

**Strategic Report
on the implementation of the Norwegian Financial Mechanism
2009-2014 in Poland
for the period June - December 2011**

submitted for the evaluation of the Monitoring Committee for the European Economic Area Financial Mechanism and the Norwegian Financial Mechanism on 27 March 2012

National Focal Point
Ministry of Regional Development

Warsaw, March 2012

LIST OF ABBREVIATIONS	3
EXECUTIVE SUMMARY	4
INTRODUCTION	6
1. ANTICIPATED IMPACT AT NATIONAL LEVEL	7
1.1 ECONOMIC AND SOCIAL COHESION.....	7
1.2 BILATERAL RELATIONS.....	8
2. PREPARATION OF MANAGEMENT AND IMPLEMENTATION	10
2.1. PROGRAMMING OF FUNDS.....	10
2.1.1 DEVELOPMENT OF PROGRAMME DOCUMENTS	10
2.1.2 PREPARATION OF PROGRAMME PROPOSALS.....	10
2.2 PREPARATION OF THE MANAGEMENT AND CONTROL SYSTEM	15
2.3 PREPARATION OF INFORMATION AND PUBLICITY ACTIVITIES	17
3. WORK PLAN FOR JANUARY – DECEMBER 2012	18
3.1 START OF THE IMPLEMENTATION PHASE	18
3.2 ESTABLISHMENT OF THE MANAGEMENT AND CONTROL SYSTEM.....	19
3.3 INFORMATION AND PUBLICITY.....	19
3.4 BILATERAL COOPERATION.....	20
4. SUMMARY AND RECOMMENDATIONS	20

LIST OF ABBREVIATIONS

AA	AUDIT AUTHORITY
CA	CERTIFYING AUTHORITY
FMO	FINANCIAL MECHANISM OFFICE IN BRUSSELS
MC	MONITORING COMMITTEE
NFP	NATIONAL FOCAL POINT
MF	MINISTRY OF FINANCE
MoU	MEMORANDUM OF UNDERSTANDING
MRD	MINISTRY OF REGIONAL DEVELOPMENT
PO	PROGRAMME OPERATOR
NMFA	NORWEGIAN MINISTRY OF FOREIGN AFFAIRS

Executive Summary

This Strategic Report is to meet the obligation imposed on Poland under the Article 5 of the Appendix A to the *Memorandum of Understanding* and the Article 2.2 of the *Regulation on the implementation of the Norwegian Financial Mechanism 2009-2014* (hereinafter referred to as the *Regulation*). It documents Poland's preparations for the absorption of funds under the Norwegian Financial Mechanism and presents the actions planned for the subsequent reporting period: January – December 2012.

Preparations for implementation of the Norwegian Financial Mechanism covered support programming phase, establishing an implementation system, preparation of publicity and information activities. By the end of the reporting period, i.e. December 2011, most of the programme proposals were at an advanced stage of preparation and – as far as some measures were concerned – consulted with the particular programme partners from the donor state. Pursuant to the provisions of the *Regulation*, the National Focal Point (NFP), co-operating with the other institutions, prepared draft programme documents, including the *Description of the of the management and control system for the European Economic Area Financial Mechanism and the Norwegian Financial Mechanisms 2009-2014*, the *Guidelines for implementation of the Bilateral Cooperation Fund at the national level* and the *Guidelines for implementation of Technical Assistance*. In addition, there were the Monitoring Committee for the Financial Mechanisms 2009-2014 and the most of Cooperation Committees with participation of the partners established, as well as Programme Operators, Certifying Authority (CA) and Audit Authority (AA) appointed. A key element of the preparatory activities was also a development by the NFP of the draft *Communication strategy for the European Economic Area Financial Mechanism and the Norwegian Financial Mechanism 2009-2014*.

Entering the stage of programming the Norwegian Financial Mechanism 2009-2014 became possible upon approval by the Council of Ministers on 24 May 2011 of *Memorandum of Understanding* agreed with the donor side and its official signing on 10 June 2011 in Gdańsk by the Ms. Elżbieta Bieńkowska, Minister of Regional Development, and Mr. Enok Nygard, Ambassador of Norway in Poland. The formal conclusion of the agreement commenced the preparation by Poland of programme proposals within an allocation of EUR 287.86 million (including the management costs to be borne by the donors and the Polish side)¹.

