere spectacle in the artistic season is always a highly important event attracting both the public and the media. Thereby, the brand of the Grants was visible during the very spectacle and the promotional campaign conducted by the Opera in relation to disseminating information about the first premiere in the season – in press, radio, outdoors, on the Internet site, in newsletters, in the interior of the Teatr Wielki – Polish National Opera. The notice about the support of the EEA and Norway Grants for Polish culture was received by over 5 million recipients all over the country.

In October 2015, the National Focal Point distributed the first issue of the HUMAN magazine that included information on the EEA and Norway Grants. The opening conference of the project took place in the Museum of the History of Polish Jews - POLIN. The publication is to be issued in 70 thousand

copies on a quarterly basis and is to be distributed by over 4,000 points in all voivodships. The magazine is created in a lifestyle formula with its main goal being to inform the society about advantages resulting from the implementation of the Grants in Poland in an easily understandable way, while taking up inter alia social problems. Articles are written on the basis of information gathered during journalist research work, so they are marked by a high quality of journalist workshop. The topic of the funds is easy to understand for the general public that does not have any knowledge about the programme. It was assumed that the reader shall be attracted by the interesting form and shall learn examples of the funds' effects while reading the magazine. The whole publication is to give a feeling of contact with an independent magazine while leaving the concept of a promotional folder aside.

Apart from the above mentioned projects implemented in 2015, the National Focal Point maintained an Internet site www.eog.gov.pl, where it published actual information on an ongoing basis, as well as on upcoming deadlines of the last calls for proposals (mainly under the Fund for Bilateral Relations). In 2015, the site's layout was changed in relation with the information policy of the Ministry of Development. All important information were published, incl. those delivered by the programme operators. Additionally, the National Focal Point operated a helpline and e-mail service for incoming questions from interested parties.

With regard to Art. 4.7(2) of the Regulations, the programme operators fulfil the obligations imposed on them. All programme operators fulfil the assumptions of the communication plans that were adopted by the Financial Mechanism Office for the programmes, as well as maintain Internet sites about the programmes.

4.5. Work plan

In 2016, the majority of the projects co-financed under the EEA and Norway Grants are still to be implemented. The programme operators will continue their tasks related to monitoring the progress of the implementation of the projects co-financed under open calls for proposals and the Fund for Bilateral Relations (incl. controls *in situ*), verifying periodic and final reports, and settling co-financed projects. The partnership cooperation will be continued and strengthened, as well as bilateral and information and promotional activities. There will be also initial activities to close the programmes with the eligibility of management costs expiring on 30 April 2017, i.e. PL05, PL09 and PL10, as well as to prepare a final report on the programmes. In order to maximize spending, under the programmes implemented until December 2017 the programme operators will follow the procedure of reallocation mentioned in Art. 6.9 of the *Regulations*. Furthermore, we expect that there will be reallocations between category budgets of the programmes.

The following was inter alia planned for the following year of implementing the EEA and Norway Grants:

- a joint conference to sum up the cultural programmes PL08 and PL09 and the scholarship programme PL10;
- thematic conferences (in the health area PL07 and PL13, health programmes in PL12, an international conference on counteracting domestic violence in PL14 to sum up the DiverCity workshops in PL06, two bilateral conferences PL02 on protecting indigenous species against invasive foreign species and protecting coastal areas);
- seminars and workshops (eg in PL07 and PL13 as a tool to promote the knowledge on solutions in the health protection and public health sector or involving local communities and private entities in activities to improve the quality of urban environment and finalize revitalization activities under the programmes PL06, PL16);
- study visits (eg under the PL12 programme to exchange experience between partners in terms of commercialization of scientific research results, PL07, PL14, PL16);
- an all-Poland social campaign on domestic violence and gender-based violence (PL14);
- announcing a call for further proposals under the Fund for Bilateral Relations (PL07, PL13).

In terms of financing, it shall be expected that the made payments are further to increase in 2016, both at the project and programme level.

