

ANNUAL REPORT 2011-2012



FOREWORD

These are challenging times. Europe is still facing the social, economic and political consequences of the financial crisis that hit the global economy in 2008.

We are at a crossroads. Many questions remain unanswered. Will we be able to restore people's confidence in politics and politicians? Will we be able to defend our common values? Will we get through this crisis without placing burdens on vulnerable minorities?

Through the EEA and Norway Grants, Iceland, Liechtenstein and Norway are demonstrating our solidarity and commitment to helping resolve Europe's many challenges.

We are not members of the EU, nevertheless through the European Economic Area (EEA) Agreement we are partners in the internal market. We also share common European values such as democracy and tolerance. What happens in Europe affects us too. We are helping to address the economic, political and social challenges of Europe. Ultimately, these challenges are also ours.

Through the Grants, we are helping to reduce economic and social disparities. At the same time, we are strengthening our relations and cooperation with the 15 beneficiary countries.

We have now formally closed the 2004–2009 funding period. We can see positive results on the ground – funds have made a real difference to people's lives and to local communities. Plus, we can see that the Grants cover areas where other funding sources are scarce, such as civil society and justice reform.

Now, we have entered into a new funding period with numerous new opportunities. Strategic cooperation between public institutions in the donor and beneficiary countries has already been established in various fields.

This annual report gives you an update on this cooperation, on the different sectors covered by the Grants and on country specific priorities. We are proud that we can support our friends and allies by funding these projects, proud that we stand side-by-side in our efforts to enhance social and economic development in Europe.



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Minister of Foreign Affairs,
Iceland



Dr. Aurelia Frick,
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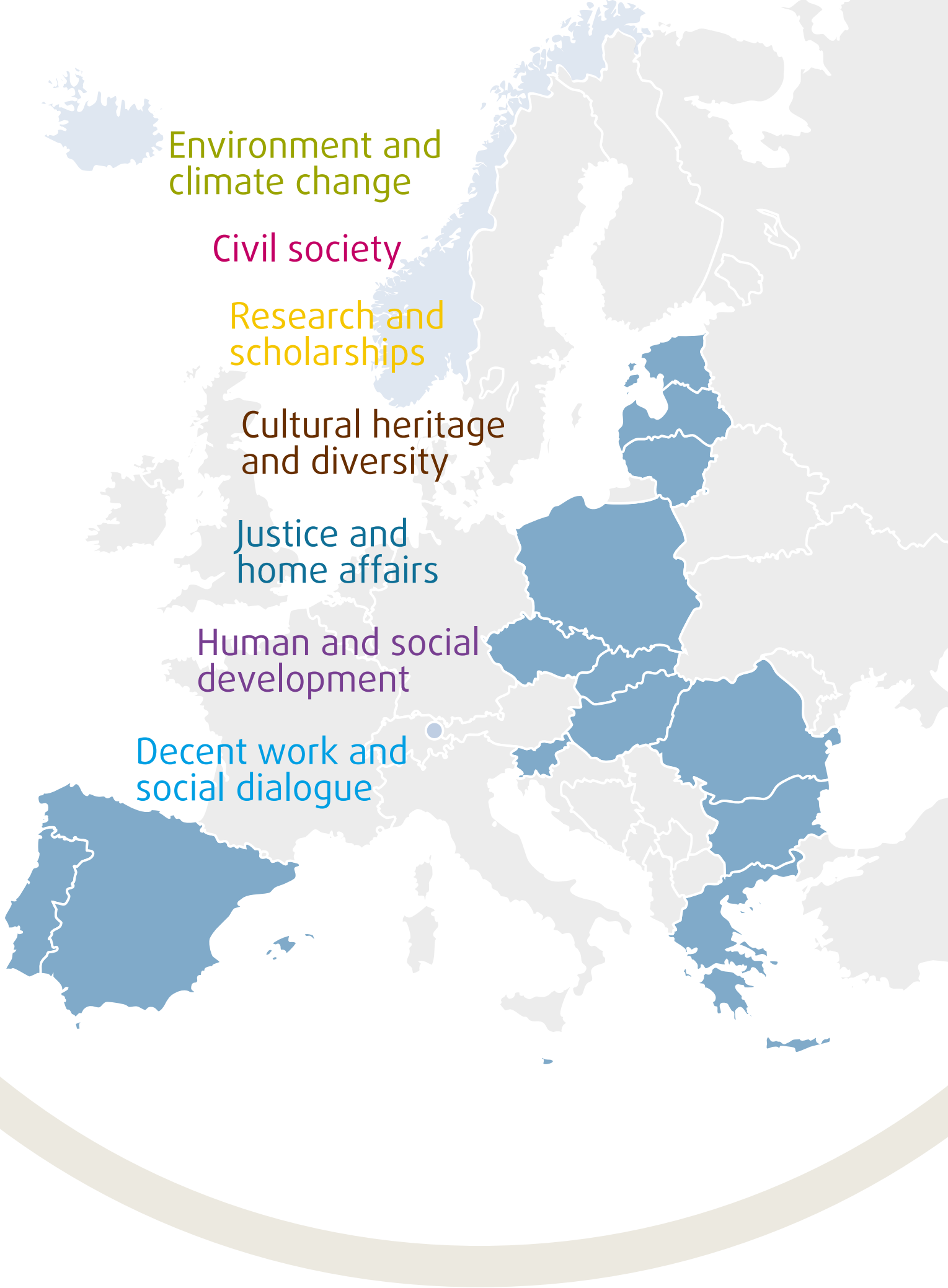
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Environment and climate change

Civil society

Research and scholarships

Cultural heritage and diversity

Justice and home affairs

Human and social development

Decent work and social dialogue

OVERVIEW

EEA GRANTS NORWAY GRANTS

Through the EEA and Norway Grants, Iceland, Liechtenstein and Norway contribute to reducing disparities and to strengthening bilateral relations with 15 countries in Central and Southern Europe. The three donor countries cooperate closely with the EU through the Agreement on the European Economic Area (EEA).

For the period 2009-2014, a total of €1.79 billion has been set aside under the Grants. The EEA Grants are jointly financed by Iceland, Liechtenstein and Norway, who contribute according to their size and economic wealth. Of the €988.5 million set aside for the 2009-14 period, Norway represents around 94%, Iceland close to 5% and Liechtenstein just over 1%. The Norway Grants are financed by Norway alone and amounts to €800 million in this period.

Key areas of support include environmental protection and climate change, civil society, children and health, cultural heritage, research and scholarships, decent work and justice and home affairs. Grants are available for non-governmental organisations, research and academic institutions and the public and private sectors.

Promoting cooperation is a cornerstone aim of the Grants. Strengthening ties between European countries brings mutual benefits for institutions and organisations in both the donor and the beneficiary countries.

€1.79 billion in funding

15 beneficiary countries

85 partnership programmes

Iceland – Liechtenstein – Norway

DEVELOPMENT TRENDS and CHALLENGES

There are wide-ranging differences between the individual beneficiary countries of the Grants. However, it is possible to identify some common development trends and challenges.

Despite much progress in Europe over recent years, gaps in economic development and living standards persist. The EEA and Norway Grants contribute to tackling these disparities by targeting specific needs, providing capacity building support and promoting exchange of skills and knowledge.

ECONOMIC CHALLENGES

Before the onset of the financial crisis in 2008, the 15 beneficiary countries of the EEA and Norway Grants were experiencing impressive economic growth and making headway towards the EU's average GDP. However, the economic downturn has wiped out much of this progress.

According to a recent World Bank report, the economic recovery of the countries in Central and Eastern Europe was on track in the first half of 2011.¹ This recovery slowed in the second half of the year. Overall, GDP levels in the EU are likely to stagnate in the coming year with the growth forecast for the EU-27 to be as low as 0.6% for 2012.²

1. World Bank (November 2011) *EU10 Regular Economic Report*

2. European Commission (November 2011) *Annual Growth Survey 2012*



Estonia has regained economic growth after a sharp economic downturn in 2008 and 2009.

Poland is the only EU country to have sustained economic growth throughout the crisis.

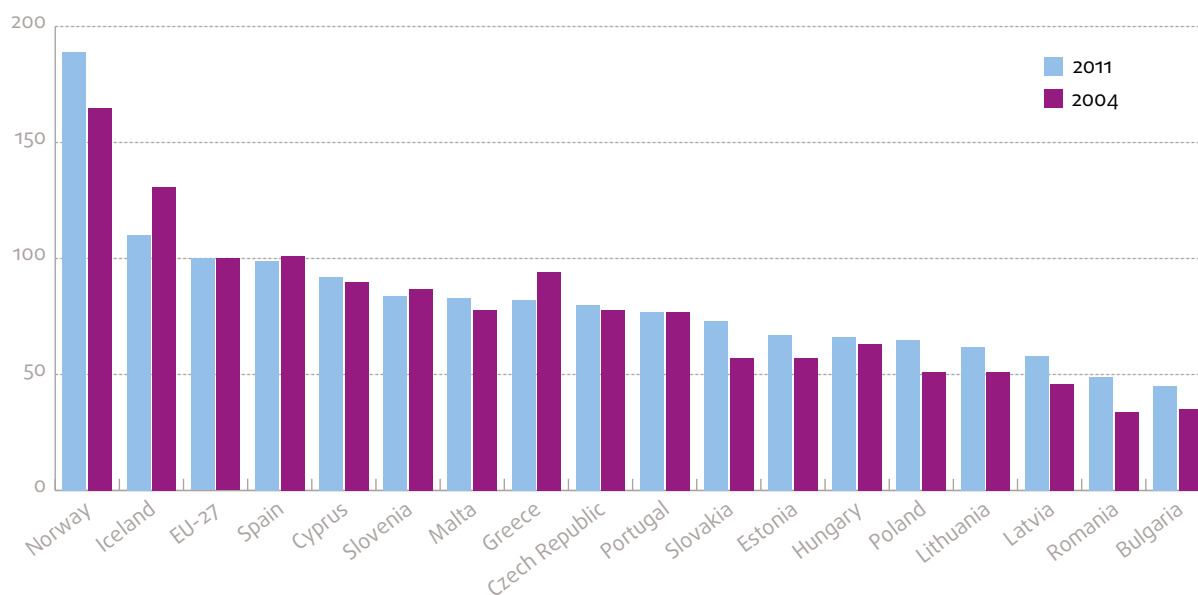


More positively, the report noted solid growth in many of the countries of Central and Eastern Europe, with fast economic bounce-back in Estonia, Latvia and Lithuania in particular. Poland, the largest beneficiary of the Grants, has experienced continued growth despite global economic turmoil.

Nevertheless, disparities in levels of economic development between these countries and the rest of the EU and the EEA remain wide. The GDP per capita of all beneficiary countries when expressed in purchasing power standards is below the EU average. The sovereign debt crisis, markedly acute in Greece, is also affecting other countries.

GROSS DOMESTIC PRODUCT (GDP) PER CAPITA IN PURCHASING POWER STANDARDS (PPS) (2004/2011)

GDP per capita when expressed in PPS eliminates the differences in price levels between countries allowing meaningful comparisons of economic activity. The European Union (EU-27) average is set to equal 100.



Source: Eurostat

DEVELOPMENT TRENDS and CHALLENGES

SOCIAL DEVELOPMENT

Social challenges are considerable. Since the onset of the economic crisis, many people have lost their jobs and social tensions have risen. Many of the beneficiary countries are facing double-digit unemployment rates and have substantially higher levels of unemployment than in 2005. As a stark example, unemployment in Spain more than doubled since 2004.

Despite this, some countries present a more optimistic outlook. For example, Poland has experienced a significant reduction in unemployment rates from almost 20% in 2004 to just below 10% in 2011.

Although the past decade has seen the employment rate for women in the EU steadily increase, substantial differences between countries remain. Greece and Malta show wide gaps in employment rates for men and women, whereas in the Baltic countries the difference is almost negligible.³

HUMAN DEVELOPMENT INDEX (HDI) 2011

	Rank
Norway	1
Liechtenstein	8
Iceland	14
Slovenia	21
Spain	23
Czech Republic	27
Greece	29
Cyprus	31
Estonia	34
Slovakia	35
Malta	36
Hungary	38
Poland	39
Lithuania	40
Portugal	41
Latvia	43
Romania	50
Bulgaria	55

Source: UNDP

The HDI combines scores in life expectancy, literacy, education and living standards. The table shows each country's ranking out of a total of 187 countries.

UNEMPLOYMENT RATES (2004/2011)

	2004	2011
Liechtenstein	2,4	2,6
Norway	4,3	3,3
Malta	7,2	6,5
Czech Republic	8,3	6,7
Iceland	3,1	7,1
Romania	8,0	7,4
Cyprus	4,6	7,9
Slovenia	6,3	8,2
Poland	19,0	9,7
EU-27	9,2	9,7
Hungary	6,1	10,9
Bulgaria	12,1	11,3
Estonia	9,7	12,5
Portugal	7,5	12,9
Slovakia	18,2	13,6
Lithuania	11,4	15,4
Latvia	10,4	16,2
Greece	10,5	17,7
Spain	10,9	21,7

Source: Eurostat

The unemployment rate is the number of people unemployed as a percentage of the labour force. The labour force is the total number of people employed and unemployed.



Youth unemployment figures, those under 25 years old, present a bleak picture. In 2011, the youth unemployment rate in Spain reached 46%. Corresponding figures for Greece, Latvia, Lithuania, Portugal and Slovakia all stood at over 30%.⁴

The number of people at risk of poverty in many of the beneficiary countries is still high – over one in five in Bulgaria, Greece, Latvia, Lithuania, Romania and Spain. Vulnerable groups, such as minorities, are particularly exposed.

Demographic change has become an increasingly important challenge on the European policy agenda. In many parts of Europe, the working-age population is set to decline while the number of people beyond retirement age is set to rise.

Already today, many of the beneficiary countries are experiencing absolute population decline.⁵ This trend can be partially attributed to worker emigration; in response to high unemployment, increasing numbers of people are willing to emigrate to find work.

AT-RISK-OF-POVERTY RATE

	2010
Czech Republic	9,0
Iceland	9,8
Norway	11,2
Slovakia	12,0
Hungary	12,3
Slovenia	12,7
Malta	15,5
Estonia	15,8
Cyprus	15,8
EU-27	16,4
Poland	17,6
Portugal	17,9
Greece	20,1
Lithuania	20,2
Spain	20,7
Bulgaria	20,7
Romania	21,1
Latvia	21,3

Source: Eurostat

The at-risk-of-poverty rate is the percentage of people whose income is below 60 percent of the national average.

3. Eurostat (2011) *Unemployment rates by gender*

4. Eurostat (2011) *Unemployment rate for people under 25 years old*

5. The World Bank (2012) *Population Growth (annual %)*

RESULTS, LEARNING and CHANGE

Capturing and evaluating results is not only important for transparency and accountability but also to ensure continued success. A total of 14 external reviews and evaluations of the EEA and Norway Grants have been carried out. The current grant schemes have embraced the results and the lessons learnt, and are acting upon the changes required.

Overall, the reviews pointed to three main areas of improvement.

1 More focused efforts

In the past, funding was spread across approximately 1 200 individual projects; larger programmes are now being established. Programme operators, mostly public institutions in the beneficiary countries, have been tasked with awarding funding to projects under each programme according to agreed criteria, and to follow-up on implementation.

The new programme approach is designed to better focus efforts and ensure more targeted support. Programmes are aligned with national needs and strategies as well as wider-EU goals and donor state priorities. This change is in line with the mid-term evaluation of the EEA and Norway Grants, which found harmonised programmes and funds to be the most efficient.¹ (Read more about the implementation model for the Grants 2009-14 in Administration and management).

2 More strategic partnerships

Strengthening bilateral relations is now one of the two major objectives of the grant schemes. To enhance cooperation and exchange, more than half of the 144 programmes involve cooperation with donor programme partners (DPPs). DPPs play a strategic role in programme planning and implementation as well as facilitating project partnerships. The Council of Europe (CoE) is also involved as a partner in a number of programmes related to human rights, democracy and the rule of law.

At the programme level, 1,5% of the budget is allocated to bilateral funds to help develop contacts with potential partners and to boost cooperation related to the specific programme area. At a national level, 0,5% of the total country allocation is set aside for developing bilateral cooperation and activities of bilateral interest.

3 Better risk management

A mid-term evaluation pointed to the comprehensive control schemes in place. However, the respective report recommended that risk assessments take into account the wide differences between individual beneficiary countries, both in terms of the degree and types of risk.

To help improve risk management, in 2011 the EEA and Norway Grants entered into a partnership with Transparency International (TI). TI is to analyse corruption risks and integrity systems in the beneficiary countries. In addition, a tool has been developed to manage corruption risks within programmes and projects. On top of these new measures and following a review of the risk management procedures in the grant schemes, a new risk management strategy has been adopted.

1. PricewaterhouseCoopers (2008) *Mid-term evaluation of the EEA Grants*



RECENT EVALUATIONS

In 2011, as well as the final review of the EEA and Norway Grants 2004-2009, evaluations on academic research, health and childcare and cultural heritage were carried out. Additional evaluations were also carried out by individual countries. The combined findings have helped to identify the strengths and weaknesses of the grant schemes.

ACADEMIC RESEARCH

Evaluation of support to academic research considered funds and projects in the Czech Republic, Hungary, and Poland.

KEY FINDINGS

- › All funded projects met their immediate objectives and outputs.
- › The Grants provided a relevant and significant source of funding; they complement EU funding and are considered more flexible than national schemes.
- › There are valid benefits yielded by enhanced cooperation.
- › Ensuring the sustainability of partnerships proved challenging.

In response, the new research programmes have been designed in line with these recommendations. The new bilateral research programmes will fund joint research projects. Programme operators have also been selected based on their experience of managing other research funds, such as the EU's Seventh Research Framework Programme.

HEALTH AND CHILDCARE

Evaluation of support to health and childcare was based on a study of 16 projects in the Czech Republic, Hungary, Lithuania, Poland and Romania.

KEY FINDINGS

- › Almost all of the 16 projects delivered results as planned, with some exceeding their initial objectives.
- › The projects addressed relevant EU challenges, national priorities and local needs.
- › The projects had a clear impact on improved health and social conditions for the various target groups and made a contribution to improving institutional capacity.
- › Establishing partnerships proved challenging.

In response, more structured support has been provided for establishing partnerships within the current programmes. The evaluation recommended that new health programmes should focus on reducing social inequalities in healthcare.



International Centre of Hearing and Speech, Warsaw. The Grants have improved services for children with hearing and speech disorders.

The Grants have provided the necessary financing to renovate the 13th century Cloth Hall in Kraków, one of the city's landmarks and main tourist attractions.



CULTURAL HERITAGE

Evaluation of support to cultural heritage was based on field studies undertaken in Bulgaria, Hungary, Lithuania, Poland, Romania, Slovakia and Slovenia. Desk reviews were carried out on projects in a further five countries, namely the Czech Republic, Estonia, Latvia, Poland and Portugal.

Many heritage sites in the beneficiary countries lay in a critical state of disrepair, and many projects focused on restoring actual monuments and opening these to visitors. The protection and revitalisation of cultural heritage was a priority in all countries, representing around 20% of grants awarded.

KEY FINDINGS

- › There are valid benefits to supporting the protection and revitalisation of cultural heritage.
- › There are many examples where support created spin-off effects, resulting in new activities and the leverage of additional funding from other sources.
- › Restoration of buildings and cultural heritage assets has attracted more visitors and strengthened pride in local communities.

Several of the new cultural heritage programmes will now focus to an even greater degree on the re-use of heritage buildings for other purposes, including activities that promote inclusion and cultural diversity.

FINAL REVIEW

A final review of the EEA and Norway Grants 2004-2009 was undertaken at the end of 2011. The review looked at 672 projects in the Czech Republic, Latvia, Poland and Romania, within the three sectors of cultural heritage, environment and health and childcare.

KEY FINDINGS

- › The completion rate of all the projects was very high at 97%.
- › Funding has had a positive impact within the prioritised areas, in particular in civil society and in sectors where EU funding is limited.
- › Projects have contributed to reducing specific, local disparities.
- › The majority of project promoters with partnership arrangements considered the partnerships with donor state institutions to be important.

Given the comparatively small size of the Grants, the total allocation is equivalent to 2% of the EU funds in the four countries, the final review emphasised the difficulty in drawing any conclusions in terms of contribution to development trends in the beneficiary countries.

THEMATIC HIGHLIGHTS

Promoting European values and innovation and knowledge-based growth are the two main themes this year and are presented in Part 2.

Warsaw University of Technology has cooperated with Norwegian universities and research institutions in several EEA and Norway Grants projects.

PROMOTING SHARED EUROPEAN VALUES

European cooperation is based on a set of shared values – democracy, good governance, tolerance and social inclusion – which are also promoted by the EEA and Norway Grants. Promoting these values takes on even greater importance in the current context of economic and social difficulties in Europe.

The history of Europe is one of a continent shaped by exchange and migration. This has led to multicultural societies, cosmopolitan cities and flourishing cultures. The common European legacy has inspired the development of a set of shared values. Modern European cooperation is inspired by values such as the protection and promotion of democracy, good governance and human rights. Although confirmed in national legislation and through a variety of international agreements, these values must constantly be promoted and upheld.

CURRENT CHALLENGES

Economic and social difficulties in Europe make these values more vulnerable to attack. With rising unemployment, cuts in salaries and strained public budgets, inequalities are increasing as many of the disadvantaged in society are falling even more behind. Against this backdrop, the EEA and Norway Grants continue to promote democracy and good governance, tolerance and social inclusion across central and southern Europe.

EMPOWERMENT

The contribution of civil society to promoting common European values, defending and supporting fundamental rights, and fostering fair, democratic and sustainable societies is essential. However, in many countries this sector needs strengthening, and the economic crisis has dried up many sources of funding. Iceland, Liechtenstein and Norway provide funding to civil society in all 15 beneficiary countries. Fundamental rights will also be supported through other programmes of the Grants, such as within justice and home affairs.