¹ On 28 July 2010, an agreement between the states of the European Free Trade Association: Iceland, Liechtenstein and Norway and the European Union on launching a new perspective of the European Economic Area Financial Mechanism and the Norwegian Financial Mechanisms 2009-2014. The beneficiary states of the EEA will be the twelve new European Union Member States and Portugal, Greece, and Spain, whereas separate Norwegian funds will be directed to the twelve new EU Member States. The total

It is planned that in the next reporting period, the development of the management, financial control and audit system will be completed, all programme proposal will be finally submitted for an appraisal by the donor side and after its completion, the implementation stage will be initiated.

amount of support is EUR 1,788 million, of which Poland has been allocated EUR 578 million (that is in total with the EEA Financial Mechanism and the management costs).

Introduction

Pursuant to the Article 5 of the *Memorandum of Understanding on the implementation of the Norwegian Financial Mechanism 2009-2014*, the Ministry of Regional Development, fulfilling the function of the NFP for implementation of the Financial Mechanisms in Poland, prepared a document entitled the *Strategic Report on the implementation of the Norwegian Financial Mechanism in Poland for the period June – December 2011* (hereinafter referred to as the Strategic Report).

This Strategic Report has been developed by the NFP in compliance with the Article 2.2 of the *Regulation*, for the purpose of the annual meeting held between the representatives of the Polish side and the donor states of the Norwegian Financial Mechanism and the EEA Financial Mechanism – the Kingdom of Norway, Liechtenstein and Iceland, planned for 2012. Before submission of the document to the donor side, it will need to be evaluated by the Monitoring Committee for the both Financial Mechanisms.

Due to the initial phase of the Norwegian Financial Mechanism 2009-2014, which in the reporting period mainly involved support programming activities and development of the management and control system, the structure of this first edition of the Strategic Report covers the following issues: analysis of horizontal issues (e.g. assessment of the anticipated impact of the support at national level, cross-cutting themes and bilateral relations), issues related to preparation of the management and control system, information on the preparation status of specific programmes, a review of information and publicity activities, as well as activities planned for the next reporting period, a summary and recommendations.

With regard to the provisions of the Article 2.2 of the *Regulation*, this Strategic Report incorporates information concerning exclusively Norwegian Financial Mechanism. The NFP shall submit a separate Strategic Report for the EEA Financial Mechanism.

1. ANTICIPATED IMPACT AT NATIONAL LEVEL

1.1 Economic and social Cohesion

The cohesion policy manifests itself in a socio-economic development, which leads to a socially and territorially equal improvement of living conditions, an enhanced human capital (skills and health), and increased social participation. The efforts to ensure the social and economic cohesion determines an economic growth, in which all citizens participate and benefit from.

However, the dynamic development of Poland may be accompanied by disparities, which may take place in the following: income, health, territorial and generational dimensions. Thus, prevention of further deepening social differentiation may become a barrier to maintain a dynamic development of the country in the future. Therefore, measures aimed at ensuring social and economic cohesion in territorial terms are essential instruments to combat potential threats. Financial instruments are designed to support activities to compensate for economic and social cohesion conditions in all regions.

The funds under the Financial Mechanisms 2009-2014 are also envisaged to support the implementation of development related projects that contribute to a reduction of economic and social disparities within the EEA. Achievement of the social and economic cohesion is one of the most important tasks that Poland is facing in the current perspective of the Financial Mechanisms. The financial support programming phase coordinated by the NFP was therefore accompanied by efforts to address the national priorities of the socio-economic policy as well as the particular policies of the EU. As a result, the use of the funds will perform – equally to the previous edition of the Financial Mechanisms – a complementary function with respect to the interventions under the Structural Funds and Cohesion Fund.

In efforts undertaken towards social and economic cohesion, which involve also the Financial Mechanisms, the need to ensure complementarity with the intervention of the Structural Funds creates the necessity of a reasonable approach both to the investment and non-investment projects. This implies a need for a focus on specific objectives in the particular areas of support. This approach is essential in the context of achieving the intended effects of support from the present perspective of the Financial Mechanisms.

The financial aid available under Norwegian Financial Mechanism 2009-2014 that supports achievement of the economic and social cohesion, will be allocated to precisely defined measures, in particular the implementation of investment projects, aimed at infrastructure development and non-investment projects consisting of capacity building, social development and research cooperation. The first category of actions to be implemented include primarily the construction of infrastructure for CO₂ capture and storage. The non-investment measures should be categorized as: reducing social inequalities in health, prevention of domestic violence and violence based on gender, initiatives for decent work and development of the

tripartite dialogue, capacity building and cooperation in the field of justice, and finally Norwegian - Polish research cooperation.

A list of the particular programme areas with assigned allocation breakdown is shown in the table below.