The programme operators and the National Focal Point intend to perform an evaluation in 2016 and 2017. A detailed schedule of particular evaluations will be agreed in 2016.

In 2016, the implementation of the programmes will be intensively monitored by means of controls of the National Focal Point by the programme operators and projects. The programme operators will conduct controls of individual projects in 2016, according to the control plans included in the yearly reports. Furthermore, the Audit Institution plans to audit selected projects. It is also planned to hold two meetings of the Financial Mechanisms Monitoring Committee. In the first half of 2016, there is also a yearly meeting to be organized in agreement with the Donors.

5. SUMMARY LIST OF ISSUES AND RECOMMENDATIONS

Taking into consideration the great involvement of the institutions implementing particular programmes under the Financial Mechanisms in Poland, incl. the finalization of calls for proposals, intensive implementation of bilateral activities and focus on the maximization of spending financial resources, it may be concluded that the plans for 2015 were achieved.

The implementation of the projects and programmes, incl. the infrastructural ones and those implemented in cooperation with the institutions of the Donors or other partners (as the Council of Europe), seems not to be threatened, in particular in the light of extending the performance period of the majority of programmes and 20% of the co-financed projects. Under particular projects, there were delays related above all to the necessity to re-perform the tender procedure that could have a direct impact on achieving the assumed results in the first term of the eligibility of expenditure. The extension of the eligibility period of expenditure under the projects made it possible to minimize the risk of not completing the planned activities in full, in consequence not achieving the objectives of the programme. It shall be emphasized that the extension of the eligibility period of financial resources under the projects contributed to extending management costs of the programme and other activities thereunder, which are directly coordinated by the programme operator, i.e. the Fund for Bilateral Relations at the programme level, supplementary activities and the so-called provision for foreign exchange losses. Thereby, it will be possible to use financial resources under the savings in completed projects for the purpose of extended projects and/or the remaining activities under the programme.

Significant risk factors are identified in the area of using the allocation under the programmes. The National Focal Point is of the opinion that the greatest challenge with regard to using savings is related to the PL04 programme and the category of bilateral funds. This results from the budget amount to use and the limited possibilities to spend it (the requirements of the Donors with CO₂ reduction level, the limited catalogue of eligible activities, and the minimum level of the participation of the Fund for Bilateral Relations in the programme budget). It shall be noted that the implementation of the projects under the PL04 programme is also related to elaborating a complex documentation, obtaining approvals and permits, awarding public orders and performing construction works, which are subject to great risk in the winter period; together with a tight schedule, this increases the risk of not performing new projects during the eligibility period of expenditure. There are consultations going on with the Donors with regard to potential areas where the funds may be used.

The programme operators undertake any possible activities to fully mobilize available financial resources, while often calling for a greater flexibility in managing savings in particular areas of the programme by the programme operators.

The possibility to reallocate financial resources between programmes (the procedure was completed in 2014 in accordance with Art. 5.9 of the Regulations) might contribute to achieving improved results under the programme at the national level. The National Focal Point is of the opinion that it would be a significant simplification to facilitate the reallocation of funds between programmes in the same sector, eg between programmes on environmental protection or health. It would be then possible to use all financial resources under the programmes and achieve improved indexes at the national level.

As far as the Fund for Bilateral Relations at the programme level is concerned, it is also worth pointing out the recommendation from the evaluative study at the PL09 programme level, according to which the minimum threshold of financing bilateral activities of 1.5% of the programme budget, as specified in the Regulations, and the division of the allocation of the Fund between the activity “a” and “b” do not serve for effective spending of the funds. The experience gathered during 2015 confirms that the formerly signalled forecasts that the demand for financial resources under the activity “a” is low.