Acts of discrimination against minority groups are widespread. The Grants seek to counter these tendencies by promoting tolerance, understanding and anti-discrimination. As an example, a project in the Czech Republic will fight against extremist views and hate speech in public debate and schools. Diversity, dialogue, understanding and tolerance are also promoted through culture and arts.

1. EU Agency for Fundamental Rights (FRA), *Protecting Fundamental Rights During the Crisis*, Working Paper, December 2010



“...the rights of already disadvantaged groups are particularly at risk from the crisis”

EU Agency for Fundamental Rights¹

The project ‘Compass’ provided creative career ideas and guidance to teenagers in a deprived neighbourhood in Budapest.

In Esztergom, Hungary, school bus schemes enabled young Roma and Hungarians in deprived community to attend school.

“Fears about loss of culture and competition for economic resources help explain rising intolerance in Europe.”

Benjamin Ward, Human Rights Watch

As for social inclusion, the Grants promote the rights of vulnerable groups in society and empower them to create a better future for themselves. Such vulnerable groups include children and youth at risk, ethnic, religious or sexual minorities. Children and youth at risk are a specific priority. There is a need to strengthen their rights, improve welfare and health systems, fight and tackle violence and abuse and help juvenile offenders reintegrate into society. Improving the welfare of younger generations is vital for long-term integration and social cohesion.

CASE: SOCIAL INCLUSION FOR THE ROMA

The Roma population is Europe’s largest ethnic minority and also one of its most vulnerable groups. A number of reports clearly demonstrate that of the 6 million Roma living in the EU, many face prejudice, intolerance, discrimination and social exclusion. The EU acknowledges this challenge and, as of 2012, all member states are obliged to provide strategies for social inclusion and the improvement of the situation for Roma.

Roma inclusion is a concern for the EEA and Norway Grants. Targeted programmes are being established in Bulgaria, the Czech Republic, Hungary, Romania and Slovakia. Programmes will address school attendance and teaching of the Romany language, access to healthcare, access to and fair treatment in the justice system, tolerance and anti-discrimination. Additionally, NGO funds will channel support to civil society organisations to improve the situation of the Roma.

DISCRIMINATION AGAINST ROMA

A survey by the EU Fundamental Rights Agency (2012) covering 11 EU countries shows that one in three Roma is unemployed, 20% are without health insurance and 90% live below national poverty lines.

In February 2012, the Council of Europe Commissioner for Human Rights issued a report showing how discrimination and human rights abuses against Roma are widespread.

“Efforts to secure the human rights of Roma and Travellers are urgently required.”

Council of Europe Commissioner for Human Rights

COUNCIL OF EUROPE SUPPORT

The EEA and Norway Grants cooperate with the Council of Europe (CoE) on issues of human rights, democracy and the rule of law. The CoE is also a direct partner in 18 programmes in nine countries.

The CoE contributes in areas where its impact and legal instruments are highly relevant and add value such as improving justice systems, countering gender-based violence, Roma inclusion policies and civil society support.

EUROPEAN VALUES

The Agreement on the European Economic Area between Iceland, Liechtenstein, Norway and the European Union refers to peace, democracy and human rights as a common basis for cooperation.

The EU Charter of Fundamental Rights focuses on human dignity, freedom, equality and solidarity, as well as the principles of democracy and the rule of law. It also acknowledges the importance of respecting the diversity of cultures and traditions in Europe.

All EEA countries are members of the Council of Europe and are obliged to adhere to the values of human rights, the rule of law and democracy.



INNOVATION and KNOWLEDGE-BASED GROWTH

Investing in science and technology is crucial to help Europe emerge from the economic crisis and to drive sustainable growth. To boost employability and job creation, many of the beneficiary countries of the EEA and Norway Grants are enhancing their research and innovation capacity and education systems.

In the current economic climate, public budgets are under severe pressure. Europe faces significant social challenges, with rising unemployment and increasing levels of poverty. The Organisation for Economic Cooperation and Development (OECD) highlights how the economic downturn is having a detrimental effect on entrepreneurship, drying up access to financing and leading to a downturn in business funding for research and development (R&D).¹



The Grants provide green innovation funding to small and medium sized businesses. In Estonia, Innovation Norway, headed up by Tiina Link, is a partner.

1. OECD (2009) *Policy Responses to the Economic Crisis: Investing in Innovation for Long-Term Growth*

BOOSTING INNOVATION

In 2010, the EU launched the Europe 2020 strategy for smart, sustainable and inclusive growth. Innovation is at the heart of the strategy, which commits EU member countries to improve conditions and access to finance for research and innovation. In order to emerge from the current crisis and keep pace with global competition, EU member states need to step up investment in education, R&D, innovation and information and communication technologies (ICT). Research programmes worth around €100 million are being established in seven beneficiary countries.

BETTER SKILLS

With governments across Europe struggling to respond to high unemployment levels, there is a renewed urgency to better match people's skills with the needs of the labour market. Partnerships between higher education institutions are promoted under the Grants; 11 countries are setting up scholarship programmes to strengthen their education systems through international cooperation and enable student and staff exchanges with Iceland, Liechtenstein and Norway.

INNOVATION IN EUROPE

The EU's Innovation Union Competitiveness Report 2011 shows that the EU is slowly advancing towards its target to increase investment in R&D to 3% of GDP by 2020.

While member states have maintained or increased public spending on R&D, private investment has weakened due to the economic crisis. All beneficiary countries of the Grants are below the 2020 target.

In 2014, the EU will launch Horizon 2020, a new programme worth €80 billion to boost investment in research and innovation. Research funding from the Grants could pave the way for collaboration in this and other funding schemes.

SUSTAINABLE GROWTH

Achieving sustainable economic growth and putting in place policies to promote green infrastructure investments and innovation are closely interconnected. A number of the beneficiary countries are establishing programmes on energy efficiency, renewable energy and green innovation, in partnership with organisations in Iceland or Norway.

CASE: ESTONIAN-NORWEGIAN PARTNERSHIPS 'GREENING' ICT

While Estonia is recognised as one of the most advanced e-societies in the world, the country is a newcomer in making use of ICT solutions to green the economy. To exploit this potential, Estonia is teaming up with environmentally minded Norway, whose business sector already has a strong presence in Estonia as the fourth largest investor in the country. With funding available until 2016, Estonian and Norwegian enterprises can enter into eco-innovation partnerships to develop new business ideas and solutions within green ICT.

As well as opportunities for making IT systems more eco-friendly, innovative ICT solutions can also be developed to reduce energy use in buildings or develop smart applications for transport. Aside from the lower carbon footprint, the green push also makes economic sense. Businesses across the whole economy can save money through increased energy and resource efficiency.

TOWARDS A EUROPEAN RESEARCH AREA

The EU's framework programmes for research have enhanced cooperation between researchers from different countries.

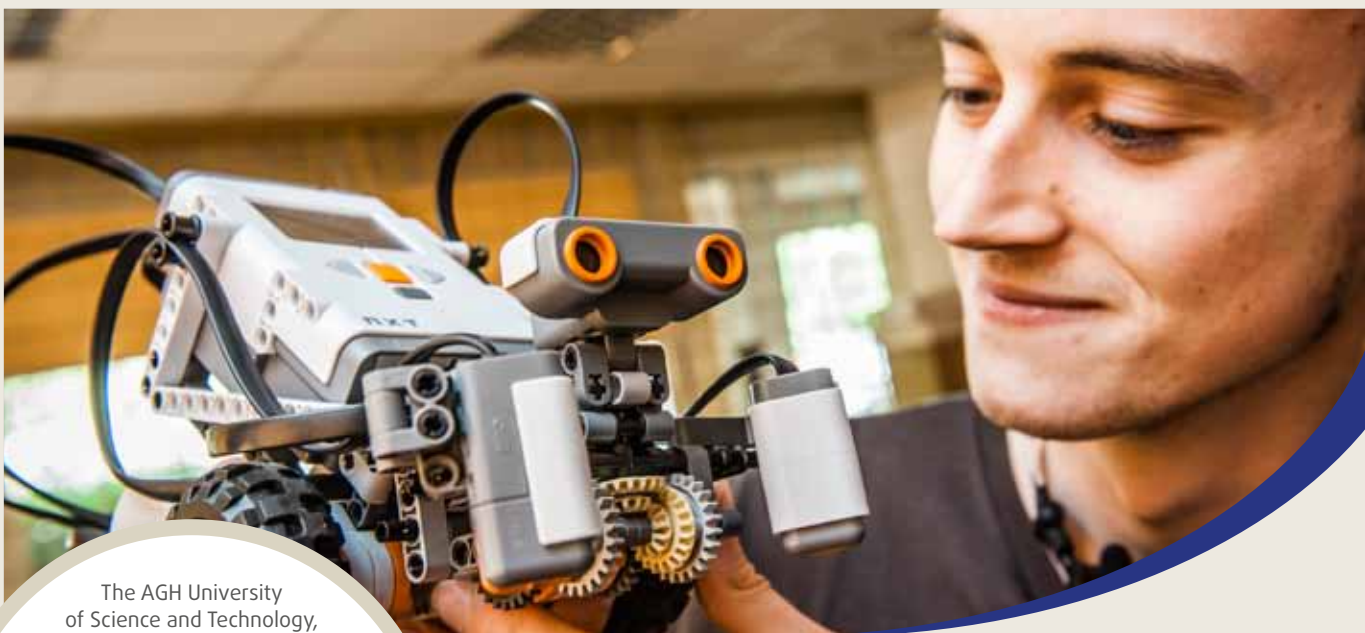
Researchers from Iceland, Liechtenstein and Norway also participate in these programmes. Yet, 80% of public research in Europe is still being carried out at national level.

The EU has set a deadline of the end of 2014 for achieving a European Research Area (ERA) in which scientific knowledge, technology and researchers themselves can circulate freely and help avoid duplication of efforts.

EUROPEAN STUDENT MOBILITY

Removing obstacles to learning mobility is a Europe-wide goal. An estimated 10% of European students are currently studying or training abroad as part of their higher education.

The EU has set out a target that at least 20% of those graduating in the European Higher Education Area should have completed a study or training period abroad by 2020. By mid-2011, 2.5 million European students had participated in the EU's ERASMUS university cooperation scheme for student and staff exchanges. Higher education institutions in Iceland, Liechtenstein and Norway are partners in ERASMUS. The three countries also contribute towards the European student mobility goal through the scholarship programmes of the EEA and Norway Grants.



The AGH University of Science and Technology, Kraków and the University of Stavanger (Norway) jointly developed an international curriculum for mechatronics.

At the Burratino School on Csepel island, Budapest, children from underprivileged families come to learn and live in a safe and inspiring environment.



3

SECTOR OVERVIEWS



Part 3 presents an overview of the range of areas that are supported by the Grants until 2016.

ENVIRONMENT and CLIMATE CHANGE

Climate change, loss of biodiversity and rising pollution are some of the most pressing environmental challenges of our times, threatening our quality of life, health and sustainable development. Over one third of the EEA and Norway Grants is set aside for environment and climate change programmes.

Climate action is at the heart of the EU's sustainable growth strategy – Europe 2020. This strategy sets out targets to reduce emissions by 20% compared with 1990 levels, increase the share of renewables in energy consumption to 20%, and move towards a 20% increase in energy efficiency by 2020.

The donor countries are committed partners with the EU in efforts to combat climate change and promote more resource-efficient economies.

CLIMATE CHANGE AND ENERGY EFFICIENCY

Improving energy efficiency and increasing the share of renewables in energy use is a key objective of the Grants. Funding will back projects to improve energy efficiency, develop energy efficiency initiatives for small businesses and increase renewable energy production.

Greater use of renewable energy is an effective way of making our energy supply more environmentally friendly, and our energy sources more diverse. However, the beneficiary countries presently only use a small fraction of their renewables potential. By offering alternatives to fossil fuels, renewables contribute to reducing emissions and help to improve security of energy supply. In addition, at a time of economic uncertainty, the renewable energy technology industry is one which keeps on growing, providing jobs and developing new technologies.

Significant funding is being used to develop proven geothermal potential in Hungary, Romania and the Portuguese Azores. The Icelandic National Energy Authority is involved, sharing its recognised expertise in geothermal energy extraction.

CARBON CAPTURE AND STORAGE

The donor countries are also keen to promote the use of carbon capture as one of the technologies available for reducing emissions and thereby tackling climate change. Carbon capture and storage (CCS) technology captures carbon dioxide from fossil fuel power stations and oil and gas production. Developing the most cost-effective technologies and solutions for safe storage will require joint international efforts.

The Norway Grants are providing funding for CCS projects in the Czech Republic, Poland and Romania. Poland is benefiting from €137 million to develop a CCS pilot project in Bełchatów, Europe's largest coal fuelled thermal power plant complex. Poland is one of the European countries with the highest levels of CO₂ emissions, with coal generating more than 90 per cent of the country's electricity. Gassnova, the Norwegian state enterprise for CCS, is involved as a partner.

GREEN INDUSTRY INNOVATION

Encouraging more sustainable production processes, product design and services is good for both the environment and business. However, small businesses are often hampered by a lack of available funding to support such innovation. The Norway Grants are contributing close to €100 million to green industry innovation in seven of the beneficiary countries, namely Bulgaria, Estonia, Hungary, Latvia, Lithuania, Romania and Slovakia. This is a new business development programme, primarily targeting small and medium-sized enterprises (SMEs).



Integrated marine and inland water management is among the priorities in Estonia, which is situated next to the Baltic Sea.



The funding will be used to promote eco-innovation, green job creation and entrepreneurship. It will support the development and commercialisation of new eco- friendly technologies and processes. For example, Slovakia is focusing on activities related to biomass, while part of the funding in Latvia will be used to establish a business incubator that will help start-up companies develop and implement green business ideas.

ENVIRONMENTAL PROTECTION AND MANAGEMENT

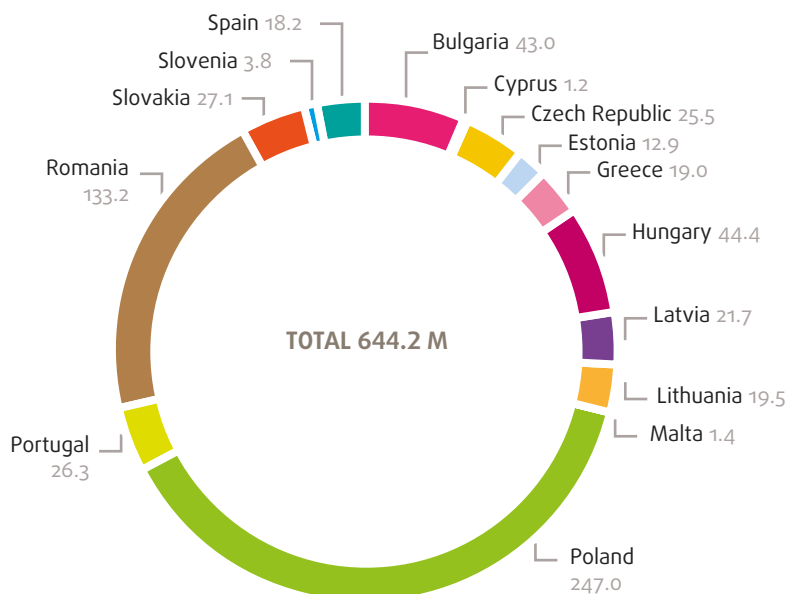
Curbing marine pollution, improving environmental monitoring and preserving biodiversity are also important priorities for the Grants and link to EU targets for halting biodiversity loss and degradation of ecosystems by 2020. Protecting biodiversity is essential for maintaining healthy ecosystems, ensuring sustainable development and reducing vulnerability to climate change.

Natura 2000, a network of more than 26 000 special conservation areas, accounts for nearly one fifth of Europe's total land and water mass. Effective restoration and management of these areas requires significant investment. Romania is one of several countries where the EEA Grants will support better management of Natura 2000 sites. Funding will safeguard biodiversity and protect valuable ecosystem services. In Bulgaria, the Grants are contributing to the establishment of an integrated water management system to help strengthen the country's capacity to monitor and manage its vast marine and inland waters.

BENEFICIAL PARTNERSHIPS

Pressing environmental issues do not stop at national borders. Pooling expertise and resources helps tackle shared challenges. Many donor programme partners are taking part in environmental programmes. These include the Norwegian Climate and Pollution Agency, Norwegian Directorate for Nature Management, Gassnova, Norwegian Water Resources and Energy Directorate, Directorate for Civil Protection and Emergency Planning, Innovation Norway and the Icelandic National Energy Authority. There is a strong focus on encouraging partnerships in projects. Innovation Norway, involved both as a partner and operator in the green innovation programmes, plays a key role in facilitating networking and cooperation.

DISTRIBUTION OF FUNDING TO ENVIRONMENT AND CLIMATE CHANGE (€ MILLION)



CIVIL SOCIETY

A strong, vibrant civil society is important for democratic development. Non-governmental organisations (NGOs) play a key role in promoting democratic values, sustainable development, social justice and active citizenship.

Civil society across Central and Southern Europe faces many constraints and challenges. The latest NGO Sustainability Index¹ highlights how the economic and financial crisis continues to hit the sector hard. Sources of funding have been reduced and the crisis is also increasing inequalities and social tensions.

This is compounded by wider concerns about growing intolerance and the rise of hate speech. Spreading racial hatred and other forms of discrimination has become considerably easier with the upsurge in digital technologies and social media.

It is essential that NGOs are able to advocate for vulnerable groups, tackle rising intolerance and provide key services, particularly to the most deprived.

SIGNIFICANT SUPPORT

In the previous funding period, the EEA and Norway Grants provided significant support to civil society which yielded important achievements. An independent evaluation concluded that the NGO Funds provided a “well-managed, accessible and visible contribution to the NGO sector in Central and Southern Europe”.

Building on this success, new NGO programmes worth €147 million are being established in all 15 beneficiary countries under the EEA Grants. NGOs are also eligible for funding under many of the other EEA and Norway Grants programmes.

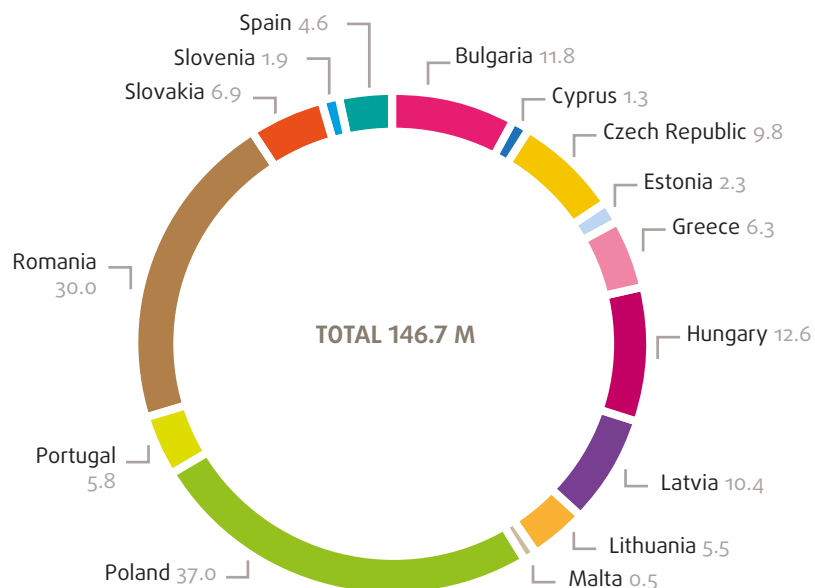
For the first time, the Grants are establishing NGO programmes in Greece, Malta and Spain. Addressing the needs of vulnerable groups is an issue for the NGO Funds in all of these countries.

DEMOCRATIC VALUES

Key objectives include strengthening the development of civil society and enhancing its contribution to social justice, democracy and sustainable development.

Promoting democratic values, including human rights and good governance, and fighting discrimination, intolerance and social exclusion are central to the programmes. These core areas should be covered by at least one third of the allocation. Addressing corruption and promoting transparency are also priorities in all countries.

DISTRIBUTION OF FUNDING TO NGO PROGRAMMES (€ MILLION)



1. USAID (2012) *The 2011 CSO Sustainability Index for Central and Eastern Europe and Eurasia*

NGO Funds offer valuable support to vulnerable groups, including children and youth at-risk.



Among other activities, the funding can be used for enhancing the capacity of NGOs, network and coalition building, fostering active citizenship and the provision of welfare and basic services.

EMPOWERING VULNERABLE GROUPS

Protecting human rights and empowering vulnerable groups, such as minorities and the Roma population, is a specific concern for the Grants in many of the beneficiary countries. Vulnerable groups are less likely to be formally represented or have an effective voice in public decision-making. Therefore, targeted efforts are often needed to empower vulnerable and marginalised groups.

The Roma are one of Europe's largest and most disadvantaged minorities. NGO programmes will channel support to civil society organisations to improve the situation of the Roma in many of the beneficiary countries. A minimum of 10% of funding in all beneficiary countries is dedicated to children and youth-driven organisations and activities.

BENEFICIAL PARTNERSHIPS

Strengthening bilateral relations between NGOs in donor and beneficiary countries is important; partnerships are encouraged in both NGO programmes and projects. Sharing and transferring knowledge, expertise and good practice helps build capacity and is mutually beneficial.

Cooperation with the Council of Europe (CoE) is also encouraged in the NGO programmes. The CoE plays an important role in defending and supporting vulnerable groups and minorities and in countering discrimination.

Seed money is available to cover the costs of networking and finding partners. The Norwegian Helsinki Committee, which supports initiatives to strengthen democracy and civil society, facilitates contact and cooperation between NGOs in the 15 beneficiary countries and Norway.



Promoting democratic values is among the priorities of the EEA Grants NGO Funds.

RESEARCH and SCHOLARSHIPS

Strengthening cooperation and removing obstacles to mobility in research and education is a priority shared by all European countries. Stepping up smart investment in research and innovation is crucial to sustainable economic recovery and improving competitiveness.

PLUGGING THE GAP

The EU has pledged to increase investment in research and development (R&D) to 3% of GDP by 2020. Spending currently lies at 2%, which means Europe is lagging behind the US and Japan as well as more recent competitors such as South Korea. Although there have been marked improvements in some of the beneficiary countries of the Grants, significant disparities remain.