Programme area	Norwegian FM contribution
Carbon Capture and Storage (CCS)	€ 137,000,000
Global fund for Decent Work and Tripartite Dialogue	€ 3,112,000
Bilateral Research Cooperation	€ 36,830,000
Bilateral Scholarship Programme	€ 5,000,000
Public Health Initiatives	€ 60,000,000
Domestic and Gender – based violence	€ 3,000,000
Schengen Cooperation and Combating Cross-border and Organised Crime, including Trafficking and Itinerant Criminal Groups	€ 10,000,000
Judicial Capacity-building and Cooperation	€ 14,000,000
Correctional Services, including Non-custodial Sanctions	€ 13,000,000
Other allocations	
Technical assistance to the Beneficiary State (Art. 1.9)	€ 4,362,000
Fund for bilateral relations at national level (Art. 3.5.1)	€ 1,556,000
Net allocation to Republic of Poland	€ 287,860,000

In addition to the above mentioned measures that the Polish side considers to be an important factor to alleviate the economic and social disparities, the programmes in the new perspective of the Financial Mechanisms will be based on so-called cross-cutting issues. These are: firstly - sustainable development, which is an integral concept of raising living standards in the environmental, economic and social dimensions, secondly - good governance focused on the participation and integration of all stakeholders in the sense of a responsibility and in accordance with the principles of efficiency, transparency and in compliance with the law, thirdly - equal opportunities for women and men, understood as efforts towards gender equality at all stages of program implementation and to combat all forms of discrimination.

1.2 Bilateral relations

Strengthening long-term bilateral cooperation remains one of the horizontal themes within the current edition of the Financial Mechanisms. Still during the discussions on the possible areas of partnership cooperation, which preceded signing the *Memorandum of Understanding*, the Norwegian side identified the necessity of partnerships at programme level. Thus, this proposal introduced a change as compared to the prior edition of the Financial Mechanisms, in which partnerships were established mainly at project level.

During the negotiations with the donor, the Polish side argued that partnerships should be of a voluntary nature and should have an actual added value for the implemented activities and Polish beneficiaries, to whom the support is addressed. After the round of meetings with the

donor and inter-ministerial consultations taking place in March and April 2011, the scope of particular partnerships at programme level was initially agreed, and their list was included in Annex B to the *Memorandum of Understanding*.

The table below presents a list of selected programmes in particular areas of the Norwegian Financial Mechanism with the assigned partners from the donor state.

Programme Area	Programme	Donor Program Partner
Carbon Capture and Storage (CCS)	Programme for Supporting the development and widespread use of CCS technology in Poland	Gassnowa SF
Bilateral Research Cooperation	Norwegian-Polish Research Cooperation	The Research Council of Norway
Bilateral Scholarship Programme ²	Norwegian-Polish Scholarship Programme	The Norwegian Centre for International Cooperation in Higher Education (SIU)
Public Health Initiatives	II. Reducing social inequalities in health	The Norwegian Directorate of Health
Judicial Capacity-building and Cooperation	Judicial Capacity-building and Cooperation/ Improvement of the efficiency of justice	The Norwegian National Courts Administration
Correctional Services including Non-custodial Sanctions	Correctional Services including Non-custodial Sanctions	The Norwegian Correctional Services

An important element of building bilateral relations with the donor state under the current edition of the Norwegian Financial Mechanism is the Bilateral Cooperation Fund. At national level, the Fund supports actions aimed at strengthening bilateral cooperation between the donor state and the Polish side in the scope of the programme areas identified in the Appendix no. 1 to the *Regulation*.

In 2011, after signing the *Memorandum of Understanding*, steps were taken to launch the Fund. Therefore, a draft budget was submitted to the Financial Mechanisms Office (FMO) in Brussels, covering the whole period of the Fund's operations, including the years 2011 and 2012. On 3 November 2012, the *Agreement for the financing of Technical Assistance and the Fund for Bilateral Relations at National Level* was concluded between the Polish side and the donor state. In relation to the fact that the expenditure within the Fund is eligible as of 11 June 2011 (entry of the *Memorandum of Understanding* for the Norwegian Financial Mechanism into force), beneficiaries of the Fund, i.e. the NFP and Programme Operators, commenced implementation of activities, which consisted mainly in organising meetings and

² The *Bilateral Scholarship Programme* established under the NFM (programme area no. 24) and the *EEA Scholarship Fund* established under the EEA FM (programme area no. 19) are implemented in Poland jointly as one operational programme under the common name Scholarship and Training Fund.

participation in activities undertaken by the donor side. The aim of the meetings was mainly to discuss the issues related to the shape of the proposals of programmes, establishment of the scope of cooperation between Programme Operators and partners, as well as presentation of the institutions involved in preparation of specific programmes.