The programme operators notice a lower number of applications submitted under the Fund for Bilateral Relations at the programme level than assumed. The institutions implementing the projects often conclude that it is difficult to establish a new partnership. The reasons is due to a difference in the institutional potential of Poland and the Donor States that are also engaged in the implementation of the programmes and partnership projects in other Beneficiary States. Despite quite a great interest of Polish beneficiaries in the implementation of projects with partners from the Donor States, they face great difficulties in finding partners in Norway, Iceland or Liechtenstein that are willing to cooperate under a partnership. An efficient tool to take up new partnerships is provided by databases of entities that are made available to both parties. It is also useful to promote the possibilities related to bilateral cooperation in the Donor States to a larger extent. Multinational projects also make an important contribution to strengthening partnerships with the Donors.

The experience related to the implementation of the PL14 programme, under which the allocation to the Small Grants Fund was limited to 20% of eligible costs in accordance with Art. 5.6.2 of the *Regulations*, proved the inefficiency of such solutions. Although self-government units and non-governmental organizations were highly interested in the competition (364 applications), only 19 projects could be supported. In consequence, many well prepared and highly evaluated projects could not be implemented. The possibility to increase financial resources to the Small Grants Fund, in particular for programmes with low allocation, shall be therefore considered.

With regard to the DoRIS database, it shall be pointed out that many data on the projects were entered into in 2015. Taking into account the finalization and settlement of the projects, the data will require to be updated in part in the following year. The challenge will require to coordinate activities of all the parties engaged in the process of updating information. Additionally, the operators and the National Focal Point still identify the necessity to correct the data in the DoRIS system with regard to the indexes of the programme results and bilateral indexes, which are not included in the programme contracts and which are included in the database. The proposals were included in the yearly reports on the programmes during the last two reporting years. Moreover, Poland calls for improving the functionalities of the system so that it can be used as a database of projects with modules that are indispensable in everyday work in the course of implementing the projects (settling advance payments, returns, annexing contracts. Shall there be an effective IT database, there would be not necessary to maintain a large number of tables on the projects by the operators. The database would be also a source of information on the projects for the National Focal Point and the Donors. The DoRIS database does not come up to all the expectations. To be a useful source of data, a number of improvements would have to be introduced therein, inter alia related to updating information, generating reports, the scope of access for individual institutions.

In the context of co-financing the new financial perspective, to facilitate its implementation, inter alia, performing settlement, updating documents, moving financial resources between projects/outcomes, etc., the National Focal Point proposes to consider the implementation of one programme under each sector. It could be divided into axes/activities (as EU programmes), which would make it possible to emphasize differences and separate particular priorities, as maintaining the consistency and transparency of the system. For example, the Ministry of the Environment is currently acting as an operator of three operational programmes with the assistance of the National Fund for Environmental Protection and Water Management. Due to the fact that the programme is managed in a uniform way, and expenditure incurred by the operator mostly serve for implementing all three programmes, it becomes necessary to settle them partly under the PL02, PL03 and PL04 programmes, which increases administrative burdens. Taking into account the effectiveness of the undertaken activities, the National Focal Point is of the opinion that the financial resources for bilateral activities shall be implemented under one fund and supervised by one operator. A similar recommendation also refers to the Technical

Assistance Fund. By creating one Fund, it would be possible to manage financial resources in a flexible and efficient way, as well as adjust it to the needs in individual areas.

6. ATTACHMENTS TO THE STRATEGIC REPORT

The required annexes from the DoRIS database were attached to the Strategy Report. The National Focal Point identified differences between its data and the data in Annex No. 1. That was reported to the Donors in the operational mode. Annexes No. 4 and 5 with regard to the irregularities in the programmes and projects include data coded as numbers of cases. The National Focal Point does not have any insight into the data that were assigned to individual cases and therefore cannot comment on them.

Annexes of the National Focal Point:

1. List of the Programmes under the Norwegian Financial Mechanism and the EEA Financial Mechanism 2009-2014;
2. Technical Assistance;
3. Financing of the personnel;
4. Plan of Monitoring and Audit Tasks for 2016;
5. Risk analysis at the national level;
6. Risk analysis under the programmes.

Annexes generated from the DoRIS system as of 20 February 2016

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.

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