Plugging this deficit, and creating an environment that encourages high-quality research and technological development, is crucial to keep pace with global competition and drive growth.

€100 MILLION FOR RESEARCH

Building on previous success, research programmes are being set up in seven countries: Czech Republic, Estonia, Greece, Hungary, Latvia, Poland and Romania. The programmes aim to strengthen research capacity and the application of research results. The funding will also pave the way for collaboration in other schemes, such as the EU's new Horizon 2020 flagship programme for research and innovation.

An evaluation of funding awarded to research in the previous funding round (read more in part 1) pointed to the benefits of enhanced cooperation for research communities. The Research Council of Norway (NRC) is lending its considerable experience to programme development in all countries except Greece. Partnerships with Norwegian research institutions are mandatory in all projects within these bilateral programmes. In Romania, the Icelandic Centre for Research (Rannis) is also a programme partner; opportunities remain for involvement by research institutions from Iceland, Liechtenstein and Norway in projects.

Priorities range from environment and climate change to health and social sciences, including gender equality issues.

BOOSTING EDUCATIONAL MOBILITY

Removing obstacles to educational mobility is a Europe-wide goal. European countries have set a target that by 2020 at least 20% of graduates in the European Higher Education Area (EHEA) should have completed a study or training period abroad.¹ With governments across Europe struggling to respond to high unemployment, there is a renewed urgency to address the skills gap. Boosting transnational mobility helps students acquire new skills and strengthens future employability.

Scholarship programmes are being set up in 11 countries specifically to support the mobility of staff and students between Iceland, Liechtenstein, Norway and the beneficiary countries. This builds on achievements of the 2004-2009 funding period during which 390 institutions and over 3 000 students and staff benefited from support.

Core aims include strengthening relations between donor and recipient countries through the exchange of experience and knowledge and boosting internationalisation of the education sector. The Norwegian Centre for International Cooperation in Education, the Icelandic Centre for Research and the Liechtenstein National Agency for International Education Affairs are all involved as programme partners.

All scholarship programmes will include institutional cooperation projects and two-way mobility; meaning both to and from the donor states.

1. Conference of European Ministers Responsible for Higher Education (2009)
The Bologna Process – The European Higher Education Area in the new decade

The Warsaw University of Technology cooperated with SINTEF and NTNU of Norway on distance learning courses in construction management.



R&D EXPENDITURE

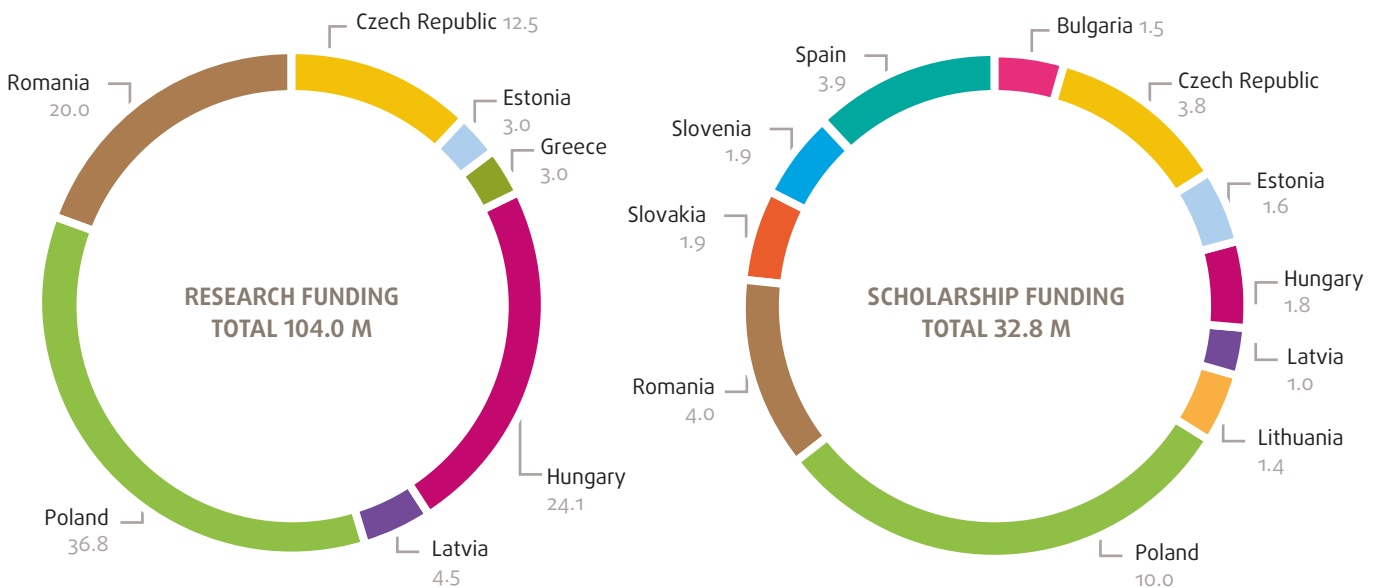
Gross domestic expenditure on Research & Development as a percentage of GDP

	2004	2008	2010
Iceland	2,77	2,64	3,11
Slovenia	1,39	1,65	2,11
EU-27	1,83	1,92	2,00
Norway	1,58	1,61	1,71
Estonia	0,85	1,28	1,62
Portugal	0,75	1,50	1,59
Czech Republic	1,20	1,41	1,56
Spain	1,06	1,35	1,39
Hungary	0,88	1,00	1,16
Lithuania	0,75	0,79	0,79
Poland	0,56	0,60	0,74
Malta	0,53	0,56	0,63
Slovakia	0,51	0,47	0,63
Bulgaria	0,49	0,47	0,60
Latvia	0,42	0,62	0,60
Cyprus	0,37	0,43	0,50
Romania	0,39	0,58	0,47
Greece	0,55		

Source: Eurostat

Data for Iceland: 2004 is 2005 data and 2010 is 2009 data.

DISTRIBUTION OF FUNDING TO RESEARCH AND SCHOLARSHIPS (€ MILLION)



CULTURAL HERITAGE and DIVERSITY

As a result of centuries of exchange and migratory flows, Europeans share a rich cultural heritage. The EEA Grants contribute to protecting and revitalising cultural heritage and to encouraging intercultural dialogue and diversity in the arts.

The historical value of Europe's rich cultural heritage is undisputed. The cultural sector is also a significant contributor to economic growth and job creation. Investing in heritage not only supports employment during restoration works but also has a direct impact on the growth of cultural tourism. This brings long-term social and economic benefits, especially to local communities.

However, decades of neglect in the beneficiary countries has left many of their cultural heritage sites in need of significant restoration and modernisation. As well as bridging a funding gap in this sector, the EEA Grants continue to reinforce intercultural dialogue and exchange.

CONSERVATION FOR NEW GROWTH

The Grants are providing almost €190 million to 14 of the beneficiary countries in order to preserve cultural heritage and foster cultural dialogue.

The cultural programmes aim at conserving and revitalising cultural and natural heritage for future generations, increasing public accessibility, increasing cultural dialogue and fostering European identity through an understanding of cultural diversity.

An evaluation of support provided to the cultural heritage sector during the previous funding period confirmed the broad social and economic value of funding to this sector (read more in Part 1).

The Grants will continue to finance the conservation and restoration of monuments as well as the creative re-use of old or abandoned buildings for a wide variety of educational and cultural purposes, amongst other activities. For example, in Estonia key activities include the preservation and revitalisation of manor houses now operating as schools.

In addition, funding will be used to develop and preserve traditional skills. Building on successful projects in the previous funding period, Latvia is continuing to focus on conserving its wooden architectural heritage.

CULTURAL DIVERSITY

With the inclusion of cultural diversity as a new programme area, funding to the cultural sector in the 2009-2014 period has taken on a much more holistic approach. Grants will finance a wide range of activities relating to contemporary and live arts, including music, dance, theatre and opera. The overall goal is to reach broader audiences and to promote tolerance and anti-discrimination through an increased awareness of cultural diversity.



The Ludwik Solski State Drama School in Kraków developed a postgraduate study in opera directing and musical theatre.

The Grants have supported renovation work and the creation of cultural and social venues in Warsaw's UNESCO-listed cellars in the Old Town.

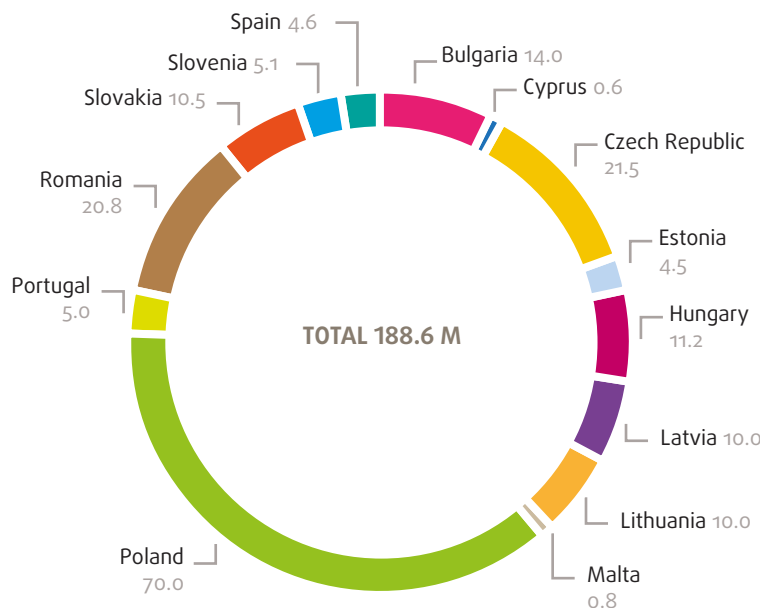


STRENGTHENING CULTURAL EXCHANGE

The cultural and creative sectors flourish on the exchange of ideas and techniques between people of different backgrounds. The Grants actively encourage cultural exchange between cultural operators and institutions and promote intercultural dialogue. It is expected that much of the funding to cultural exchange programmes will be allocated to small-scale initiatives.

For many of the cultural programmes, the Norwegian Directorate for Cultural Heritage and the Arts Council Norway are on board as partners; either or both organisations are actively involved in the development and implementation of programmes in the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Portugal and Romania. In addition, many of the programmes foresee the opportunity to welcome partners from Iceland, Liechtenstein and Norway in individual projects.

DISTRIBUTION OF FUNDING TO CULTURAL HERITAGE (€ MILLION)



JUSTICE and HOME AFFAIRS

Strengthening cooperation between police and judicial authorities serves in the fight against cross-border crime and illegal immigration. The Norway Grants promote collaboration between law enforcement bodies and support judicial reforms.

Programmes worth more than €140 million are being established in 10 beneficiary states in this area. The Grants contribute to strengthening cooperation to counter organised crime as well as improving access to justice for vulnerable persons, modernising correctional services and increasing the efficiency of judicial systems. Tackling domestic and gender-based violence, increasing the use of alternatives to prison and improving education for inmates and training of prison staff are also important.

FIGHTING CROSS-BORDER CRIME

The removal of internal borders in Europe means that millions of people can travel between most EU countries and Iceland, Liechtenstein and Norway, without showing their passports. However, open borders also increase vulnerability to cross-border organised crime including human trafficking, illegal immigration and smuggling.

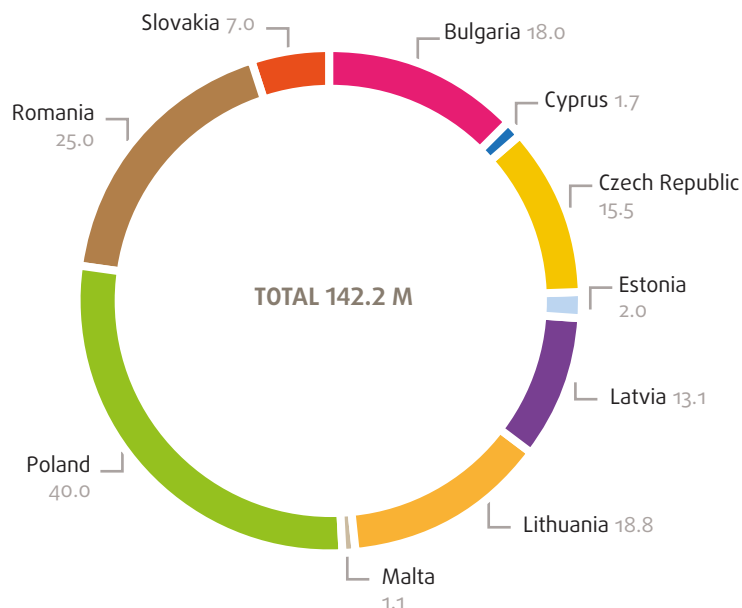
Organised crime is a threat to European citizens, businesses, public institutions as well as the economy

as a whole. Support from the Grants will help to strengthen police cooperation and enhance capacity to better coordinate with specialised EU police and justice agencies. It will also help to improve the capabilities of the police to investigate and prosecute organised crime cases.

The Norway Grants will fund a project to develop capacity in Bulgaria to freeze and confiscate profits from crime. The Council of Europe (CoE) is involved as a partner in this as well as in similar programmes in several other beneficiary countries. The Norwegian Police Directorate is taking part in the Romanian programme on combating cross-border and organised crime, including trafficking and groups of highly mobile criminal groups.

Human trafficking is a huge challenge; according to the United Nations, generating €2.5 billion each year it is one of the most lucrative illicit businesses in Europe. The majority of victims are women and girls that are trafficked for the purpose of sexual exploitation.¹ Many are recruited in Central and Eastern Europe. The Grants will support activities to prevent recruitment

DISTRIBUTION OF FUNDING TO JUSTICE AND HOME AFFAIRS (€ MILLION)



Efforts to fight domestic and gender-based violence is supported in a number of countries, including Estonia.



and provide assistance for victims. In Estonia, the funding will be used to modernise a rehabilitation centre for victims of trafficking and establish support networks and counselling services.

STRENGTHENING JUDICIAL SYSTEMS

It is often said that ‘justice delayed is justice denied’. The European Court of Human Rights regularly criticises European countries for lengthy court proceedings. A key objective of the Norway Grants is to create fairer and more efficient judicial systems.

Improving the effectiveness of the courts, including case-handling systems, is an important priority in Lithuania, Poland and Bulgaria. The Norwegian Court Administration is involved in the programmes in Lithuania and Poland, with the Council of Europe (CoE) cooperating with the Bulgarian authorities. Both the Norwegian Courts Administration and the Council of Europe will work with Romanian authorities to improve Romania’s judicial system.

IMPROVING CORRECTIONAL SERVICES

A growing prison population is a challenge for many countries. This leads to overcrowding and problems of ill health resulting from poor sanitation and accommodation. The Norway Grants aim to improve prison conditions and prisoner rehabilitation as well as promote alternatives to imprisonment.

In Latvia, a new prison unit will be established and the standard of detention centres improved.

The Norwegian Correctional Services will work with counterparts in Latvia, Lithuania, Poland, and Romania. The Council of Europe (CoE) will cooperate with the authorities in Bulgaria, the Czech Republic, Latvia and Romania.

COMBATING GENDER-BASED VIOLENCE

The Council of Europe (CoE) estimates that one-fifth to one-quarter of all women in Europe have experienced violence at least once during their adult lives; it cuts across all backgrounds and groups in society yet, it is still largely invisible. Addressing gender-based violence is vital for improving gender equality and empowering women.

Funding will support initiatives tackling both the causes and consequences of violence. In Slovakia, the Grants will increase the capacity of women’s shelters, as well as crisis and counselling centres. Support will also be used for training and awareness-raising campaigns, establishing specialised services and improving coordination within the existing social services network. In Bulgaria, efforts will focus on improving police services for victims of domestic violence. In Cyprus, where there are currently very few services for victims of gender-based violence, the Grants will support the construction of a new shelter for victims.

The Norwegian Directorate of Health, Norwegian Police Directorate, Norwegian Secretariat of the Shelter Movement and the CoE are involved as partners in the programmes dealing with domestic and gender-based violence.

1. U.S. Department of State (2011) *Trafficking in persons report 2011*

HUMAN and SOCIAL DEVELOPMENT

Inequalities remain between and within countries in Europe, not only in terms of prosperity but also access to healthcare, welfare and gender equality. The EEA and Norway Grants strive to reduce inequalities and promote inclusion through significant support for vulnerable groups.

REDUCING HEALTH INEQUALITIES

Well-functioning national health systems are fundamental for maintaining healthy populations. Good health is essential for a country's economic productivity and social development. Yet, gaps in healthcare provision in Europe are significant. The economic crisis and ensuing cuts in public health expenditure have compounded inequalities.

More than €160 million is set aside for public health. The Grants contribute to strengthening national health systems and improving health surveillance and information systems such as data registries. Health prevention, promotion and information campaigns are prioritised in several countries.

In Lithuania, awareness-raising campaigns will promote healthy lifestyles among young people, while Romania is focusing on prevention of both communicable and lifestyle-related diseases. Health issues related to an ageing population and improving mental health services are also important. In the Czech Republic, the Norway Grants are strengthening mental health services, and developing strategies to enable treatment of patients with mental disorders in their local communities. Estonia is focusing on mental healthcare for children and young people.

The evaluation of support to the health sector in the previous funding period emphasised the importance of partnership and knowledge sharing (read more in Part 1). Most countries are establishing solid partnerships with Norwegian institutions. The Norwegian Institute of Public Health is a partner in the Czech, Estonian, Hungarian, Portuguese and Slovenian health programmes. The Norwegian Directorate of Public Health is involved in the Polish programme to reduce social inequalities in health. In Bulgaria, the World Health Organisation (WHO) regional office is involved.

SUPPORTING VULNERABLE CHILDREN

As some of the most vulnerable members of society, children require particular protection. Despite European, national and international efforts to protect and promote the rights of the child, the situation of many children in Europe is far from satisfactory. According to the EU, almost 20% of children in the EU are at risk of poverty.

The most vulnerable, such as children living in institutions for people with disabilities or in juvenile detention centres, can face numerous restrictions or violations to their rights. Every day, children are trafficked or fall victim to sexual abuse. The EEA Grants aim to address such threats and improve the well-being of children and young people at risk. The emphasis is on enhancing the quality of child welfare and protection systems. Improving health and social care access as well as school attendance and preschool day-care are also prioritised. Activities will also target minorities, including Roma. The Council of Europe (CoE) will contribute with its expertise in the programmes focused on minority rights.

PROMOTING GENDER EQUALITY

Equality between men and women is a fundamental right. Despite significant progress, many countries still face considerable challenges.

The EEA and Norway Grants will fund programmes and projects worth at least €50 million promoting gender equality and work-life balance, including efforts to combat domestic and gender-based violence. This will include research, establishment of gender equality ombudspersons, awareness-raising campaigns and activities to tackle the gender pay gap and low female representation in decision-making bodies, etc. The Norwegian Ministry of Children, Equality and Social Inclusion and the Norwegian Equality and Anti-Discrimination Ombud are partners in the gender equality programmes in Estonia and Spain respectively. Combating gender-based violence – vital for full equality between men and women – is also a dedicated area of support (read more in Justice and Home Affairs).

Education for children and youth from vulnerable groups, including Roma, is a priority.

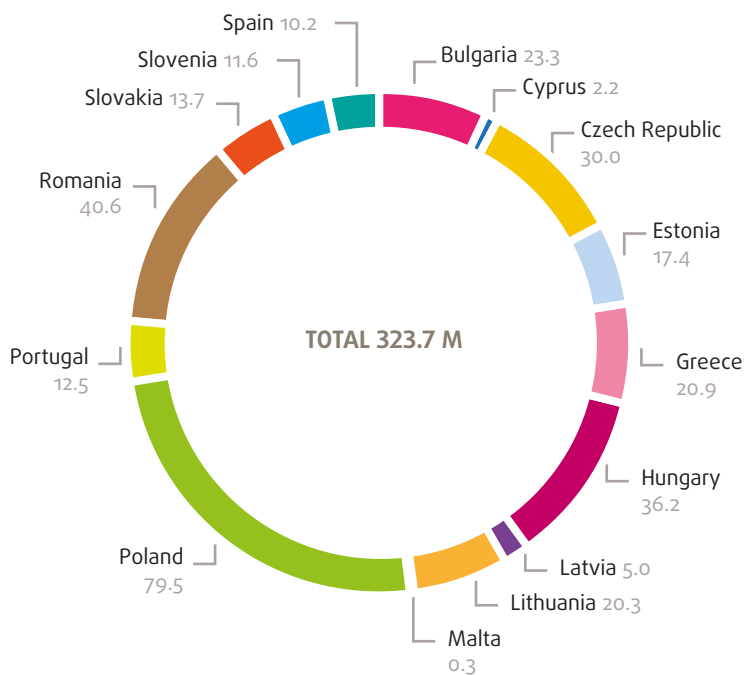


ASYLUM AND MIGRATION

All EEA countries are part of the Dublin System that sets criteria to determine which country is responsible for processing an asylum application. For the donor countries, it is important to safeguard people's right to seek asylum and ensure that every asylum seeker receives fair treatment.

The numbers of illegal migrants and asylum seekers on Europe's shores have increased dramatically in the past decade. This has brought new challenges, not only in terms of reception but also processing of asylum claims, resettlement and return. In 2011, 327 000 asylum applications were received in Europe, with large variations between countries. In particular, this places a heavy burden on 'frontline' countries. As a main point of entry into the EU, Greece faces particular challenges relating to the influx of asylum seekers and illegal migrants. Solutions cannot be found without international cooperation. →

DISTRIBUTION OF FUNDING TO HUMAN AND SOCIAL DEVELOPMENT (€ MILLION)



HUMAN AND SOCIAL DEVELOPMENT

The EEA Grants are enabling the UN's Refugee Agency (UNHCR) to assist Greece in establishing a functioning asylum system. This includes cooperation with the International Organisation for Migration (IOM) and complements EU efforts in this area. The Grants will address urgent needs for the reception and screening of new arrivals and accommodation of vulnerable groups. Local NGOs will receive support enabling them to offer accommodation and services, especially to unaccompanied asylum-seeking children.