2. PREPARATION OF MANAGEMENT AND IMPLEMENTATION

Preparation for implementation of the Norwegian Financial Mechanism covered both the support programming activities, including consultations on the programme documents, development of particular programme proposals, development of the management and control system, as well as preparation of publicity and information activities.

2.1. Programming of funds

2.1.1 Development of programme documents

During the first half of the reporting period, the programming activities under the Norwegian Financial Mechanism 2009-2014 concerned mainly the final consultations on the content of the programme documents, i.e. the provisions of the *Regulation* and the *Memorandum of Understanding*. The negotiations on distribution of funds between the priority areas were finally concluded in April 2011. The total allocation within the Norwegian Financial Mechanism amounted to EUR 287.86 million and was reflected in the provisions of the Appendix B to the *Memorandum of Understanding*, in the part dedicated to financial aspects of implementation.

The *Memorandum of Understanding* on the implementation of the Norwegian Financial Mechanism 2009-2014 was adopted at the meeting of the Council of Ministers on 24 May 2011. The *Memorandum of Understanding* was then officially signed by Ms. Elżbieta Bieńkowska, Minister of Regional Development, and Mr. Enok Nygaard, Ambassador of Norway, in Gdańsk on 10 June 2011.

2.1.2 Preparation of programme proposals

As of signing the *Memorandum of Understanding*, the NFP was responsible for coordinating preparation and evaluation of 8 programmes within the thematic areas of support under the Norwegian Financial Mechanism 2009-2014. For most of the programme proposals, arrangements concerning their formal side and the substantial scope were settled on working basis between the Programme Operators and the NFP, and partners from the donor state until the end of the reporting period. Due to the fact that the electronic *Documentation, reporting and Information system* (DoRIS), which allows for, *inter alia*, efficient submission of electronic applications, was not yet available in the reporting period, the Programme Operators used the provisional programme proposal template, corresponding to the one

included in the *Programme Operator's Manual* (Appendix no. 9 to the *Regulation*) and the statistical appendix, which enables entering contacts, financial data and indicators. Additionally, in order to streamline the preparation of the programme proposals, the NCP held series of individual and joint meetings as well as training sessions with the Programme Operators, during which they were familiarised with the following essential issues: detailed implementation principles under the new perspective of the Financial Mechanisms, scope of responsibilities and tasks of the Programme Operators, the rules for preparation of the programme proposals, operational rules of the Bilateral Co-operation Fund, scope and principles of the partnership co-operation and setting up Co-operation Committees. The FMO's representatives attended the meeting held in August 2011. Furthermore, the FMO in Brussels held the workshop for NFPs in September and December 2011.

The preparation progress of the programme proposals under the Norwegian Financial Mechanism 2009-2014 differed with regard to particular programmes by the end of the reporting period. Therefore, in the programming process, the following categories of programmes shall be listed:

a) programme in the implementation phase

Global Fund for Decent Work and Tripartite Dialogue

Fund for decent work and tripartite dialogue is being managed by the Innovation Norway, therefore the role of the NCP is here limited. The Polish side was involved in shaping the program through submitting comments and suggestions to the programming documents and conducting a consultation process with the stakeholders from the area in which the Fund is operating. Within the consultation framework, the meeting with the Programme Operator was held on 27 September 2011, after which the comments raised by participants were collected and transferred to the Programme Operator. Having launched the call for proposal, the Programme Operator did not however respond to the comments on the program signaled by the Polish side. The program was approved by the donors and entered its implementation before the end of the reporting period. In October 2011, the Program Operator (Innovation Norway) announced the launch of the Fund, in which the call for proposal was estimated to last until 22 April 2012 (applications can be submitted as of 2012). In 2011, the Program Operator did not conduct a promotional and information campaign on the Fund and the ongoing call for proposals, relying only on the website created for this project and the one managed by the NFP. Without question it lowered the public interest in the Fund. Therefore, the NFP took steps to inform as many potential beneficiaries on the ongoing call for proposals as possible and held a discussion with the Programme Operator and donor state representatives with aim to organize an information seminar in Poland devoted to the

respective programme. As a result of this action, the Innovation Norway scheduled an information meeting for potential beneficiaries, which is to be held in Poland in March 2012.

b) programmes under preparation:

Development and better adaptation of health care to demographic and epidemiological trends

The essential preparatory works on the programme proposals were carried out until the end of the reporting period. Distribution of the allocations within the respective programme and the other one, which is fully financed from the funds of the Norwegian Financial Mechanism (*Reducing social inequalities in health*) was finally settled through an exchange of letters between the NFP and the FMC in November and September 2011. It was agreed that EUR 52 million should be dedicated to the programme entitled *Development and better adaptation of health care to demographic and epidemiological trends* (jointly financed out of the EEA Financial Mechanism and the Norwegian Financial Mechanism). This however is restricted with the condition that in the event of a failure to meet the obligations under the programme *Reducing social inequalities in health*, the funds shall be shifted to the second of the aforementioned programmes, i.e. *Development and better adaptation of health care to demographic and epidemiological trends*

Public health initiatives – reducing social inequalities in health

Problem that arose during the reporting period was an appropriate preparation of a coherent concept for the program and the pre-defined part of it, including identification of particular roles in the program. In order to determine the shape of the program, in 2011 the meetings between the Polish and Norwegian sides were held respectively in Warsaw and Oslo, as well as the correspondence was exchanged with a view to work out the final shape of the program. During the meeting on 28 February 2011, the Programme Operator presented the programme objectives as well as the experts on both sides who would be involved in its implementation were introduced. It was concluded that a further work to reach an agreement on the final content of the programme was necessary. In May 2011 the Programme Operator provided the Norwegian partner with a detailed concept of the programme. The respective components of the programme were discussed during the meeting held in Warsaw, 4-5 July 2011. It was concluded that the Norwegian side would submit its comments on the programme to the Programme Operator. On 25 July 2011, the Polish side received general insights on the programme proposal from one of the Norwegian experts. At the beginning of September 2011 the final composition of the Cooperation Committee was agreed and its members were appointed among the Norwegian and Polish representatives. The first meeting of the Committee was held on 21 November and its

purpose was to discuss the concept of the programme transmitted to the Norwegian side at an earlier stage. The Norwegian Partner provided some general comment on it and stated that some more specific remarks were to be sent by the end of November 2011.

The comments from the Norwegian side were received only on 13 December 2011. On 15-16 December 2011, another meeting of the Cooperation Committee was held. During this meeting it was concluded that the program would be modified e.g. with regard to the set of indicators and the predefined part of the programme was presented in a more detailed manner. The next meeting on the final programme content was scheduled for January 2012 in Oslo. The final shape of the programme, including the involvement of the Norwegian representatives, was not ultimately agreed by the end of the reporting period.

As a result of the conclusions on the distribution of funds between the programmes implemented within the thematic area *Public Health Initiatives*, it was finally agreed that EUR 18 million will be allocated to the programme *Reducing social inequalities in health*. This however is restricted with the condition that in the event of a failure to meet the obligations under this programme, the funds shall be shifted to the second programme from the referenced thematic area.

Carbon capture and storage (CCS),

The essential preparatory work on the programme proposal lasted from September 2011 to the end of the reporting period. Between August and December 2011, the Programme Operator continued working contacts with the partner with aim to elaborate particular elements of the programme. A draft version of the program proposal was submitted by the Programme Operator at the end of October 2011, but only at the beginning of December 2011, the partners provided their comments in this regard. On 13 December 2011, the first meeting of the Cooperation Committee was held, during which the comments raised by the partner and NFP were jointly discussed. Provision of the final programme proposal will take place at the beginning of 2012.

Schengen cooperation and combating cross-border and organised crime, including trafficking and itinerant criminal groups

The programme proposal was in a preparation from September 2011 until the end of the reporting period. During that period, the working meetings on the programme proposal were held between the NCP and the Programme Operator. The most important one, which was organised by the NFP on 21 December 2011, regarded the comments on the final programme proposal signaled by the Polish side. The *Memorandum of Understanding* provides for the project preparation in partnership with the Council of Europe. Therefore, the

meeting in this regard with a participation of the Council of Europe representatives and the Operator Program is scheduled for January 2012.

Bilateral research cooperation

The programme proposal was in a preparation until the end of the reporting period in close collaboration with the programme partner – The Research Council of Norway. On 29 June 2011, the NFP organized a meeting with the Programme Operator and the programme partner, during which the issues related to the scientific areas eligible for support and the partnership co-operation at a program level were discussed. The Programme Operator committed himself to provide the final version of the programme proposal and its English translation by January 2012. The first meeting of the Cooperation Committee is also foreseen for January 2012.

Bilateral scholarship programme

In the reporting period, the Programme Operator prepared the programme proposal along with assumptions for the partnership co-operation. The Programme Operator also established the Cooperation Committee during the meeting with the partners (The Norwegian Centre for International Cooperation in Higher Education - SIU and International Education Agency - AIBA), which was held on 18 November 2011. After the consultation with the partners, which were carried out at the end of the reporting period and after the appraisal done by the NFP, the programme proposal will be transmitted to the donor in January 2012.