Greece is the only beneficiary country that will implement programmes in the asylum and migration sector. The Norwegian Directorate of Immigration (UDI) will be actively involved as a donor programme partner in the country's two programmes in this area.

CROSS-BORDER COOPERATION

Some of Europe's poorest regions straddle the EU's Eastern border. These regions face a number of shared challenges, from trans-boundary river pollution to public health issues and organised crime. The Norway Grants support cross-border cooperation to enhance knowledge transfer and learning between local and regional bodies, as well as civil society groups.

Slovakia has the largest programme in this area. Building on previous efforts, strengthening cooperation between Slovakia and Ukraine is prioritised. Given its experience in cross-border work related to the High North policy, the Norwegian Barents Secretariat is involved as a partner. Joint implementation of projects will create stronger 'people-to-people' links between local institutions and civil society in the border regions.

BUILDING CAPACITY THROUGH LOCAL AND REGIONAL COOPERATION

The EU's cohesion policy is targeted towards reducing economic and social disparities between and within countries. It also promotes cooperation between regions. Cooperation, knowledge and experience sharing can be key triggers in stimulating dynamic regional development. The Grants provide complementary support to these initiatives.

Well-functioning public institutions contribute to social and economic development. Developing public sector capacity through cooperation is an important activity within many programmes supported by the Grants. Specific programmes are being established in Bulgaria, Czech Republic, Hungary, Latvia, Lithuania and Romania. The programmes will improve the skills of public sector employees, enhance the quality of services and strengthen cooperation between public institutions and local and regional authorities.

All projects will be carried out in co-operation with Norwegian partners or in partnership with international organisations. Large-scale projects will be supported in a wide range of areas including: territorial development planning, nuclear safety (partnering with the International Atomic Energy Agency), waste monitoring, police intervention against domestic and gender-based violence, disaster management and anti-corruption (partnering with the Council of Europe).



DECENT WORK and TRIPARTITE DIALOGUE

The Norway Grants promote decent work and tripartite dialogue in the 12 beneficiary countries that joined the EU in 2004 and 2007.

Many European countries are struggling to respond to high unemployment. The labour market is facing many challenges, including those of discrimination and gender equality.

The Global Fund for Decent Work and Tripartite Dialogue will put these and other workplace challenges on the agenda. The Fund aims to improve cooperation between employers' organisations, trade unions and public authorities supporting fair and sustainable economic and social development.

BETTER LABOUR STANDARDS

Norway and the EU both support the principles of decent work and equal opportunities for all. The International Labour Organisation's decent work agenda is strongly supported by the Norwegian Government, which has developed its own decent work strategy. The Norwegian national strategy aims to achieve inclusive development based on job creation, rights at work, social protection and social dialogue.

The Fund will support activities promoting partnerships between the various social partners; building capacity through their training, advancing non-discrimination in the workplace and improving tripartite dialogue structures and practices.

SOCIAL DIALOGUE

Norway has a strong tradition of tripartite consultations, bringing together workers, employers and governments in formulating and negotiating labour standards and policies. To take advantage of this experience, cooperation with Norwegian social partners is encouraged.

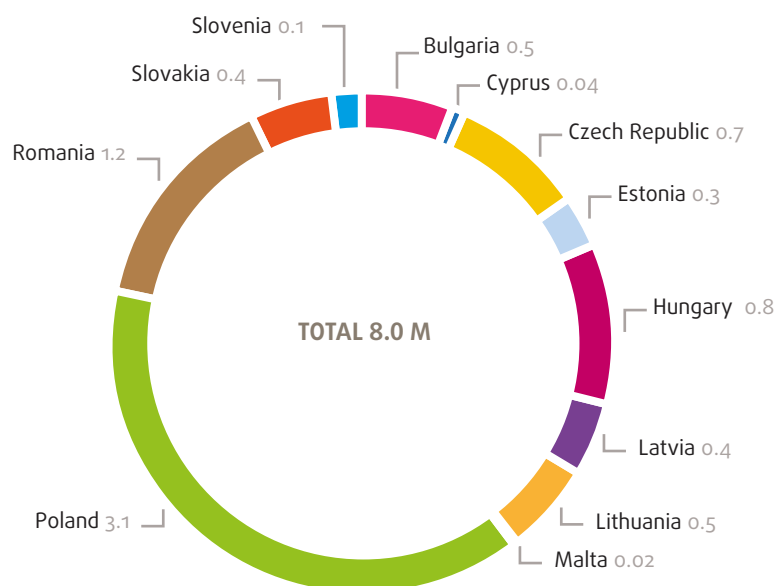
The Global Fund for Decent Work and Tripartite Dialogue was the first programme to be approved under the Grants during the current funding period of 2009-2014. As a fund covering all beneficiary countries, the Global Fund for Decent Work and Tripartite Dialogue is distinctive from all other programmes, which are country-specific.

Held in October 2011, the first open call for the fund attracted around 120 applications, exceeding the available budget threefold. Projects selected for funding will begin in autumn 2012. A second call for applications is being considered for those countries with fewer applications than funding available.



The Norway Grants supports decent work and social dialogue in 12 countries.

DISTRIBUTION OF FUNDING TO DECENT WORK AND SOCIAL DIALOGUE (€ MILLION)



Budapest is a prosperous city. But large disparities remain both within the city and across the country and many people have been affected by the economic crisis.



4

COUNTRY OVERVIEWS



Part 4 presents an overview of the Grants in each of the 15 beneficiary countries.

BULGARIA

Bulgaria has received funding since entering the EU and EEA in 2007. For the period of 2009-2014, Bulgaria has been allocated €126.6 million; up from €41.5 million in the period 2007-2009.

KEY AREAS OF SUPPORT

- › Strengthening the justice sector through reforms
- › Assisting in the fight against organised crime, including trafficking
- › Combating violence against women
- › Improving the situation for vulnerable groups, including Roma
- › Promoting green industry innovation
- › Improving public health and reducing health inequalities

BILATERAL COOPERATION

Seven Norwegian public institutions are partners in programmes on climate change, environment, justice, social dialogue, research, scholarships, capacity building at a local and regional level and cross-border cooperation. Iceland and Liechtenstein are participating as programme partners on scholarships.

The Norwegian Police Directorate is on board as a partner in the programme focused on combating organised crime. The Norwegian Climate and Pollution Agency will provide expertise in the management of inland and marine waters. The Norwegian Barents Secretariat is a project partner in dealing with cross-border cooperation. Innovation Norway is operating the green innovation programme that aims to increase competitiveness of green enterprises in Bulgaria. The Council of Europe is involved in helping Bulgaria carry out reforms in a number of important areas.

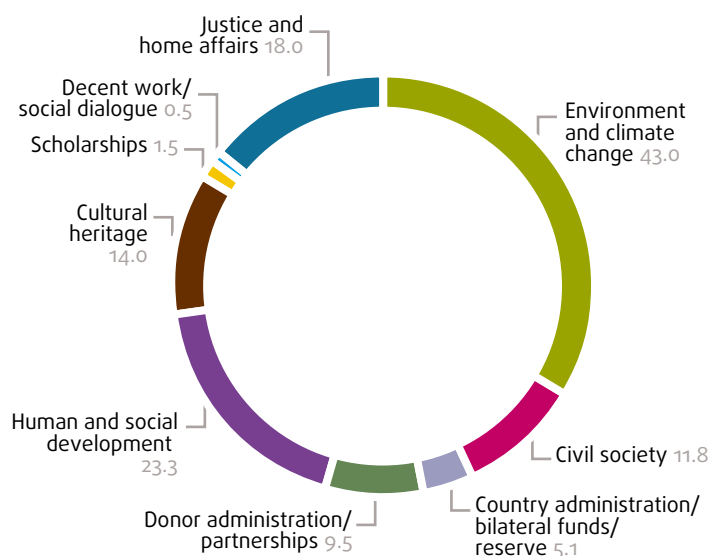
At a national level, funding is available through the bilateral funds to support networking and foster project partnerships.



EEA GRANTS	€78.6 M	TOTAL FUNDING	
NORWAY GRANTS	€48.0 M	€126.6 M	
		Bulgaria	EU-27
GDP per capita in PPS (EU=100)		45	100
Economic growth (% change on previous year)		1.7	1.5
Unemployment rate		11.2	9.7
Youth unemployment		26.6	21.4
Public debt (% of GDP)		16.3	82.5
Human development index		27 (EU-27 ranking)	
Corruption perception index		27 (EU-27 ranking)	
Inequality of income distribution*		5.9	5

Sources: Eurostat, UNDP, Transparency International
All data is from 2011 except where * indicates 2010

DISTRIBUTION OF FUNDING (€ MILLION)



IN FOCUS

STRENGTHENING CAPACITY AND EFFECTIVENESS OF THE JUDICIAL SECTOR

The European Court of Human Rights states that Bulgaria must undertake structural reforms in order to respect the European Convention on Human Rights, the cornerstone for the protection of human rights in Europe. The Bulgarian government has shown determination to deliver judicial reform and tackle corruption, but further action is needed.

The Norway Grants are enabling the Council of Europe (CoE) to assist Bulgaria with these reforms. Bulgaria will use the grants to improve access to the justice system, make the courts more efficient and increase competence within the judiciary. At the same time, the CoE will help Bulgarian authorities improve upon their track record in combating domestic violence and organised crime and to improve both the legal system and prison facilities. Experts from the CoE will work with Bulgarian institutions to increase their knowledge of the European Convention of Human Rights.

PROMOTING GREEN INDUSTRY INNOVATION

Bulgaria's performance in the field of green industry innovation is below the EU average, plus the economy is the most energy-intensive in Europe. On the basis of this, Bulgaria has developed a new national investment policy with special focus on promoting the development of innovative enterprises.

The Norway Grants are supporting the national push to increase competitiveness of green enterprises, including the 'greening' of existing industries, green innovation and green entrepreneurship. The green innovation programme will stimulate business opportunities and the increased use of environmentally friendly technologies within sectors such as construction, transport, information and communication technologies (ICT) and environmental monitoring.

The Norway Grants are aiming to create a supportive environment for green innovation entrepreneurs. Projects may be implemented in partnership with Norwegian businesses and other entities.

IMPROVED MONITORING OF MARINE AND INLAND WATERS

The Danube River defines Bulgaria's border with Romania and the country has a long coastline on the Black Sea. The European Water Framework Directive requires that all EU countries achieve 'good status' in all waters by 2015.

To achieve this ambitious goal, Bulgaria needs to put an integrated water management system in place. The EEA Grants will contribute to establishing this system. The support will strengthen Bulgaria's capability to monitor and manage its vast marine and inland waters.

Programme	Partner(s)	Grant (€ million)
Green innovation	Innovation Norway	13.7
Energy efficiency and renewable energy	Norwegian Water Resources and Energy Directorate	13.3
Integrated marine and inland water management	The Norwegian Climate and Pollution Agency	8.0
Biodiversity and ecosystem services	Norwegian Directorate for Nature Management	8.0
Correctional services	Council of Europe	7.0
Schengen cooperation and combating cross-border and organised crime	Norwegian Police Directorate, Council of Europe	6.0
Judicial capacity building	Council of Europe	3.0
Domestic and gender-based violence	Council of Europe	2.0
Public health initiatives		13.4
Children and youth at risk	Council of Europe	7.9
Capacity building and Institutional Co-operation	Norwegian Association of Local and Regional Authorities	2.0
Cultural heritage and contemporary arts		14.0
NGO Fund		11.8
Scholarships	Icelandic Centre for Research, National Agency for International Education Affairs (Liechtenstein), Norwegian Centre for International Cooperation in Higher Education	1.5
Decent work and tripartite dialogue	Innovation Norway*	0.5

*Programme Operator

CYPRUS

Cyprus has received funding since entering the EU and EEA in 2004. For the period of 2009-2014, Cyprus has been allocated €7.9 million; up from €4.7 million over the previous five-year period.

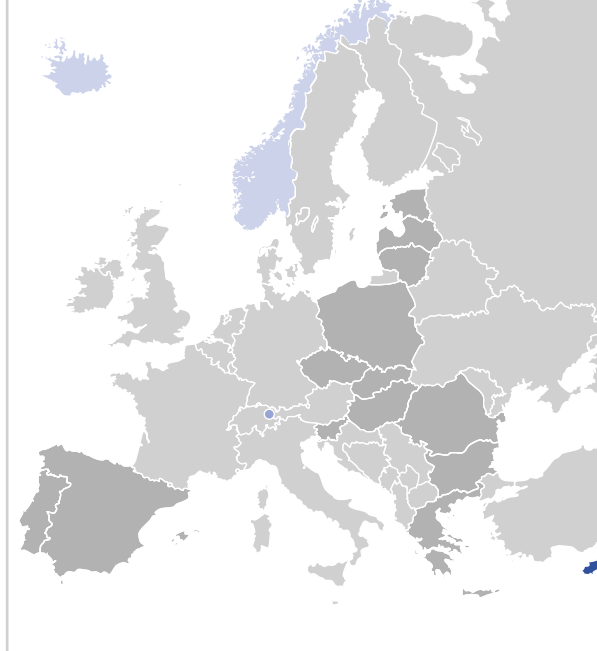
PRIORITIES

- › Strengthening civil society
- › Strengthening dialogue and bi-communal cooperation
- › Improving services for and protection of victims of domestic violence
- › Improving health diagnostics and capacity

BILATERAL COOPERATION

The Cypriot Association for the Prevention and Handling of Violence in the Family has partnered up with the Norwegian Secretariat of the Shelter Movement. Together, they will establish a new, modern shelter for women and children who are victims of domestic violence. This will improve services for this vulnerable group. The two organisations will share experience and knowledge to best facilitate the process of establishing a shelter of this kind.

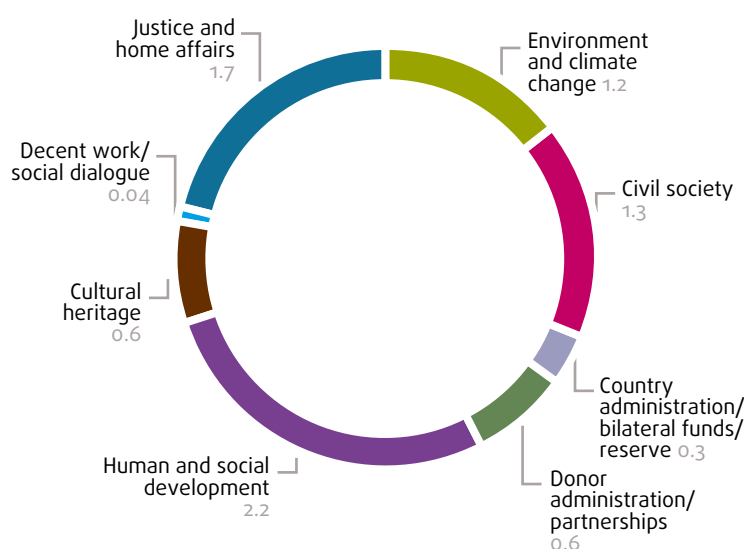
At a national level, funding is available through the bilateral funds to support networking and foster project partnerships.



EEA GRANTS	€3.9 M	TOTAL FUNDING	
NORWAY GRANTS	€4.0 M	€7.9 M	
		Cyprus	EU-27
GDP per capita in PPS (EU=100)		92	100
Economic growth (% change on previous year)		0.5	1.5
Unemployment rate		7.8	9.7
Youth unemployment		22.4	21.4
Public debt (% of GDP)		71.6	82.5
Human development index		17 (EU-27 ranking)	
Corruption perception index		13 (EU-27 ranking)	
Inequality of income distribution*		4.4	5

Sources: Eurostat, UNDP, Transparency International
All data is from 2011 except where * indicates 2010

DISTRIBUTION OF FUNDING (€ MILLION)



IN FOCUS

NGO SUPPORT WITH BI-COMMUNAL FOCUS

The physical division of Cyprus influences the priorities of the Grants. Efforts focus on facilitating dialogue between the Greek Cypriot and Turkish Cypriot communities. Close to one-third of the funding is earmarked for bi-communal projects.

The Grants continue to support the Home for Cooperation (H4C), a bi-communal activity centre in Nicosia. In particular, the Grants will support the centre's bi-communal dialogue on history teaching as well as outreach activities at H4C. The Council of Europe is involved in this work.

Island-wide cooperation is further supported under the NGO Fund where bi-communal projects are prioritised. The NGO Fund also supports organisations working with environment and climate change, welfare and basic services and NGO capacity building.

IMPROVING PUBLIC HEALTH

Bi-communal aspects are integral to the public health initiatives. In the fight against leukaemia, the Grants aim to strengthen the services of the Cyprus Bone Marrow Registry; the registry serves people from both sides of the divide and contains data from both Greek Cypriot and Turkish Cypriot communities. The Grants will improve laboratory systems and equipment. A recruitment campaign will encourage Cypriots to register for the bi-communal donor database. In addition, the registry will increase collaborative work with international donor registries.

In another health project, the Grants will contribute to establishing new gene mapping facilities for Greek Cypriot and Turkish Cypriot communities at the Cyprus Institute of Neurology and Genetics. Being an island, Cyprus presents some unique features and mutations in diseases that are common in the Cypriot population. The new facility will make diagnoses easier and make it possible to adjust therapies, starting with the most common types of cancer.

Programme	Partner(s)	Grant (€ million)
NGO Fund		1.3
Home for Cooperation	Council of Europe	0.6
Biodiversity and ecosystem services		1.2
Public health initiatives		1.2
Justice and home affairs		1.0
Domestic and gender-based violence	Norwegian Secretariat of the Shelter Movement	0.7
Children and youth at risk		0.4
Cultural and natural heritage		0.6
Decent work and tripartite dialogue	Innovation Norway*	0.04

*Programme Operator

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The Home for Cooperation is a bi-communal activity centre in the UN-controlled buffer-zone in Nicosia.

CZECH REPUBLIC

The Czech Republic has received funding since entering the EU and EEA in 2004. For the period of 2009-2014, the Czech Republic has been allocated €131.8 million; up from €110.9 million over the previous five year period.

KEY AREAS OF SUPPORT

- › Improving mental health services and reducing health inequalities
- › Strengthening research cooperation between Norway and the Czech Republic
- › Protecting biodiversity and reducing vulnerability to climate change
- › Tackling organised crime and strengthening the justice system
- › Improving the situation for vulnerable groups, including Roma
- › Revitalising cultural heritage and improving access to heritage sites

BILATERAL COOPERATION

Five Norwegian public entities are partners in the implementation of programmes in the Czech Republic, with partners from Iceland and Liechtenstein participating on scholarships. The Council of Europe will lend its considerable expertise to programmes on judicial capacity building and correctional services.

The Directorate of Nature Management in Norway is taking part in the programme on environment and climate change. The Research Council of Norway and the Norwegian Centre for International Cooperation in Education are involved in research and scholarships. The Norwegian Institute of Public Health is involved in the public health programme, while the Arts Council Norway is contributing to the small grants scheme for cultural exchange.

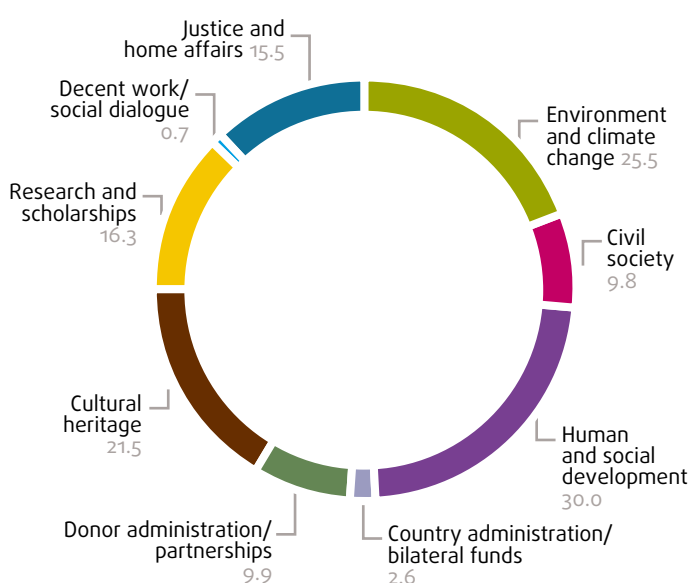
At a national level, funding is available through the bilateral funds to support networking and foster project partnerships.



EEA GRANTS	€61.4 M	TOTAL FUNDING €131.8 M
NORWAY GRANTS	€70.4 M	
	Czech Republic	EU-27
GDP per capita in PPS (EU=100)	80	100
Economic growth (% change on previous year)	1.7	1.5
Unemployment rate	6.7	9.7
Youth unemployment	18	21.4
Public debt (% of GDP)	41.2	82.5
Human development index	14 (EU-27 ranking)	
Corruption perception index	21 (EU-27 ranking)	
Inequality of income distribution*	3.5	5

Sources: Eurostat, UNDP, Transparency International
All data is from 2011 except where * indicates 2010

DISTRIBUTION OF FUNDING (€ MILLION)



IN FOCUS

COMMUNITY-BASED CARE FOR THE MENTALLY ILL

According to EU estimates, one in four Europeans suffers from a mental health problem at least once during their lifetime. People with mental health problems face a higher risk of poverty and social exclusion than the general population.

In most European countries, mental health services have been underfunded for many years. The Czech Republic is no exception and institutional care is still the norm. Under the Norway Grants, a new system will be established to allow patients to be treated within their local community rather than in remote institutions. This is an important step towards transforming the Czech psychiatric system from institutional to community-based care. Gradually preparing patients for return to normal life helps reduce the chance of relapse. Czech NGOs will provide patient support and follow-up and will raise awareness of mental illnesses within their local community.

STRENGTHENING TIES THROUGH RESEARCH

Research, innovation and education are at the top of the EU agenda for growth and job creation. The Norway Grants support a major bilateral research programme between the Czech Republic and Norway. The programme is expected to substantially strengthen cooperation between researchers from the two countries and enhance research capacity.