Judicial capacity-building and cooperation

A number of meetings related to the respective thematic area with the invited representatives of the donors, Programme Operator and program partner were organized in 2011. The first meeting to initiate a co-operation between the Programme Operator and programme partner, was held by the NFP in June 2011 and was aimed at presenting by the Programme Operator the predefined projects and the conception for the programme implementation. The preparation of the substantial part of the programme within a continuous cooperation with the NFP lasted from September 2011 until the end of the reporting period (at the end of October the NFP attended the two-day meeting between the both partners). The Programme Operator consulted the programme proposal *ad hoc* also with the Norwegian National Courts Administration. A further discussion with the partner will be continued within the Co-operation Committee of which first meeting is foreseen for January 2012. Nevertheless, the final version of the program proposal shall be submitted by late January or early February 2012 after being consulted with the partner.

Correctional services including non-custodial sanctions

The first meeting devoted to the concept and timing of the program implementation between the Operator and the programme partner was held by the Ministry of Regional Development in July 2011. During the holiday season the Prison Service provided the NFP with some elements of the draft programme proposal. A preparation of the complete programme proposal, including working consultation with the NFP, lasted from September 2011 until the end of the reporting period. The Operator consulted the draft program proposal on ad hoc basis also with the programme partner - The Norwegian Correctional Services. On 9 November 2011 the first meeting of the Cooperation Committee took place and the further comments to the programme proposal were discussed with the programme partner. During programming phase the potential problem for the further implementation was encountered. It was linked with the staff turnover at the partner side. The one negative outcome of it was questioning the agreed predefined projects, proposing new measures, as well as changing the Cooperation Committee composition notified at its first meeting on 9 November 2011. At the end of December 2011, the Programme Operator provided the partner with the final programme proposal. The Cooperation Committee was scheduled for early January 2012 to discuss the forwarded programme proposal, whereas submission of its final version is foreseen for the end of January 2012.

Domestic and gender-based violence

The programme was prepared and translated into English by the end of the reporting period. However after the meeting with the Council of Europe in January 2012, the aforementioned programme will be redefined in a view of some specific implementation issues. After receiving the necessary information from the Council of Europe, the proposal should be submitted by the Programme Operator by early February 2012.

2.2 Preparation of the management and control system

Pursuant to the Article 4.1 of the *Regulation*, the Beneficiary State shall be responsible for management and control of programmes. The leading role in the system shall be played by the NFP, which on behalf of the minister of regional development, shall fulfil the coordinating function, including preparation of common solutions for all programmes in the scope of organisation and sound management, implementation, monitoring and evaluation of the Financial Mechanisms, thus activities addressed mostly to the Programme Operators and other involved institutions. The NFP shall bear general liability for successful and effective implementation of the both Financial Mechanisms in Poland as well as achievement of their objectives. It shall also be responsible for compliance and application of the appropriate

principles and procedures concerning the management of the financial support and ensuring their implementation the by Programme Operators.

In relation to its special role in the management and control system, the NFP undertook in the reporting period to prepare documents describing two separate systems: firstly, the management and control system for national institutions involved in implementation of Financial Mechanisms 2009-2014 (i.e. the NFP, the MRD Certifying Authority Department (CAD), the Audit Authority (AA)); and secondly, the management and control system for the Programme Operators. In the case of the Norwegian Financial Mechanism, the final versions of the documents describing each of the aforementioned systems shall be submitted to the Norwegian Ministry of Foreign Affairs (NMFA).

As regards the first of the systems, it was prepared in compliance with the general assumptions of the management and control system determined by the *Regulation* and presented in the draft document entitled *Description of the management and control system for the European Economic Area Financial Mechanism and the Norwegian Financial Mechanism 2009-2014*. The draft document was developed by the NFP in December 2011, in close co-operation with the relevant units of the MRD and the Ministry of Finance. The following elements were among those taken into account:

- a) a detailed system structure, including organisational links between institutions participating in the management and control system and determination of the scope and competences;
- b) procedures concerning proper and timely expenditure and the financial reporting system;
- c) reporting procedures and monitoring of irregularities;
- d) procedures concerning audit activities at project and programme levels, as well as an audit of the management and control system performance.

Separate management and control systems are also prepared by the Programme Operators. The obligation to prepare such systems results from the Article 48.2 of the *Regulation*. Pursuant to that article, the operators – through the NFP - shall provide the NMFA with detailed descriptions of the management and control system within 6 months after expiry date for submission of the first interim report for the given programme. Therefore, in the reporting period, the NFP also provided support to selected institutions in a preparation of the document *Description of the management and control system for Programme Operator*. At the beginning of July 2011, the NFP submitted to the Programme Operators a provisional and partially completed template of that system, modelled on the document binding in the case of the EU funds. Furthermore, to ensure consistency of the two systems and guidelines for further programming works, the NFP shall provide the Programme Operators with an

approved version of the *Description of the system of management and control for the European Economic Area Financial Mechanism and the Norwegian Financial Mechanism 2009-2014* definitely agreed with the CA and the AA.

In the reporting period, the Polish side undertook actions to create an institutional structure for the Financial Mechanisms implementation system. The list of the key institutional entities established to fulfil the functions attributed by the appropriate articles of the *Regulation* shall be set out in the description of management and control system currently drafted by the NFP.

2.3 Preparation of information and publicity activities

In order to implement the provision included in point 2.3 of Annex 4 *Information and Publicity Requirements* to the *Regulation on the implementation of the Norwegian Financial Mechanism 2009-2014*, the NFP developed a document entitled *Communication strategy for the European Economic Area Financial Mechanism and the Norwegian Financial Mechanism 2009-2014*. The main strategic goals include:

- continuation of the successful information and publicity campaign implemented during the previous edition of Financial Mechanisms in Poland;
- ensuring an easy access to important information for all stakeholders, in particular concerning the possibility to apply for grants under the Financial Mechanisms and support in preparation of applications,
- development of a coordinated and proactive attitude towards information and publicity addressed to the institutional entities,
- informing the public on the Financial Mechanisms, namely the outcomes reached during the implementation process and on how they support the bilateral relations between Poland and the donor states.

In the body of the document, the NFP highlighted the following issues: the general principles, assumptions and goals of publicity activities, analysis of the media environment and related opportunities, identification of the target groups, examples of tools and publicity and information activities, determination of the time-frame and the budget. Having looked at the deadline determined in the *Regulation*, the communication strategy was submitted to the FMO on 14 October 2011.

The FMO developed guidelines for preparation of communication strategies along with plans of communication for the Programme Operators and submitted them to the particular NFPs in mid-November 2011. As a follow-up, the FMO addressed the NFP with a request to adjust the provided strategy to the aforementioned guidelines.

In the letter of 12 December 2011, the FMO identified the need to take into account a new objective of publicity activities under the Financial Mechanisms, concerning the importance and benefits of a bilateral cooperation with the donors. The aforementioned correspondence contained also a suggestion that the document should be modified through detailing some

issues such as: perspectives for activities promoting partnerships, description and prioritisation of promotional activities in specific areas, description on how the Internet can be used, coordination and cooperation with the main institutional partners, including the Embassy and the Programme Operators. Having looked the those comments and recommendations, the NFP modified the original version of the communication strategy until the end of the reporting period and submitted it to the FMO during the first half of January 2012.

In mid-November 2011, the NFP provided the Programme Operators with the first part of the *Communication and Design Manual* and the *Developing a communication plan for programmes under the EEA Grants/Norway Grants 2009-2014 - Guidance for the Programme Operators*.

The Manual is supposed to eventually become a helpful tool in the scope of information and publicity for all institutions in the beneficiary states – e.g. the Focal Points, Programme Operators, and other institutions involved in implementation of the National Financial Mechanisms, which do not have sufficient experience in this regard. In mid-November 2012, the FMO provided for the first part of that manual (a draft version). The purpose of submitting the first part of the manual was most of all practical guidance for the Programme Operators in the development of the communication plans, in particular incorporating the provisions of Annex 4 to the *Regulation* into specific strategies, plans and activities. The second part of the manual will include guidelines on how to properly use the logotypes and present the templates of brochures, leaflets, posters etc. downloadable from the Internet.

3.WORK PLAN FOR JANUARY – DECEMBER 2012

3.1 Start of the implementation phase

From the beginning of the new reporting period, the NFP will continue the actions aimed at finalisation of the particular programme proposals and submission them for the donor's appraisal. With regard to the deadline set out in the *Regulation* and looking at a few months' appraisal by FMO and NMFA as well as review of the documents by the European Commission, the NFP estimates that all finally agreed versions of the programme proposals (beside the civil society programme, for which no operator had been selected so far) will be transmitted to the donor side in the first half of 2012. Efficient appraisal of the submitted programmes by the donor side will enable a prompt launch of the implementation phase, thus meeting the schedule established by the Programme Operators. The Polish side is of the opinion that a key element at the appraisal stage is to involve the NFP in the process of consultations and incorporating comments from the donors addressed to the Programme Operators.