In line with Czech national priorities and based on an analysis of cooperation between Czech and Norwegian researchers within the EU's Seventh Framework Programme, the selected thematic fields are social

sciences, humanities, environment and health. At least one Czech and one Norwegian participant must be involved in each project.

Projects will support, for example, young researchers and those returning from parental leave by, for example, offering them relevant Ph.D. assignments. Small and medium-sized enterprises may be involved in cooperation with research organisations.

REVITALISING CULTURAL HERITAGE

Bringing cultural treasures back to life, and making them accessible for local communities and tourists alike, contributes to economic growth and job creation. Over 40% of the Grants to the Czech Republic in the previous period went to the cultural heritage sector. Increased attractiveness of reconstructed monuments and buildings has boosted visitor numbers and provided local communities with new public spaces. In addition, over four million pages of historical documents were digitised and are now freely accessible online to experts and the public.

The Czech Republic has a wealth of cultural monuments and historical buildings; a total of 12 sites are on UNESCO's world heritage list. Many of the country's heritage sites have fallen into a critical state of disrepair. The EEA Grants are supporting the revitalisation of cultural heritage sites, making them accessible to the public. Plus, the Grants will support projects promoting cultural diversity, cultural exchange and cultural expression of minority groups.

Programme	Partner(s)	Grant (€ million)
Environment and climate change	Norwegian Directorate for Nature Management	18.5
Carbon capture and storage (CCS)		7.0
NGO Fund		9.8
Children and youth at risk		4.3
Local and regional initiatives		1.2
Cultural heritage and cultural diversity	Arts Council Norway	21.5
Decent work and tripartite dialogue	Innovation Norway*	0.7
Research cooperation	Research Council of Norway	12.5
Scholarships	Icelandic Centre for Research / National Agency for Educational Affairs of Liechtenstein / Norwegian Centre for International Cooperation in Education	3.8
Capacity-building and institutional cooperation		1.8
Public health initiatives	Norwegian Institute of Public Health	19.2
Gender equality and work-life balance		3.5
Domestic and gender-based violence		3.5
Schengen and cross-border crime		7.0
Judicial capacity-building and correctional services	Council of Europe	5.0

*Programme Operator

ESTONIA

Estonia has received funding since entering the EU and EEA in 2004. For the period 2009-2014, Estonia has been allocated €48.6 million; up from €32.8 million during the previous five-year period.

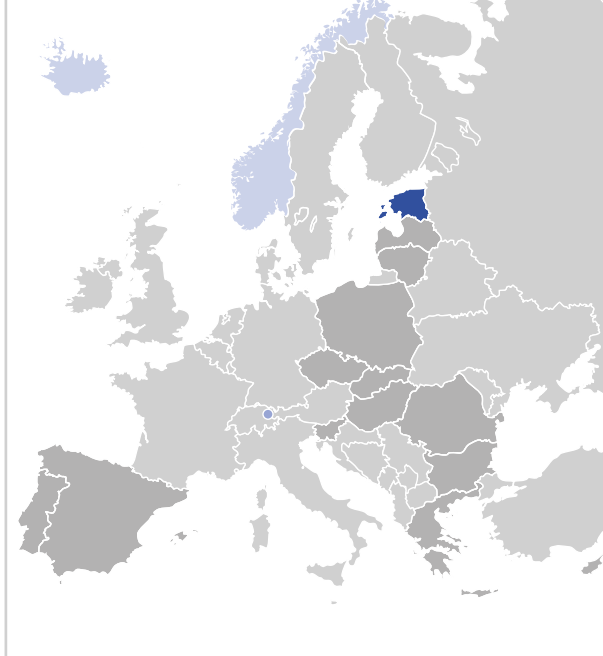
KEY AREAS OF SUPPORT

- › Developing and increasing the use of eco-friendly technologies
- › Improving healthcare services and reducing health inequalities
- › Assisting vulnerable children and youth at risk
- › Improving the environmental standard of marine and inland waters
- › Increasing intercultural awareness and dialogue and supporting integration of Russian-speaking minorities

BILATERAL COOPERATION

The green industry innovation programme and research cooperation are based on partnerships between small and medium-sized businesses and researchers in Estonia and Norway. The scholarship programme involves student and staff exchanges with Iceland, Liechtenstein and Norway.

The Norwegian Climate and Pollution Agency is taking part in improving the management of water resources. The efforts to improve health, tackle gender-based violence and improve well-being of children and youth at risk are carried out in cooperation with the Norwegian Association of Local and Regional authorities, the Norwegian Institute of Public Health, and the Norwegian Directorate of



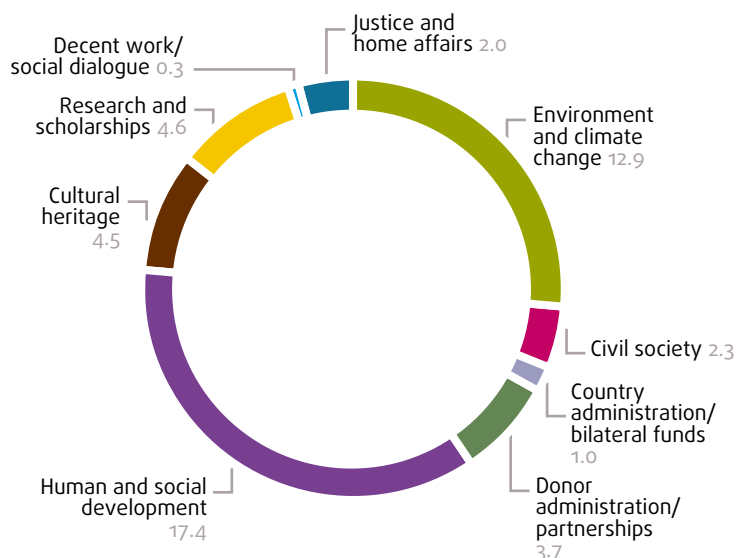
	EEA GRANTS	NORWAY GRANTS	TOTAL FUNDING	
	€23.0 M	€25.6 M	€48.6 M	
			Estonia	EU-27
GDP per capita in PPS (EU=100)			67	100
Economic growth (% change on previous year)			1.7	1.5
Unemployment rate			12.5	9.7
Youth unemployment			22.3	21.4
Public debt (% of GDP)			6	82.5
Human development index			18 (EU-27 ranking)	
Corruption perception index			12 (EU-27 ranking)	
Inequality of income distribution*			5	5

Sources: Eurostat, UNDP, Transparency International
All data is from 2011 except where * indicates 2010

Health. The Norwegian Directorate for Cultural Heritage is involved in revitalising important European cultural heritage sites.

At a national level, funding is also available through the bilateral funds to support networking and foster project partnerships.

DISTRIBUTION OF FUNDING (€ MILLION)



IN FOCUS

ESTONIAN-NORWEGIAN PARTNERSHIPS 'GREENING' ICT

While Estonia is recognised as one of the most advanced e-societies in the world, the country is a newcomer in making use of information and communications technology (ICT) solutions to green the economy. To exploit this potential, Estonia is teaming up with environmentally-minded Norway, whose business sector already has a strong presence in Estonia as the fourth largest investor in the country. With funding available until 2016, Estonian and Norwegian enterprises can enter into business-to-business partnerships to develop new business ideas and solutions within green ICT.

As well as opportunities for making IT systems more eco-friendly, innovative ICT solutions can also be developed to reduce energy use in buildings or develop smart applications for transport. Aside from the lower carbon footprint, the green push also makes economic sense. Businesses across the whole economy can save money through increased energy and resource efficiency.

SUPPORTING CHILDREN AND VULNERABLE YOUTH

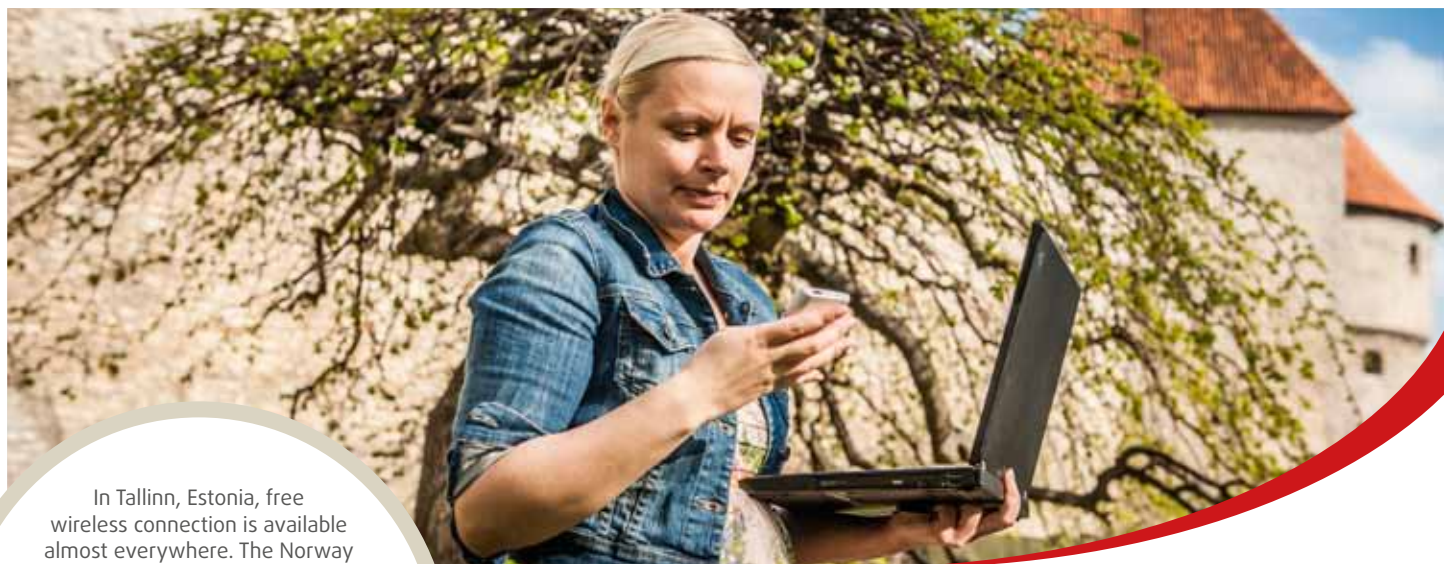
The Grants support the creation of a support system for children and youth at risk and their families. Previously, the efforts to help neglected children and minors behaving in breach with norms and laws in society have been underfunded and fragmented.

The new approach is based on early detection and intervention in the local community. This requires training of parents as well as close cooperation and coordination between schools and public institutions, such as child welfare and youth correctional services.

Another programme aims to improve access to and quality of health services, including reproductive and preventive child healthcare. This includes improving mental healthcare for children and youth, promoting a healthy lifestyle, developing a healthy environment and preventing infectious diseases, including in detention facilities.

Programme	Partner(s)	Grant (€ million)
Integrated marine and inland water management	Norwegian Climate and Pollution Agency of Norway	6.9
Green industry innovation	Innovation Norway	6.0
NGO Fund		2.3
Children and youth at risk	Norwegian Association of Local and Regional Authorities	6.5
Public health initiatives	Norwegian Institute of Public Health	8.9
Gender equality and work-life balance		2.0
Cultural and natural heritage	Norwegian Directorate for Cultural Heritage	4.5
Scholarships	Norwegian Centre for International Cooperation in Higher Education (SIU), Icelandic Centre for Research (RANNIS), National Agency for International Affairs (AIBA) of Liechtenstein	1.6
Norwegian-Estonian research cooperation	Research Council of Norway	3.0
Decent work and tripartite dialogue	Innovation Norway*	0.3
Domestic and gender-based violence	Norwegian Directorate for Health	2.0

*Programme Operator



In Tallinn, Estonia, free wireless connection is available almost everywhere. The Norway Grants promotes greening of the economy through information and communication technologies.

GREECE

Greece has received funding since the EEA Agreement came into force in 1994. For the period 2009-2014, Greece has been allocated €63.4 million; up from €34.3 million over the previous five-year period.

KEY AREAS OF SUPPORT

- › Safeguarding the right to seek asylum
- › Reception and screening, particularly of unaccompanied asylum-seeking children
- › Capacity building of Greek NGOs in policy and decision-making processes

BILATERAL COOPERATION

The Norwegian Directorate of Immigration has for a long time been involved in the joint European efforts to assist Greece in strengthening its migration management system, and continues this work with support from the EEA Grants. A number of study visits, seminars and joint activities are also being arranged.

At a national level, funding is available through the bilateral funds to support networking and foster project partnerships.

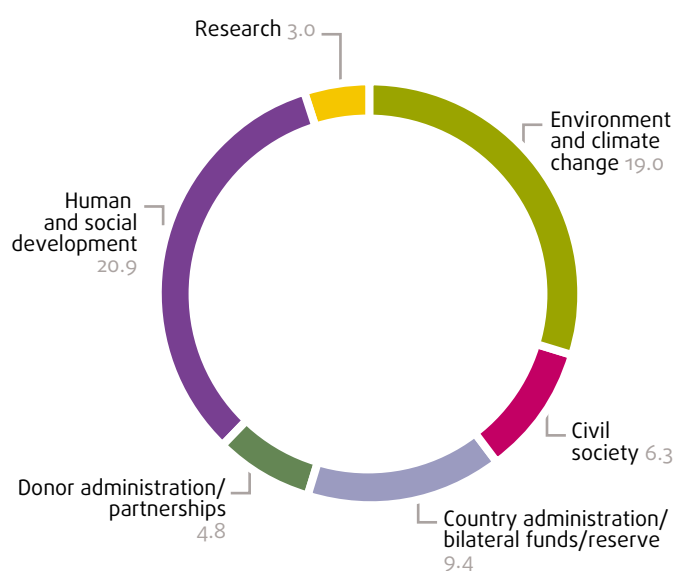


EEA GRANTS €63.4 M

	Greece	EU-27
GDP per capita in PPS (EU=100)	82	100
Economic growth (% change on previous year)	-6.9	1.5
Unemployment rate	17.7	9.7
Youth unemployment	44.4	21.4
Public debt (% of GDP)	165.3	82.5
Human development index	16 (EU-27 ranking)	
Corruption perception index	26 (EU-27 ranking)	
Inequality of income distribution*	5.6	5

Sources: Eurostat, UNDP, Transparency International
All data is from 2011 except where * indicates 2010

DISTRIBUTION OF FUNDING (€ MILLION)



IN FOCUS

SUPPORTING ASYLUM REFORM

As a main point of entry into the EU, Greece faces considerable challenges relating to the influx of asylum seekers and illegal migrants. A significant proportion of the grant funding is focused improving conditions for asylum seekers.

The EEA Grants are enabling the UN's Refugee Agency to assist Greece in establishing a functioning asylum system. Local NGOs will receive support enabling them to offer accommodation and services, especially to unaccompanied asylum-seeking children. Funding will make it possible for asylum seekers to use the services of the International Organisation of Migration and return voluntarily to their country of origin. With help from the Grants, Greece will also establish more screening centres for new arrivals.

STRENGTHENING CIVIL SOCIETY

The economic and financial crisis has increased inequalities in Greece; recently many people have lost their jobs and social tensions have risen. Against this background it is essential that NGOs are able to advocate for vulnerable groups and provide key services, particularly to the most deprived.

For the first time the Grants will establish a fund to support the development of civil society in Greece. This shows a commitment from both the Greek authorities and the donor countries to strengthen the capacity of NGOs. The support enables national and local NGOs to contribute to the protection of human rights and provide services to vulnerable groups, including migrants and Roma. NGOs will also promote social inclusion and anti-discrimination and addressing good governance and transparency.

Programme	Partner(s)	Grant (€ million)
Integrated marine and inland water management		9.5
Renewable energy		9.5
NGO Fund		6.3
Asylum and migration	Norwegian Directorate of Immigration	20.9
Research		3.0



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Many illegal immigrants and asylum seekers who enter Greece cross at the Evros border and are housed in the Filakio detention centre. Funding in Greece aims to help improve conditions for asylum seekers.

HUNGARY

Hungary has received funding since entering the EU and EEA in 2004. For the period 2009-2014, Hungary has been allocated €153.3 million; up from €135.1 million over the previous five-year period.

KEY AREAS OF SUPPORT

- › Increasing the use and development of environmentally friendly technologies
- › Enhancing research cooperation between Hungary and Norway
- › Strengthening civil society
- › Improving the well-being of children and youth at risk
- › Reducing inequalities in health and improving access to health services
- › Increasing capacity to analyse vulnerability to climate change

BILATERAL COOPERATION

In Hungary, nine out of the twelve programmes have bilateral partners. Building on previous successes, cooperation between local and regional authorities in Norway and Hungary continues. The National Energy Authority of Iceland, world leaders in geothermal energy extraction, is on board the renewable energy programme in order to share their skills and technological expertise.

Educational institutions from all three donor countries are involved in the scholarship programme. Other programme partners include the Norwegian Directorate for Civil Protection and Emergency Planning, Norwegian Directorate for Cultural Heritage, Research Council of Norway and the Norwegian Institute of Public Health. The Council of Europe also plays a key role in efforts to improve the well-being of children and young people at risk. Innovation Norway is a partner in two programmes, including the programme supporting green industry innovation.

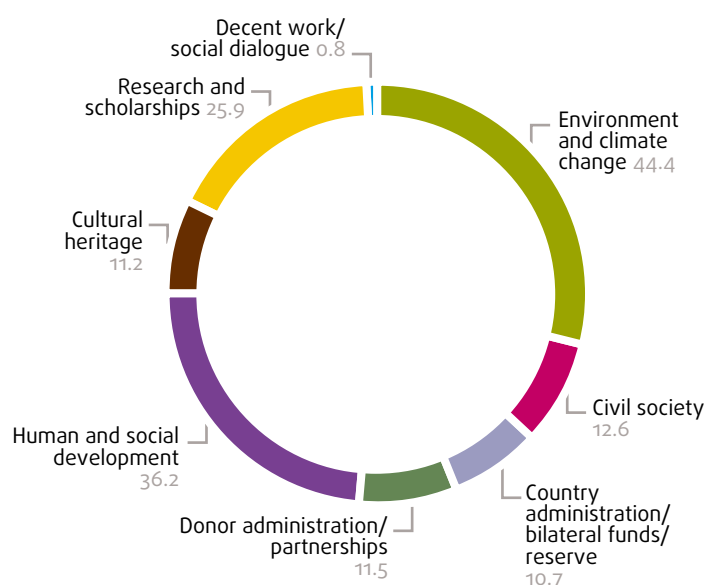
At a national level, funding is available through the bilateral funds to support networking and foster project partnerships.



EEA GRANTS	€70.1 M	TOTAL FUNDING	
NORWAY GRANTS	€83.2 M	€153.3 M	
		Hungary	EU-27
GDP per capita in PPS (EU=100)		66	100
Economic growth (% change on previous year)		1.7	1.5
Unemployment rate		10.9	9.7
Youth unemployment		26.1	21.4
Public debt (% of GDP)		80.6	82.5
Human development index		21 (EU-27 ranking)	
Corruption perception index		19 (EU-27 ranking)	
Inequality of income distribution*		3.4	5

Sources: Eurostat, UNDP, Transparency International
All data is from 2011 except where * indicates 2010

DISTRIBUTION OF FUNDING (€ MILLION)



Improving the well-being of children and youth at-risk is a priority in Hungary.

IN FOCUS

EMPOWERING VULNERABLE GROUPS AND STRENGTHENING CIVIL SOCIETY

Economic and social disparities remain wide in Hungary, both between regions and social groups. Vulnerable groups, such as the Roma, have poorer access to education, jobs and health services.

Education is key to integration. The Grants aim to assist children and youth at risk. This includes preventing Roma girls from dropping out of school, integrating children at risk through sport and improving child protection services. In addition, the Grants aim to reduce health inequalities and give Hungary's Roma and poorest populations better access to health services.

In Hungary, the funding for NGOs will strengthen the role of civil society in the areas of social justice, democracy and sustainable development. Minorities and vulnerable groups often struggle to get their voices heard in society. A proportion of funds for Hungarian NGOs is earmarked for projects related to the Roma population and organisations, or activities, driven by or for children and youth.

POOLING RESOURCES IN RESEARCH

During the previous funding period, Norwegian and Hungarian researchers received international acclaim for their joint efforts and results achieved. Building on these experiences, the Norway Grants continue to support research cooperation between the two countries. As well as strengthening bilateral relations, the programme will enhance the quality of research and increase the application of results.

Health and environmental research are given priority. In addition to gender-related research, social sciences and the humanities shall also receive funding. All projects receiving support must have at least one Norwegian partner.

GREEN TECHNOLOGY AND INNOVATION

The Grants are providing significant support to green industry innovation. In the years to come, Hungarian and Norwegian small and medium-sized enterprises will collaborate on projects supporting green entrepreneurship and will help to develop Hungary's green economy.

The main emphasis of funding in this sector will be to reduce emissions by replacing highly-polluting technology with modern, clean technology. Projects set to receive support include those that introduce environmentally friendly and innovative technologies to the waste management and bioenergy sectors.



Programme	Partner(s)	Grant (€ million)
Green industry innovation	Innovation Norway	21.2
Energy efficiency		8.4
Renewable energy	National Energy Authority of Iceland	7.7
Adaption to climate change	Norwegian Directorate for Civil Protection and Emergency Planning	7.0
Bilateral research cooperation	Research Council of Norway	24.1
NGO Fund		12.6
Children and youth at risk	Council of Europe	11.2
Cultural and natural heritage	Norwegian Directorate for Cultural Heritage	11.2
Capacity building and institutional cooperation		8.3
Public health initiatives	Norwegian Institute of Public Health	16.6
Scholarships	Icelandic Centre for Research, National Agency for Educational Affairs of Liechtenstein, Norwegian Centre for International Cooperation in Education	1.8
Decent work and tripartite dialogue	Innovation Norway*	0.8

*Programme Operator

LATVIA

Latvia has received funding since entering the EU and EEA in 2004. For the period 2009-2014, Latvia has been allocated €73 million; up from €53.7 million over the previous five-year period.

KEY AREAS OF SUPPORT

- › Supporting reform of correctional services, including improving rehabilitation
- › Strengthening cooperation between local and regional authorities in Latvia and Norway
- › Realising green innovation business opportunities
- › Strengthening civil society
- › Improving environmental monitoring systems
- › Increasing intercultural awareness and dialogue with the Russian-speaking minority

BILATERAL COOPERATION

Eight Norwegian public institutions are involved in the implementation of programmes in partnership with Latvian counterparts. In the previous funding period, one third of the Latvian projects involved partnerships with entities in Iceland, Liechtenstein or Norway.

In this latest funding period, grants are available for Latvian-Norwegian research as well as scholarships in cooperation with Iceland, Liechtenstein and Norway. Latvia and Norway have a long-standing cooperation at local government level. Cooperation on public sector capacity building between Latvian and Norwegian public institutions is expected to be significant.

The Norwegian Correctional Services is an established partner in the reform of Latvia's prison system. The Council of Europe is also participating in this programme. A considerable number of bilateral partnerships are expected within the fields of green innovation and cultural exchange.

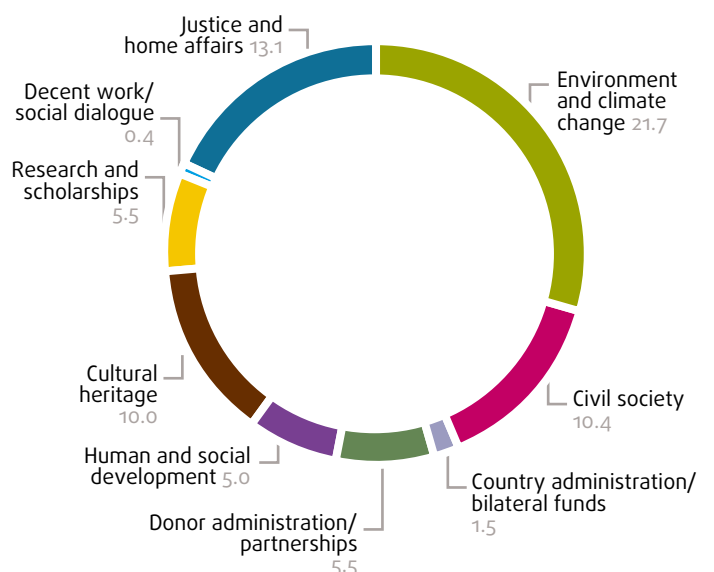
At a national level, funding is available through the bilateral funds to support networking and foster project partnerships.



	Latvia	EU-27
EEA GRANTS	€34.6 M	
NORWAY GRANTS	€38.4 M	
TOTAL FUNDING	€73.0 M	
GDP per capita in PPS (EU=100)	58	100
Economic growth (% change on previous year)	5.5	1.5
Unemployment rate	15.4	9.7
Youth unemployment	29.1	21.4
Public debt (% of GDP)	42.6	82.5
Human development index	25 (EU-27 ranking)	
Corruption perception index	22 (EU-27 ranking)	
Inequality of income distribution*	6.9	5

Sources: Eurostat, UNDP, Transparency International
All data is from 2011 except where * indicates 2010

DISTRIBUTION OF FUNDING (€ MILLION)



IN FOCUS

STRENGTHENING COOPERATION ON JUSTICE

Latvia is one of the European countries with the highest rates of imprisonment; 50% of released inmates return to prison. Reoffending criminals pose a considerable burden on public budgets. Consequently, one of the goals of Latvia's on-going penal reform is to prepare inmates for release and life after prison.

In the previous funding round, the Grants supported a successful pilot re-socialisation programme in two prisons in the Zemgale region. The Norway Grants continue to build on this and other established areas of cooperation within this field. Priorities include expanding the use of alternatives to prison, financing urgently needed upgrades and improving facilities for administrative detentions.

DEVELOPING THE CAPACITY OF CIVIL SOCIETY

The Grants continue to support to the development of civil society in Latvia. This support enables national and local NGOs to better contribute to social justice, democracy and sustainable development.

During the previous funding round, the NGO Fund proved a valuable resource for Latvian NGOs, offering not only project support but also funding to cover capacity building and start-up costs. This support continues. The Fund will support projects providing welfare services and contributing to social inclusion. This includes projects supporting children and youth at risk, multicultural dialogue and the integration of national minorities such as the Russian-speaking population. The Fund will also support NGOs promoting democracy and good governance, human rights, and social and gender equality.

Programme	Partner(s)	Grant (€ million)
Adaptation to climate change	Norwegian Climate and Pollution Agency	10.4
Green industry innovation	Innovation Norway	11.3
NGO Fund		10.4
Public capacity and building and institutional cooperation	Norwegian Association of Local and Regional Authorities	5.0
Cultural and natural heritage	Directorate for Cultural Heritage in Norway, Arts Council Norway	10.0
Research and scholarships	Norwegian Research Council, Norwegian Centre for International Cooperation in Education	5.5
Decent work and tripartite dialogue	Innovation Norway*	0.4
Correctional services	Norwegian Correctional Services	13.1

*Programme Operator



© Latvian Prison Administration

Cēsu Correctional Institution of Juveniles has improved its re-socialisation programme for inmates.

LITHUANIA

Lithuania has received funding since entering the EU and the EEA in 2004. For the period 2009-2014, Lithuania has been allocated €84 million; up from €67.3 million over the previous five-year period.

KEY AREAS OF SUPPORT

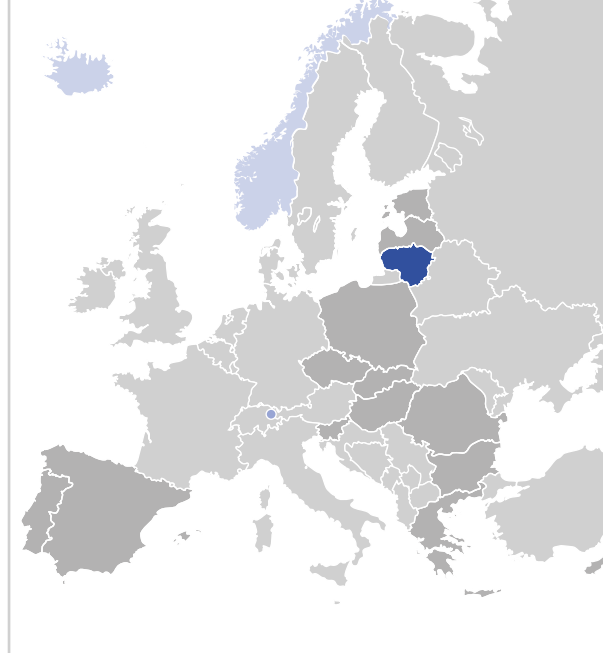
- › Judicial reform, including wider use of alternatives to prison
- › Fighting cross-border and organised crime
- › Promoting green industry innovation and entrepreneurship.
- › Halting the loss of biodiversity and protection of ecosystems
- › Promoting cooperation between local authorities and public institutions in Lithuania and Norway

BILATERAL COOPERATION

In total, 11 Norwegian public bodies are partners in the implementation of various programmes in Lithuania addressing climate change, environment, social dialogue, justice, cultural heritage, local and regional capacity building and research and scholarships.

The Norwegian National Court Administration will take part in efforts to strengthen the capacity of the judicial system in Lithuania. The Research Council of Norway is involved in scholarship and research cooperation. The Norwegian Directorate for Cultural Heritage will participate in initiatives to revitalise cultural heritage in Lithuania. The Norwegian Directorate for Nature Management will be active in efforts to halt the loss of biodiversity.

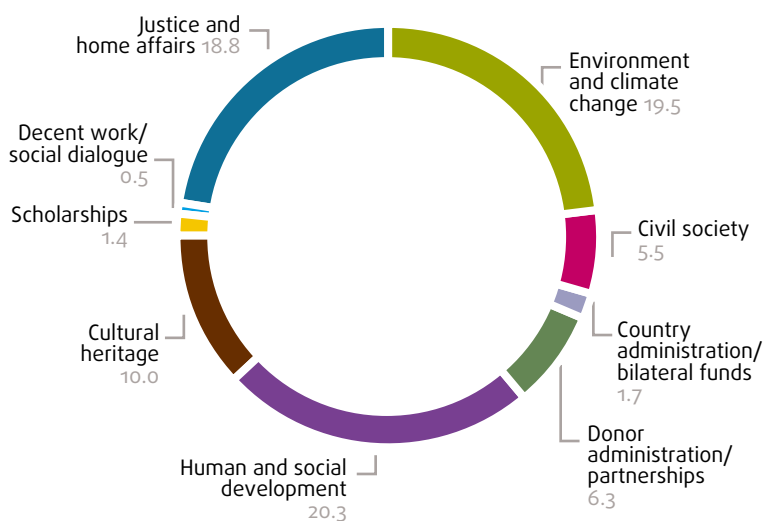
At a national level, funding is available through the bilateral funds to support networking and foster project partnerships.



	EEA GRANTS	NORWAY GRANTS	TOTAL FUNDING	
	€38.4 M	€45.6 M	€84.0 M	
	Lithuania	EU-27		
GDP per capita in PPS (EU=100)	62	100		
Economic growth (% change on previous year)	5.9	1.5		
Unemployment rate	15.4	9.7		
Youth unemployment	32.9	21.4		
Public debt (% of GDP)	38.5	82.5		
Human development index	23 (EU-27 ranking)			
Corruption perception index	18 (EU-27 ranking)			
Inequality of income distribution*	7.3	5		

Sources: Eurostat, UNDP, Transparency International
All data is from 2011 except where * indicates 2010

DISTRIBUTION OF FUNDING (€ MILLION)



Kaunas juvenile detention centre was upgraded with Norwegian support.

IN FOCUS

SUPPORTING JUDICIAL REFORM

Norway and Lithuania share the challenges of organised crime. Thus, the Norway Grants are supporting judicial reforms within Lithuania aimed at combating cross-border and organised crime and strengthening judicial capacity and cooperation.

Imprisonment and crime rates in Lithuania are among the highest in the EEA. The Norway Grants are being used to tackle growing prison populations and prison overcrowding. Activities include increasing the use of alternatives to prison and improving the quality of educational programmes for inmates. Special attention is given to supporting vulnerable groups such as female and juvenile inmates.

The Norway Grants are also backing projects aimed at increasing the capacity of the Lithuanian courts, as well as staff training. Some funds will be directed at improving the safety conditions in Lithuanian courtrooms.

PROTECTING BIODIVERSITY

Conservation areas make up approximately 16% of Lithuania. However, since 1992 the number of threatened species has increased by 266. One of the greatest challenges is the fragmentation of habitats and subsequent impact on migration routes.

The EEA Grants support Lithuania in managing and monitoring conservation areas. Educational centres will increase knowledge and raise awareness of biodiversity issues within local communities. In addition, Lithuania will receive support to improve marine and inland water management.

Programme	Partner(s)	Grant (€ million)
Integrated marine and inland water management	Norwegian Directorate for Nature Management	5.0
Biodiversity and ecosystem services	Norwegian Directorate for Nature Management	6.5
Green industry innovation	Innovation Norway	8.0
NGO Fund		5.5
Children and youth at risk		6.3
Local and regional initiatives	Norwegian Association of Local and Regional Authorities, Norwegian Climate and Pollution Agency, Norwegian Police Directorate	8.0
Public health initiatives		6.0
Cultural and natural heritage	Norwegian Directorate for Cultural Heritage	9.0
Diversity in culture and arts	Arts Council Norway	1.0
Scholarships	Norwegian Centre for International Cooperation in Education	1.4
Decent work and tripartite dialogue	Innovation Norway*	0.5
Schengen and cross-border crime		3.4
Judicial capacity building	Norwegian Court Administration	7.7
Correctional services	Norwegian Correctional Services	7.7

*Programme Operator

MALTA

Malta has received funding since entering the EU and EEA in 2004. For the period 2009-2014, Malta has been allocated €4.5 million; up from €3.6 million over the previous five-year period.

KEY AREAS OF SUPPORT

- › Strengthening oil spill prevention and response
- › Increasing renewable energy production
- › Improving correctional services for young offenders

BILATERAL COOPERATION

As a coastal and oil-rich nation, Norway has valuable expertise in preparing for and handling oil spills. The Norwegian Coastal Administration will cooperate closely with Maltese authorities to further reduce the island's vulnerability to contamination.

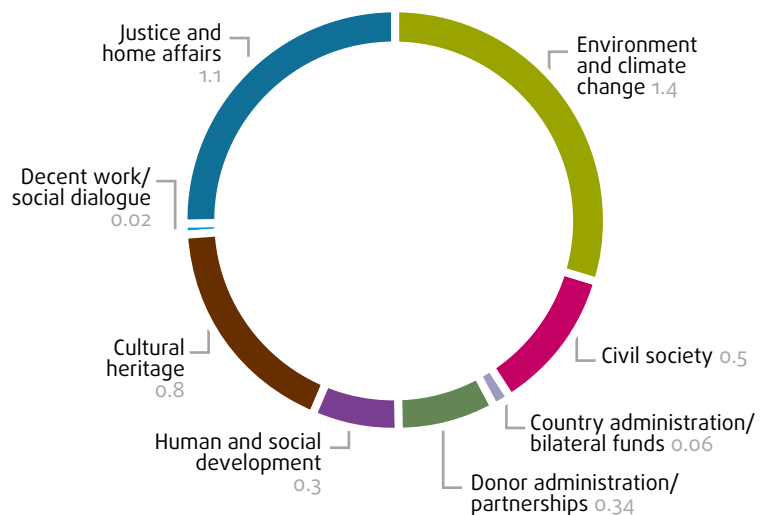
Norwegian public bodies are cooperating in other key areas of support. Malta is aiming to reform its local and regional administration. To facilitate this process, Maltese authorities will exchange experience with organisations such as the Norwegian Association of Local and Regional Authorities. Innovation Norway is involved in efforts to promote decent work and tripartite dialogue.



EEA GRANTS	€2.9 M	TOTAL FUNDING	
NORWAY GRANTS	€1.6 M	€4.5 M	
		Malta	EU-27
GDP per capita in PPS (EU=100)		83	100
Economic growth (% change on previous year)		2.1	1.5
Unemployment rate		6.5	9.7
Youth unemployment		13.7	21.4
Public debt (% of GDP)		72	82.5
Human development index		20 (EU-27 ranking)	
Corruption perception index		16 (EU-27 ranking)	
Inequality of income distribution*		4.3	5

Sources: Eurostat, UNDP, Transparency International
All data is from 2011 except where * indicates 2010

DISTRIBUTION OF FUNDING (€ MILLION)



IN FOCUS

SAFEGUARDING THE COAST AGAINST OIL SPILLS

One quarter of the world's oil tankers pass the Maltese coastline. They pose a major environmental threat to the island in the event of a leakage. An oil spill would not only be catastrophic for the environment, but also severely damaging for Malta's tourism industry – a vital part of the Maltese economy.

The Grants previously helped establish a containment and clean-up system for major oil spills and will continue to back efforts to reduce Malta's vulnerability to oil contamination. One of the core aims is to protect the maritime habitat from the harmful effects of a potential oil spill.

IMPROVING CONDITIONS FOR YOUNG OFFENDERS

The Grants support efforts to improve correctional services in several countries. The aim is to support reforms that raise compliance standards in regard to international human rights. Much is at stake when a young person is imprisoned; in later life, persistent young offenders have greater problems for example with unemployment, substance abuse and depression. This vulnerable group needs targeted, special attention in order to avoid a possible life-long criminal career.

The Grants support the re-organisation of Malta's Young Offenders Unit Rehabilitation Services. Support includes training for staff dealing with young offenders.

Programme	Partner(s)	Grant (€ million)
Correctional services		1.1
Renewable energy		0.9
Adaption to climate change	Norwegian Coastal Administration	0.5
NGO Fund		0.5
Capacity building and institutional cooperation		0.3
Decent work and tripartite dialogue	Innovation Norway*	0.02
Cultural and natural heritage		0.8

*Programme Operator



The Grants are continuing to help Malta protect its maritime habitat from the effects of a potential oil spill.

POLAND

Poland has received funding since entering the EU and EEA in 2004. For the period of 2009-2014, Poland has been allocated €578.1 million; up from €558.6 million over the previous five year period.

KEY AREAS OF SUPPORT

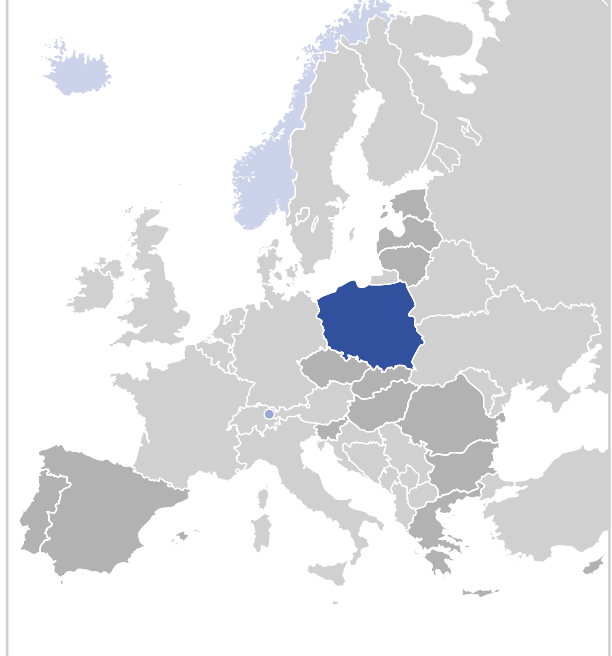
- › Increasing research cooperation between Norway and Poland
- › Improving access to public health services
- › Improving environmental monitoring and protecting biodiversity
- › Developing carbon capture and storage (CCS) technology
- › Contributing to a more efficient judicial system
- › Promoting dialogue between employers' organisations, trade unions and public authorities

BILATERAL COOPERATION

Nine Norwegian public entities are partners in programmes on environment, climate change, health, justice, research, scholarships and cultural diversity. Iceland and Liechtenstein are participating as programme partners on scholarships.

The National Courts Administration and the Correctional Services of Norway are involved in efforts to strengthen the Polish judiciary and improve training for inmates and staff. The Norwegian Directorate of Health is participating in health promotion and disease prevention programmes. The long-standing cooperation between the Norwegian Association of Local and Regional Authorities and the Association of Polish Cities continues. The Research Council of Norway is playing an active role in the research programme.

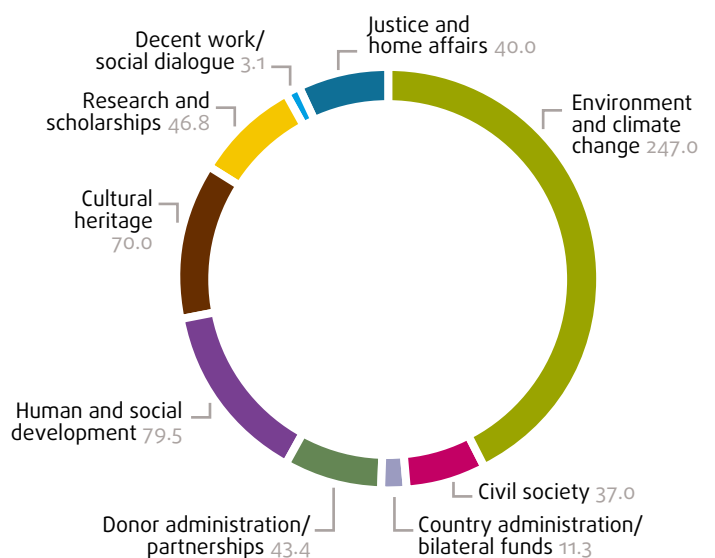
At a national level, funding is available through the bilateral funds to support networking and foster project partnerships.



EEA GRANTS	€266.9 M	TOTAL FUNDING	
NORWAY GRANTS	€311.2 M	€578.1 M	
		Poland	EU-27
GDP per capita in PPS		65	100
Economic growth (% change on previous year)		4.3	1.5
Unemployment rate (%)		9.7	9.7
Youth unemployment (%)		25.8	21.4
Public debt (% of GDP)		56.3	82.5
Human development index		22 (EU-27 ranking)	
Corruption perception index		17 (EU-27 ranking)	
Inequality of income distribution*		5.0	5.0

Sources: Eurostat, UNDP, Transparency International
All data is from 2011 except where * indicates 2010

DISTRIBUTION OF FUNDING (€ MILLION)



IN FOCUS

RESEARCH COOPERATION BETWEEN NORWAY AND POLAND

The extensive research cooperation between Poland and Norway is continuing with funding set aside for joint research. Research will be carried out in the fields of environment and climate (including polar research where Poland has a recognised expertise) and in health and social sciences (including migration). Funding is also earmarked for research in the area of gender equality and work-life balance. To increase the number of women in technical sciences in Poland, a small grant scheme is available for research projects by women within this field.

RENEWABLE ENERGY AND ENVIRONMENTAL PROTECTION

Poland is one of the European countries with the highest levels of CO₂ emissions. One of the most efficient and cost-effective ways of reducing greenhouse gas emissions is by making buildings more energy efficient. In the previous funding period, more than 350 public buildings were renovated, contributing to annual savings of over 150 000 MWh and 70 000 tonnes of CO₂ emissions. Improving the energy performance of buildings and increasing renewable energy production remain important areas of support.

Poland and Norway have a common aim to develop carbon capture and storage technology. A proportion of the Norway Grants will support a pilot project at Bełchatów, Europe's largest coal fuelled thermal power plant. Support to initiatives aiming to halt biodiversity loss has been increased. Funding also continues to support efforts to improve the environmental monitoring of industrial emissions.

PUBLIC HEALTH

Initiatives aimed at reducing inequalities in healthcare and improving public health remain a significant area of funding. In the previous funding period, support focused on prevention and health promotion, improving the quality of services by healthcare institutions and increasing access to primary and specialised healthcare. Projects were geographically targeted on small towns and rural areas, where the availability of medical services is limited. Around 5 000 medical staff received training and treatment capacity increased by over 110 000 patients a year.