3.2 Establishment of the management and control system

In the next reporting period, the NFP will carry out activities to establish procedures and control system for the NFP, CA and AA. For that purpose, in the first quarter of 2012, it is anticipated that the contents of the document *Description of the management and control system for the European Economic Area Financial Mechanism and the Norwegian Financial Mechanism 2009-2014* will be definitely agreed. Similarly to the programme proposals, developing a description of the management and control system and its submission to the NMFA shall take place in the first quarter of 2012 (Article 4.8, point 1 of the *Regulation*). In the next reporting period, the NFP shall also cover activities aimed at ensuring conformity of the aforementioned management and control system with specific descriptions of the management and control systems developed by the Programme Operators and timely submission of these documents to the donor side, i.e. within 6 months after provision of the first interim financial report for a given programme (Article 4.8.point 2 of the *Regulation*).

The first meeting of the Monitoring Committee for the new edition of the Financial Mechanisms 2009-2014 will take place on 27 March 2012. Assessment of this Strategic Report will constitute one of the agenda items.

3.3 Information and publicity

Following the FMO's comments communicated to the Polish side in December 2011, the NFP shall submit a modified version of the document entitled *Communication Strategy for the European Economic Area Financial Mechanism and the Norwegian Financial Mechanism* in mid-January 2012. The information and publicity activities will be carried out by the NFP and Programme Operators in compliance with the adopted assumptions. In addition, some publicity activities will be undertaken in the next reporting period linked with the two important events related to implementation of the Financial Mechanisms in Poland:

- the visit of Minister Elżbieta Bieńkowska in Oslo on **16-17 April 2012** – a meeting with the Norwegian Minister of Foreign Affairs and participation in a conference devoted to presentation of the outcomes of the projects implemented under the previous edition of the Financial Mechanisms, as well as signing and launching the programme *Local and Regional Initiatives to Reduce National Inequalities and Promote Social Inclusion* are planned for the visit.
- a visit of the King of Norway in Poland on **9-11 May 2012** – organisation of various accompanying events, including participation in the European Funds Forum, organisation of a conference launching subsequent approved programmes under the Financial Mechanisms, such as the *Scholarship Fund, Bilateral Research Cooperation*, opening projects already implemented under the Financial Mechanisms.

3.4 Bilateral Cooperation

In relation to the obligation imposed on Poland under the *Agreement for the financing of Technical Assistance and the Fund for Bilateral Relations at national level*, at the beginning of the next reporting period, Poland will provide the donor side with the work plan and the *Implementation System for the Bilateral Cooperation Fund at the national level*. The aforementioned documents will be a subject to the donor's appraisal, including meetings, during which the shape and substantial scope of the documents will be discussed.

4. SUMMARY AND RECOMMENDATIONS

The activities of the NFP and other institutions involved in implementation of the Norwegian Financial Mechanism 2009-2014 in Poland in the reporting period: June – December 2011 focused on development of the programme framework, establishment of the implementation system and carrying out preliminary information and publicity activities. Despite the need to carry out consultations on the draft programme documents with the stakeholders, programming activities on the donors' side (development of the new implementation principles and the content of the *Regulation*), the programming stage of the Norwegian Financial Mechanism progressed smoothly.

The launch of the implementation phase, which is expected in the second half of next reporting period, determines the structure and content of this document. The Strategic Report could not therefore provide for an entire assessment of the Norwegian Financial Mechanism toward its effect on achieving the objectives of the Mechanism, as well as cross-cutting issues such as sustainable development, gender equality and good governance.

Although the need to continue programming and systemic preparatory work is still visible, the activities actions of all entities involved in the implementation of the Norwegian Financial Mechanism in the next reporting period will be focused on the tasks related to launching calls for proposals, appraisal and selection of applications as well as subsequent monitoring, control and audit activities. Following the lessons learned from the initial programming phase, the NFP is of the opinion that the aforementioned activities should be conformed to:

1. The compliance with the established communication system between the stakeholders. Implementation of that recommendation is a key element owing to the complex implementation structure of the Financial Mechanisms, in which many entities act on various levels. A clear and consistent communication system is essential for the success of the whole programme. It will allow for an efficient information flow and contribute to an appraisal of programmes and insights into particular activities. It is also particularly important at the programme appraisal stage, when the frameworks for a long-term implementation process had already been established.

2. In the case of *Global Fund for Decent Work and Tripartite Dialogue*, the Polish side recommends undertaking a broader information and publicity campaign by the Programme Operator (Innovation Norway), which will provide a sufficient number of applications and support quality initiatives. The NPF welcomed the information that the Operator Program favored a proposal to organize an information workshop to be held on 9 March 2012.
3. Transparency of documents, rules and eligible expenditures for activities under the individual funds of bilateral cooperation.