Special focus is now given to child healthcare, healthcare for the ageing society and preventing lifestyle-related diseases.

JUSTICE AND HOME AFFAIRS

Poland has the longest external border of any Schengen state, making police cooperation and tackling cross-border crime important. In the previous funding period, Poland benefited from considerable funding to strengthen this sector. The Norwegian police were partners in several projects. To fulfil Schengen requirements, security at 70 border crossings was improved – the largest of these being Terespol on the border with Belarus.

Improving capacity to combat cross-border and organised crime, including trafficking, remains a priority. Support has been increased for judicial capacity building, including efforts to improve access to justice for vulnerable persons, such as victims of crime and minors. There is also funding to combat domestic and gender-based violence, increase the use of alternatives to prison and improve training for both inmates and prison staff.

Programme	Partner(s)	Grant (€ million)
Biodiversity and ecosystem services		20.0
Environmental monitoring and integrated planning and control	Norwegian Climate and Pollution Agency	15.0
Energy efficiency and renewable energy		75.0
Carbon capture and storage	Gassnova	137.0
NGO Fund		37.0
Local and regional initiatives		9.5
Public health initiatives	Norwegian Directorate of Health	70.0
Cultural and natural heritage		60.0
Diversity in culture and arts	Arts Council Norway	10.0
Scholarships	Icelandic Centre for Research / National Agency for Educational Affairs of Liechtenstein / Norwegian Centre for International Cooperation in Education	10.0
Research cooperation	Research Council of Norway	36.8
Decent work and tripartite dialogue	Innovation Norway*	3.1
Domestic and gender-based violence		3.0
Schengen and cross-border crime		10.0
Judicial capacity-building	Norwegian National Courts Administration	14.0
Correctional services	Norwegian Correctional Services	13.0

*Programme Operator

PORTUGAL

Portugal has received funding since the EEA Agreement entered into force in 1994. For the period of 2009-2014, Portugal has been allocated €58 million; up from €31.3 million over the previous five-year period.

KEY AREAS OF SUPPORT

- › Reducing vulnerability to climate change
- › Improving the management and protection of marine natural resources
- › Increasing the use and development of renewable energy
- › Improving public health and reducing health inequalities
- › Strengthening civil society

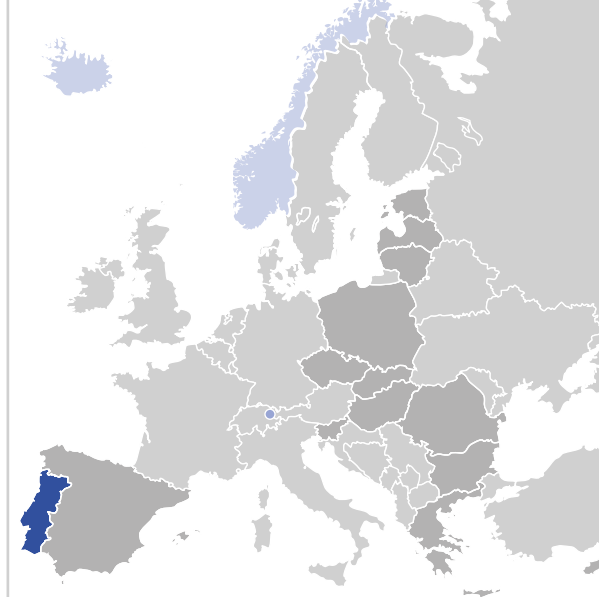
BILATERAL COOPERATION

Both Iceland and the Portuguese archipelago of the Azores are located in the Mid-Atlantic rift, where the potential for extracting geothermal energy is considerable. The Icelandic National Energy Authority is teaming up with Electricity of Azores in order to reap mutual benefits from each organisation's respective experience,

Efforts to improve public health and reduce health inequalities are being carried out in cooperation with the Norwegian Institute of Public Health, which is acting as an adviser during the development of the health programmes.

The Norwegian Directorate for Civil Protection and Emergency Planning is cooperating with Portuguese authorities to integrate climate change adaptation into decision-making on marine and coastal water management. Under the EEA Grants, The Arts Council Norway is joining up with Portuguese entities on the cultural diversity programmes.

At a national level, funding is available through the bilateral funds to support networking and foster project partnerships.

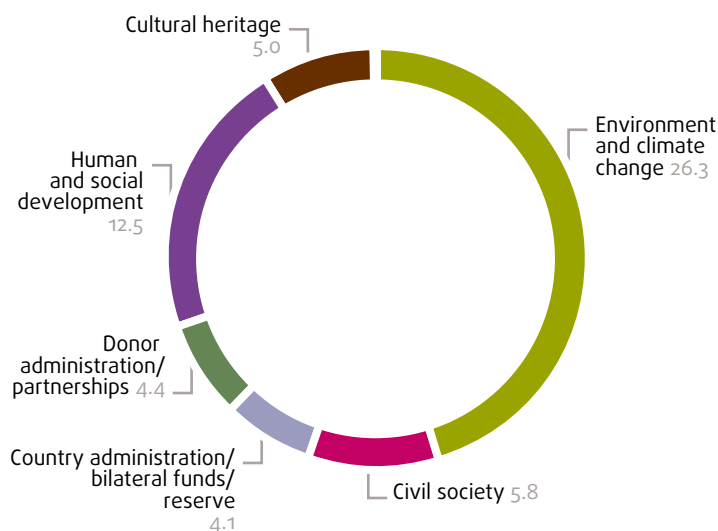


EEA GRANTS €58 M

	Portugal	EU-27
GDP per capita in PPS (EU=100)	77	100
Economic growth (% change on previous year)	-1.6	1.5
Unemployment rate	12.9	9.7
Youth unemployment	30.1	21.4
Public debt (% of GDP)	107.8	82.5
Human development index	24 (EU-27 ranking)	
Corruption perception index	19 (EU-27 ranking)	
Inequality of income distribution*	5.6	5

Sources: Eurostat, UNDP, Transparency International
All data is from 2011 except where * indicates 2010

DISTRIBUTION OF FUNDING (€ MILLION)



IN FOCUS

INCREASING THE UPTAKE OF RENEWABLE ENERGY

Mitigating climate change and improving resource efficiency are top priorities for all EEA countries. Similarly, all EU countries have committed to increasing the share of renewables in energy consumption to 20% by 2020.

Geothermal (energy generated and stored in the earth) has long been an important source of energy in the Azores archipelago. Funding to Portugal is helping to increase geothermal energy extraction. Harnessing natural resources to produce clean, safe energy will not only bring benefits to the environment, but also to the economy by making the Azores less reliant on the import of fossil fuels.

REDUCING HEALTH INEQUALITIES

Health inequalities related to unequal levels of income and standards of living is a challenge in many countries, Portugal being no exception. Funding to Portugal is contributing to the reduction of health inequalities and to

improving public health statistics. This includes securing equal access to healthcare, improving healthcare infrastructure and developing health policies.

In addition, funding to Portugal's healthcare sector is directly benefiting communities at a regional and local level; community action research is funded through the EEA Grants.

IMPROVING MARINE AND COASTAL MANAGEMENT

Iceland, Norway and Portugal are all coastal countries dependent on good management of marine resources.

Building on past cooperation, the EEA Grants contribute to strengthening the management and monitoring of Portugal's marine resources. This includes a new geographic information system and equipping a vessel for monitoring coastal area.

The EEA Grants also support Portugal in reducing the country's vulnerability to climate change and marine and coastal areas.

Programme	Partner(s)	Grant (€ million)
Integrated marine and inland water management		19.3
Renewable energy	Icelandic National Energy Authority	4.0
Adaptation to climate change	Norwegian Directorate for Civil Protection and Emergency Planning	3.0
Public health initiatives	Norwegian Institute of Public Health	10.0
NGO Fund		5.8
Gender equality and work-life balance		2.5
Cultural and natural heritage		4.0
Diversity in culture and arts	Arts Council Norway	1.0



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Much of the funding in Portugal is aimed at securing good environmental status in coastal and marine areas.

ROMANIA

Romania has received funding since entering the EU and EEA in 2007. For the period of 2009-2014, Romania has been allocated €306 million; up from €98.5 million in period covering 2007-2009.

KEY AREAS OF SUPPORT

- › Supporting judicial reform, tackling cross-border and organised crime
- › Increasing competitiveness of green enterprises, boosting green innovation and entrepreneurship
- › Promoting empowerment and social inclusion of the Roma
- › Strengthening civil society to promote social justice, democracy and sustainable development

BILATERAL COOPERATION

In Romania, public bodies from Iceland, Liechtenstein or Norway participate in 16 programmes, while the Council of Europe is involved in three programmes. From Norway, Gassnova is on board in the work on carbon capture and storage, with the Norwegian Directorate for Nature Management taking part in the biodiversity and ecosystems programme. Innovation Norway is the operator of the programmes on decent work and tripartite dialogue, green industry innovation and the maritime sector. The Norwegian Court Administration, Correctional Services and Police Directorate are involved as partners in the justice and home affairs programmes.

Iceland, Liechtenstein and Norway are involved as partners on scholarships, with Iceland and Norway also involved in the research programme. In the renewable energy programme, the National Energy Authority of Iceland is providing expertise on geo-thermal energy. The Council of Europe (CoE) is a partner in programmes targeting children and youth at risk, combating gender-based violence and judicial capacity building.

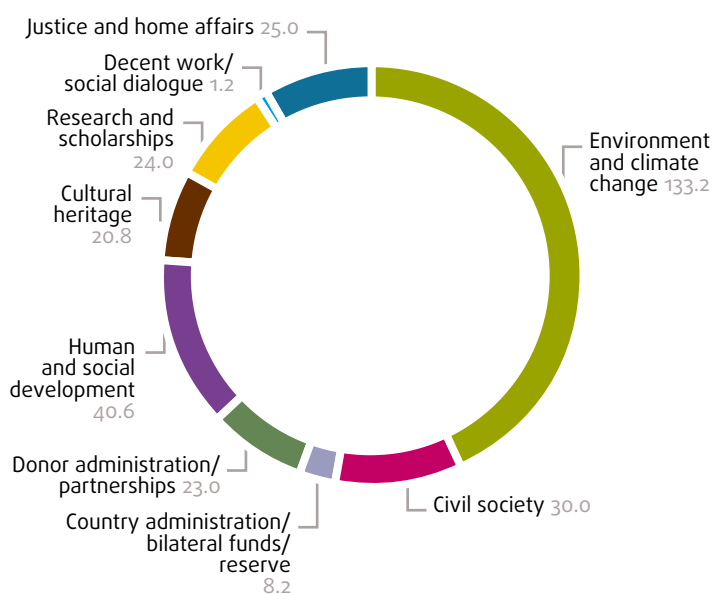
At a national level, funding is available through the bilateral funds to support networking and foster project partnerships.



	EEA GRANTS NORWAY GRANTS	€190,8 M €115,2 M	TOTAL FUNDING €306 M
	Romania	EU-27	
GDP per capita in PPS (EU=100)	49	100	
Economic growth (% change on previous year)	2.5	1.5	
Unemployment rate	7.4	9.7	
Youth unemployment	23.7	21.4	
Public debt (% of GDP)	33.3	82.5	
Human development index	26 (EU-27 ranking)		
Corruption perception index	25 (EU-27 ranking)		
Inequality of income distribution*	6	5	

Sources: Eurostat, UNDP, Transparency International
All data is from 2011 except where * indicates 2010

DISTRIBUTION OF FUNDING (€ MILLION)



IN FOCUS

IMPROVING THE SITUATION OF THE ROMA

Improving the situation for Romania's large Roma population is a priority for the Grants. Socially and economically, the Roma are the country's most disadvantaged minority; they frequently face discrimination and exclusion.

Compared to the average European, the Roma population is disadvantaged in terms of access to housing and essential services. This in turn affects Roma health and prospects for broader integration. The Grants support projects to reduce discrimination and improve integration of Roma. Efforts are focused on children and youth at risk. Initiatives will address social inequalities and strengthen pre-school day care and education. In addition, at least 10% of funding to other relevant programmes is set aside for improving the situation of the Roma.

SUPPORTING JUDICIAL REFORM AND TACKLING ORGANISED CRIME

The Norway Grants support the on-going judicial reforms in Romania. This includes improving prison conditions to meet international standards as well as more effective rehabilitation for criminals. In an effort to reduce reoffending, drug rehabilitation, education and vocational skills programmes will be developed.

South East Europe has seen an expansion of organised crime in recent years. Romania is one of the source, transit and destination countries for human trafficking. The Grants are backing efforts to combat and prevent organised crime and human trafficking.

PROTECTING BIODIVERSITY

Romania has a varied natural landscape, rich in ecosystems and species. Approximately 20% of its territory is protected under Natura 2000, the EU-wide network of nature conservation areas. However, in Romania and across Europe, the speed and scale of the loss of biodiversity underlines that urgent action is needed. Through the Grants, Romania will increase capacity to better protect and manage the country's conservation sites.

'GREENING' THE MARITIME SECTOR

All sources of greenhouse gas emissions need to be addressed to tackle climate change effectively. The European Commission estimates that emissions from ships will increase by 150-200% by 2050 if no action is taken. Romania will implement an ambitious programme focused on the maritime sector, the core aim being to reduce emissions of greenhouse gasses and air pollutants. In addition, the Norway Grants will support measures to increase energy efficiency and introduce new eco-friendly technologies to the maritime industry.

Programme	Partner(s)	Grant (€ million)
Biodiversity and ecosystem services	Norwegian Directorate of Nature Management	15.0
Environmental monitoring and planning		8.2
Reduction of hazardous substances	Norwegian Climate and Pollution Agency	10.0
Energy efficiency		8.0
Renewable energy	National Energy Authority of Iceland Norwegian Water Resources and Energy Directorate	8.0
Adaptation to climate change		5.0
Maritime sector	Innovation Norway*	15.0
Carbon capture and storage (CCS)	Gassnova	40.0
Green industry innovation	Innovation Norway*	24.0
NGO Fund		30.0
Children and youth at risk	Council of Europe	22.0
Gender equality and work-life balance		4.5
Cultural and natural heritage	Norwegian Directorate for Cultural Heritage	14.0
Diversity in culture and arts	Arts Council Norway	6.8
Research cooperation	Research Council of Norway / Icelandic Centre for Research	20.0
Scholarships	Icelandic Centre for Research / National Agency for Educational Affairs of Liechtenstein / Norwegian Centre for International Cooperation in Education	4.0
Decent work and tripartite dialogue	Innovation Norway*	1.2
Capacity building and institutional cooperation	Norwegian Radiation Authority	6.0
Public health initiatives		8.1
Domestic and gender-based violence	Council of Europe / Norwegian Police Directorate	4.0
Schengen and cross-border crime	Norwegian Police Directorate	5.0
Judicial capacity building	Council of Europe / Norwegian Courts Administration	8.0
Correctional services	Norwegian Correctional Services	8.0

*Programme operator

SLOVAKIA

Slovakia has received funding since entering the EU and EEA in 2004. For the period 2009-2014, Slovakia has been allocated €80.8 million; up from €70.3 million over the previous five-year period.

KEY AREAS OF SUPPORT

- › Increasing competitiveness of green enterprises and green job creation
- › Preventing and tackling domestic violence
- › Improving flood resilience and raising public awareness of flood prevention
- › Strengthening cross-border cooperation with Ukraine
- › Promoting social inclusion of Roma

BILATERAL COOPERATION

Six Norwegian public entities are partners in programmes on climate change, green industry innovation, cross-border cooperation, domestic and gender-based violence and scholarships. Iceland and Liechtenstein are involved in the scholarship programme.

The Norwegian Directorate for Civil Protection and Emergency Planning and the Norwegian Water Resources and Energy Directorate are taking part in the climate change programme. Innovation Norway is involved in the green industry innovation programme and also acts as the operator for the programme on decent work and tripartite dialogue. The Norwegian Directorate for Health and the Council of Europe are both involved in the programme tackling gender-based violence. The Council of Europe is also on board in the programme supporting local and regional initiatives, with specific focus on the needs of Roma. The Norwegian Barents Secretariat is participating in the cross-border cooperation initiatives.

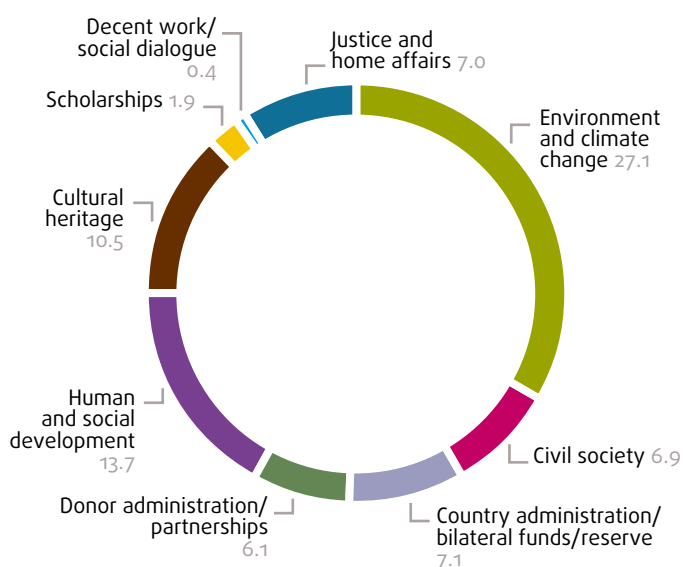
At national level, funding is available through the bilateral fund to support networking and foster project partnerships.



EEA GRANTS:	€38.4 M	TOTAL FUNDING
NORWAY GRANTS:	€42.4 M	€80.8 M
	Slovakia	EU-27
GDP per capita in PPS	73	100
Economic growth (% change on previous year)	3.3	1.5
Unemployment rate (%)	13.5	9.7
Youth unemployment (%)	33.2	21.4
Public debt (% of GDP)	43.3	82.5
Human development index	19 (EU-27 ranking)	
Corruption perception index	23 (EU-27 ranking)	
Inequality of income distribution*	3.8	5.0

Sources: Eurostat, UNDP, Transparency International
All data is from 2011 except where * indicates 2010

DISTRIBUTION OF FUNDING (€ MILLION)



Paintings by children at a crisis centre in Bratislava which was established with support from the Grants.

IN FOCUS

TACKLING GENDER-BASED VIOLENCE

An estimated one-fifth to one-quarter of all women in Europe have experienced violence at least once during their adult lives; it cuts across all backgrounds and groups in society yet, it is still largely invisible. Slovakia is no exception. Addressing gender-based violence is vital for improving gender equality and empowering women.

The Norway Grants are providing considerable support to tackle domestic and gender-based violence. Funds will be used to increase the number and capacity of crisis centres, women's shelters and counselling centres. Funding will be used to establish specialised services and improve coordination within the existing social services network.

IMPROVING FLOOD PREVENTION

Slovakia was severely affected by the devastating floods that hit Central Europe in the summer of 2010. The floods (said to be the worst in a century) destroyed crops, damaged buildings, bridges and railway lines and left some residents homeless.

Building on positive results from earlier projects, the EEA Grants continue to prioritise flood prevention. Funding is targeted on restoring forest ecosystems and increasing soil erosion protection. This is in line with Slovakian national strategy to develop effective and environmentally sustainable anti-flooding mechanisms. In addition, efforts are focused on improving public awareness of flood prevention to help people be better prepared.

CROSS-BORDER COOPERATION

Border regions face many shared challenges, from trans-boundary river pollution to public health issues and organised crime. Building on previous efforts, strengthening cooperation between Slovakia and Ukraine is a funding priority.

Through joint implementation, projects supported will increase capacity to facilitate more efficient border crossings and create stronger links between civil society and authorities in the border regions.

Programmes	Partner (s)	Grant (€ million)
Adaptation to climate change	Norwegian Directorate for Civil Protection and Emergency Planning / Norwegian Water Resources and Energy Directorate	12.5
Green industry innovation	Innovation Norway	14.6
NGO Fund		6.9
Local and regional initiatives	Council of Europe	1.0
Cross-border cooperation	Barents Secretariat	12.7
Cultural and natural heritage		10.5
Scholarships	Icelandic Centre for Research / National Agency for Educational Affairs of Liechtenstein / Norwegian Centre for International Cooperation in Education	1.9
Decent work and tripartite dialogue	Innovation Norway*	0.4
Domestic and gender-based violence	Norwegian Directorate for Health Council of Europe	7.0

*Programme operator

SLOVENIA

Slovenia has received funding since entering the EU and EEA in 2004. For the period 2009-14, Slovenia has been allocated €26.9 million; up from €18.6 million over the previous five-year period.

KEY AREAS OF SUPPORT

- › Reducing health inequalities and lifestyle-related diseases
- › Improving mental health services
- › Protecting biodiversity and improving environmental monitoring and control
- › Increasing educational mobility between Slovenia and Iceland, Liechtenstein and Norway
- › Promoting gender equality

BILATERAL COOPERATION

Bilateral cooperation is working in Slovenia on many fronts. Building on ties established previously when the Slovenian and Norwegian Mapping Authorities worked together to develop modern landscape information systems, the two organisations are joining forces once again to work on environmental monitoring; the present focus is on improving water planning and management to reduce flood risk. This successful partnership has been extended to include the National Land Survey of Iceland.

The Norwegian Institute of Public Health is playing an active role lending its expertise during the implementation of the health programme. The Icelandic Centre for Research, the National Agency for International Education Affairs of Liechtenstein, and the Norwegian Centre for International Cooperation in Higher Education are all taking part in the scholarship programmes.

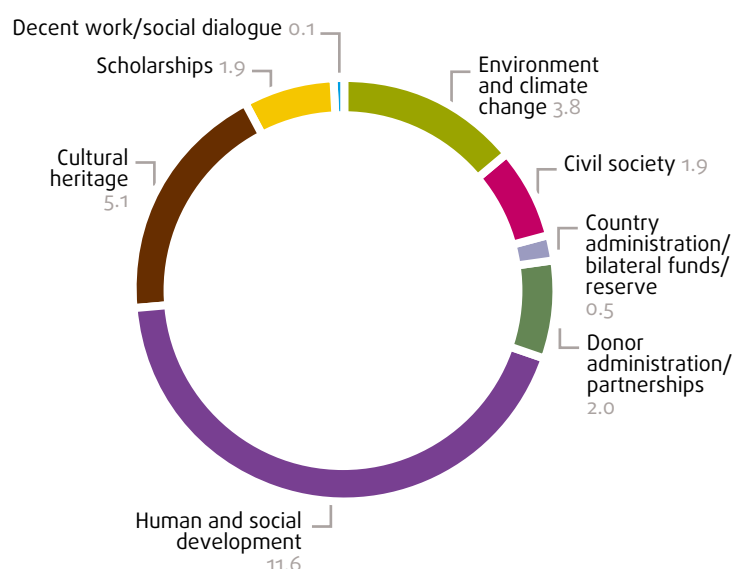
At national level, funding is available through the bilateral fund to support networking and foster project partnerships.



	EEA GRANTS	NORWAY GRANTS	TOTAL FUNDING	
	€12.5 M	€14.4 M	€26.9 M	
	Slovenia	EU-27		
GDP per capita in PPS (EU=100)	84	100		
Economic growth (% change on previous year)	-0.2	1,5		
Unemployment rate	8.2	9.7		
Youth unemployment	15.7	21.4		
Public debt (% of GDP)	47.6	82.5		
Human development index	8 (EU-27 ranking)			
Corruption perception index	15 (EU-27 ranking)			
Inequality of income distribution*	3.4	5		

Sources: Eurostat, UNDP, Transparency International
All data is from 2011 except where * indicates 2010

DISTRIBUTION OF FUNDING (€ MILLION)



IN FOCUS

REDUCING HEALTH INEQUALITIES

Life expectancy and other selected health indicators show that the overall health of the Slovenian population has improved significantly over recent decades. However, this masks considerable inequalities between divergent socio-economic groups. Chronic diseases often linked to lifestyle, such as cardiovascular illnesses and diabetes, are widespread among adults.

The Norway Grants will facilitate new approaches to tackling health inequalities. Funds will help promote preventive healthcare services for disadvantaged groups, in particular high-risk infants and youth. In addition, funds will help facilitate the delivery of, best-practice training for Slovenian healthcare professionals.

HALTING BIODIVERSITY LOSS

Nestled between the mountains and the sea, Slovenia has an extremely rich biological and landscape diversity. Over 35% of its territory is protected under Natura 2000 – the EU-wide network of nature conservation areas. The national biodiversity conservation strategy sets out to ensure the conservation of animal and plant species and habitats and other valuable natural features. It links to EU targets to halt biodiversity loss and degradation of ecosystem services by 2020.

The EEA Grants support the protection of ecosystems and improvement of the conservation status of Natura 2000 sites. The funding will improve capacity to manage grasslands, wetlands and endangered forest areas with better data monitoring and mapping.

Programme	Partner(s)	Grant (€ million)
Biodiversity and ecosystem services		2.0
Environmental monitoring and integrated planning and control	Norwegian Mapping Authority, National Land Survey of Iceland	1.8
Cultural and natural heritage		5.1
NGO Fund		1.9
Public health initiatives	Norwegian Institute of Public Health	10.2
Gender equality and work-life balance		1.4
Scholarships	Norwegian Centre for International Cooperation in Higher Education, Icelandic Centre for Research, National Agency for International Affairs of Liechtenstein	1.9
Decent work and tripartite dialogue	Innovation Norway*	0.1

*Programme Operator



© Rakitna Youth Centre

The Rakitna Youth Centre in Presejje now offers equine assisted psychotherapy for children and teenagers in need.

SPAIN

Spain has received funding since the EEA Agreement came into force in 1994. For the period 2009-2014, Spain has been allocated €45.9 million; equal to the previous five-year period.

KEY AREAS OF SUPPORT

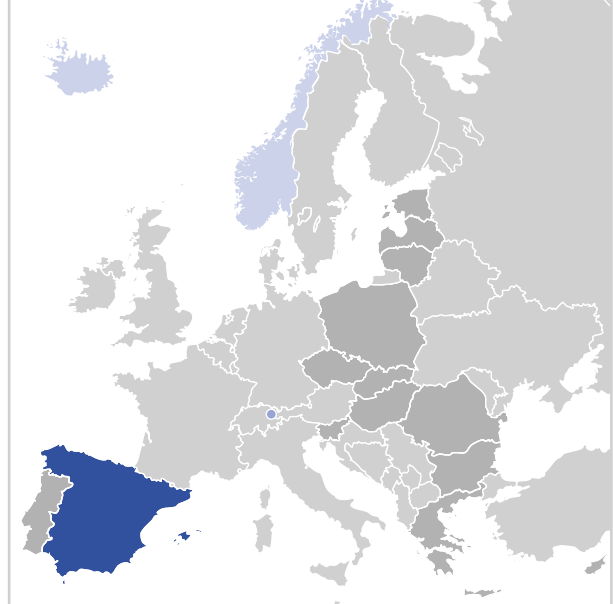
- › Increasing environmental research and development of eco-friendly technologies
- › Promoting gender equality and work-life balance
- › Promoting educational mobility
- › Enhancing cooperation between research bodies in Spain, Iceland, Liechtenstein and Norway

BILATERAL COOPERATION

Norwegian public bodies are involved as partners in over half of the programmes in Spain. Innovation Norway is playing an important role in the environment and climate change programme. The Equality and Anti-Discrimination Ombud will use its network in Norway to strengthen cooperation and share experience in the gender equality field.

The scholarship programme focuses on student and researcher exchange opportunities between Iceland, Liechtenstein and Norway, as well as cooperation between research groups and institutions in Spain and the donor countries. The Norwegian Embassy to Spain is involved in promoting cultural dialogue and exchange.

At a national level, funding is also available through the bilateral funds to support networking and foster project partnerships.

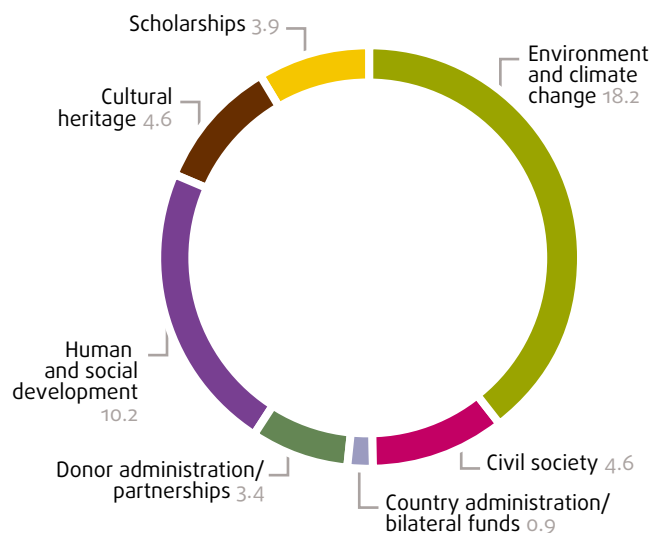


EEA GRANTS €45.9 M

	Spain	EU-27
GDP per capita in PPS (EU=100)	99	100
Economic growth (% change on previous year)	0.7	1.5
Unemployment rate	21.7	9.7
Youth unemployment	46.4	21.4
Public debt (% of GDP)	68.5	82.5
Human development index	11 (EU-27 ranking)	
Corruption perception index	14 (EU-27 ranking)	
Inequality of income distribution*	6.9	5

Sources: Eurostat, UNDP, Transparency International
All data is from 2011 except where * indicates 2010

DISTRIBUTION OF FUNDING (€ MILLION)



IN FOCUS

RESPONDING TO ENVIRONMENTAL NEEDS OF TOMORROW

The Grants aim to increase the development and use of eco-friendly technologies in Spain. To reach that goal, the Grants support environmental research, the increased use of environment-related technologies and measures to combat climate change. The hydroelectric, solar, wind and marine sectors are all in focus.

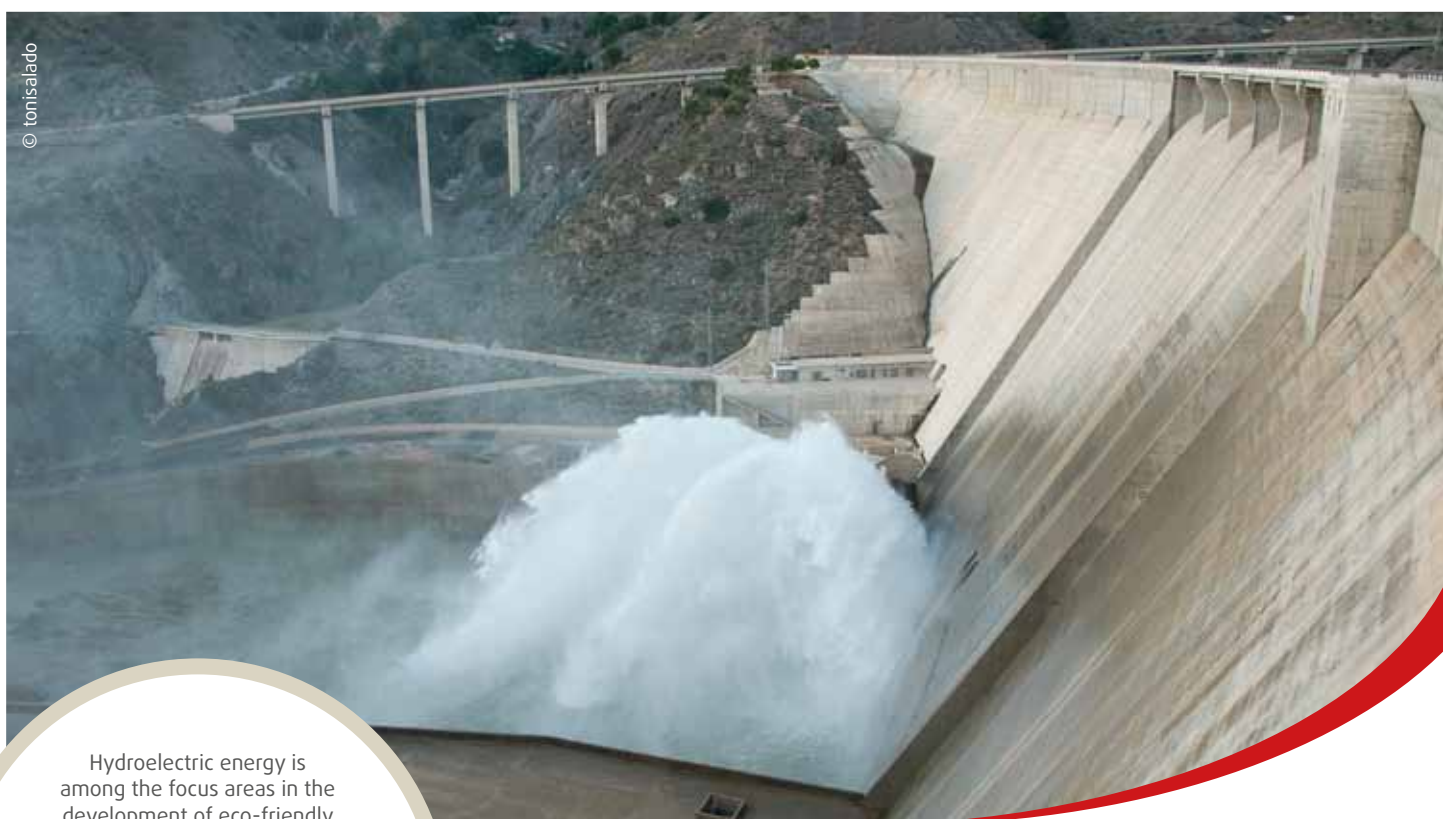
An important step in addressing the environmental needs of tomorrow is the promotion of cooperation and knowledge exchange between small and medium-sized enterprises in Spain and the donor countries. The Grants will help facilitate such vital cooperation.

GENDER EQUALITY IN PROGRESS

Spain has made significant strides towards ensuring equal opportunities and closing the pay gap between men and women. The Grants have supported successful gender equality efforts in Spain in the past. However, continued effort is necessary to ensure further progress and to sustain advances already achieved within gender equality and work-life balance.

An important priority of the Grants in Spain is to promote gender equality in the labour market. This will be achieved through exchange of policies and best practices around female entrepreneurship, gender balance on company boards and improvement of work-life balance. The inclusion of migrant and Roma women is given attention here.

Programme	Partner(s)	Grant (€ million)
Environmental and climate change-related research and technology	Innovation Norway	18.2
NGO Fund		4.6
Gender equality and work-life balance	Norwegian Equality and Anti-Discrimination Ombud	10.2
Cultural and natural heritage		4.1
Diversity in culture and arts	Norwegian Embassy	0.5
Scholarships	Icelandic Centre for Research, National Agency for International Education Affairs of Liechtenstein, Norwegian Centre for International Cooperation in Education	3.9



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Hydroelectric energy is among the focus areas in the development of eco-friendly technologies in Spain.

ADMINISTRATION and MANAGEMENT

CLOSING THE GRANTS 2004-2009

By the end of 2011, disbursement of funds exceeded 80% of commitments. Nearly half of the projects were formally closed with results exceeding targets in many areas.

COMPLETION OF PROJECTS

By the end of 2011, half of the 1 248 projects under the funding period 2004-2009 had been closed. By the end of April 2012, this had extended to two thirds of the project portfolio.

Implementation of all projects should have been completed by end of April 2011; however, 110 projects were given an extension up to 30 April 2012 with formal closure to be made during 2012 and 2013. At the end of April 2012, 248 projects were yet to be formally closed.

When the funding period is closed in 2013, approximately 90% of the total funds will have been spent. The success of the projects is described in Part 1: results, learning and change.

EVALUATION, REVIEWS, MONITORING AND CONTROL

The EEA and Norway Grants operate a zero-tolerance policy towards corruption and mismanagement. Management is based on the principles of openness, transparency and accountability.

The donor and beneficiary countries share responsibility for carrying out reviews and evaluations, as well as the monitoring and control of projects. A summary of reviews and evaluations carried out in 2011 is included in Part 1.

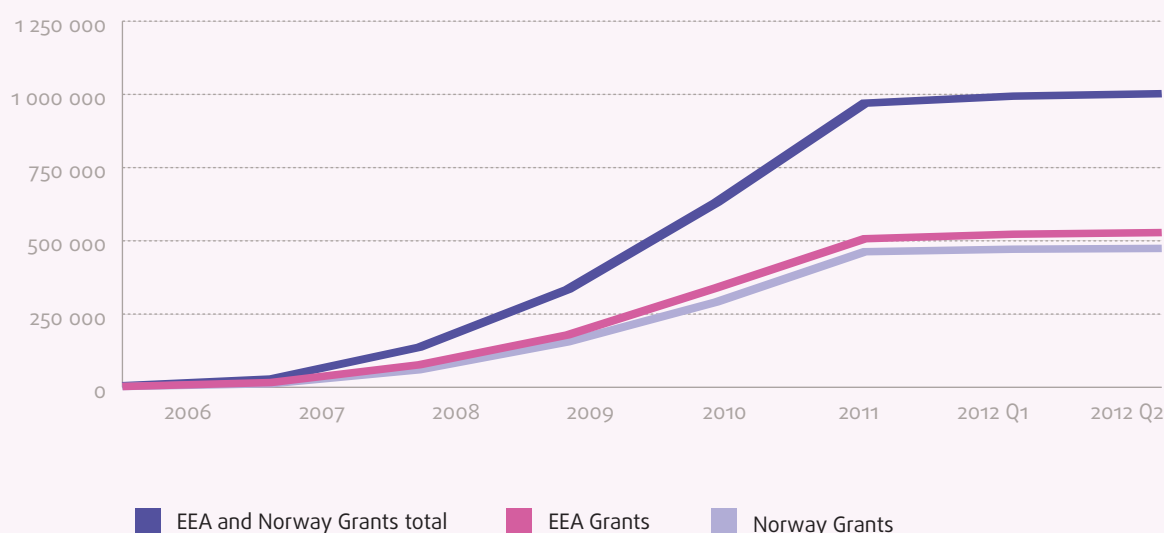
The secretariat of the Grants, the Financial Mechanism Office (FMO), commissioned independent on-site

TABLE 5.1: OVERALL STATUS OF PROJECTS

	As of 31 December 2011	As of 30 April 2012
Committed projects	1248	1208
Discontinued projects	38	40
Closed projects	605	850
Projects with extended implementation until 30 April 2012 and formal closure in 2012/13	110	110
Implemented projects not formally closed	493	248
Committed amount (€)	1 217 692 385	1 123 347 389
Total value of projects supported (€)	1 172 995 336	1 172 091 300*
Total disbursements (€)	1 019 673 785	1 024 551 982
Total disbursements in % of committed funds	84%	91%

*This figure decreased by €904 036 EUR in 2012 as two additional projects were discontinued in 2012.

FIGURE 5.2: TOTAL DISBURSEMENTS EEA AND NORWAY GRANTS YEAR-ON-YEAR



monitoring of 408 projects, or approximately one third of the projects funded under the 2004-2009 period. In total, 103 monitoring reports were submitted in 2011 alone.

Criteria for on-site monitoring included:

- › 5% random selection
- › Grants larger than €2.5 million
- › Projects perceived to be at risk
- › Projects changed significantly after approval
- › Projects of special interest (e.g. demonstrating innovation)

In the early part of 2011, monitoring focused on projects at risk of non-completion. In the latter part of 2011, focus shifted to projects where significant results have been achieved or lessons learned which could provide input for programming in the funding period 2009-2014.

In 2011, a public access policy¹ was adopted and the FMO published an irregularities report in the same year, which is updated on a quarterly basis. The report explains the control mechanisms in place and provides an overview of irregularity cases and sanctions prompted. In the funding period 2004-2009 there were very few cases of fraud or mismanagement of project funds.

OPENING THE GRANTS 2009-2014

MANAGEMENT STRUCTURE

Public institutions in the donor and beneficiary countries share responsibility for managing the Grants.

The Financial Mechanism Committee (FMC) is the decision-making authority for the EEA Grants. The committee consists of representatives of the Ministries of Foreign Affairs of Iceland, Liechtenstein and Norway. The FMC draws up policy and guidelines, approves each programme allocation and ensures monitoring, control, and evaluation of the Grants. The Norwegian Ministry of Foreign Affairs is the decision-making authority for the Norway Grants.

A national Focal Point (FP) represents the beneficiary state in its relations with the FMC regarding the Grants. Most of the Focal Points are located within relevant ministries or public agencies which also manage other European funding schemes. The Focal Points have overall responsibility for reaching the

objectives of the Grants as well as management and control of programmes. The donor countries hold an annual meeting with each beneficiary country to review progress and results and make decisions regarding the implementation of programmes.

Programme operators, mostly public institutions in the beneficiary countries, are responsible for awarding funding to projects according to agreed criteria and monitoring their implementation.

The Financial Mechanism Office, which is affiliated to the European Free Trade Association (EFTA), administers the funds and acts as the secretariat for the Grants. The FMO reports to the Foreign Ministries of Iceland, Liechtenstein and Norway. The secretariat also serves as a contact point for the beneficiary countries.

An overview of the organisation and staff is available on www.eeagrants.org. As of 31 December 2011, the FMO employed 48 fixed-term staff and five trainees of 14 different nationalities, of which 20 are men and 33 are women.

The Norwegian embassies in the beneficiary countries take part in the dialogue between the donor and beneficiary countries. Embassies have an important role in communicating results of the Grants but do not administer funds.

CONCLUDING AGREEMENTS

The size and distribution of the EEA and Norway Grants to the fifteen beneficiary countries is agreed between the three EFTA states and the EU through five-year agreements. The last agreement was signed in 2010.

The allocation of funds to programmes in each country is negotiated between the donor states and the respective beneficiary countries² and is reflected in Memoranda of Understanding (MoUs).

The first MoU was signed with Slovakia in 2010. In 2011, MoUs were signed between the donor countries and 12 beneficiary countries. The two remaining MoUs were signed with Portugal and Romania in early 2012.

DEVELOPING PROGRAMMES

A programme operator (PO) or a fund operator (FO) develops and manages each programme, often in cooperation with a donor programme partner (DPP).

1. The irregularities report and public access policy can be found under Documents/tools on the EEA and Norway Grants website (<http://www.eeagrants.org/id/2395.0>)

2. 15 MoUs have been signed on the EEA Grants and 12 on the Norway Grants. Greece, Portugal and Spain only benefit from the EEA Grants.

ADMINISTRATION and MANAGEMENT

The donor programme partners are public bodies in the donor countries with national mandates within their respective fields. Likewise, the programme operator is normally a public body in the beneficiary countries. In exceptional cases, the operator function is vested in an organisation outside the respective country.³

More than half of the programmes involve cooperation with donor programme partners. These public bodies play a strategic role in programme planning and implementation, as well as in facilitating project partnerships.

Each programme is approved by the donor countries after appraisal of the programme proposal. The programmes are also subject to screening by the European Commission. This is to ensure that each programme is in line with EU objectives. In total, 144 programmes are expected under the funding period 2009-2014.

Following calls for project proposals, each programme will fund a portfolio of projects that contribute to defined objectives. These calls are published on the website of the responsible operator and on www.eeagrants.org.

The first calls for the funding period 2009-2014 were published in October 2011 under the Global Fund for Decent Work and Tripartite Dialogue. An additional programme was launched in 2011, namely the Institutional Framework in the Asylum and Migration Sector in Greece.

Approved programmes have until 2016 to finalise implementation.

ADMINISTRATIVE COSTS

Upper limits for donor management costs vary from 4% to 7.5%. In the funding period 2004-2009, these were 4% for the EEA Grants and 5% for the Norway Grants.

In the funding period 2009-2014, the upper limit has increased to 7.5%, given the inclusion of expenses to donor programme partners, as well as appraisal and monitoring costs previously taken from the net allocations to the beneficiary countries.

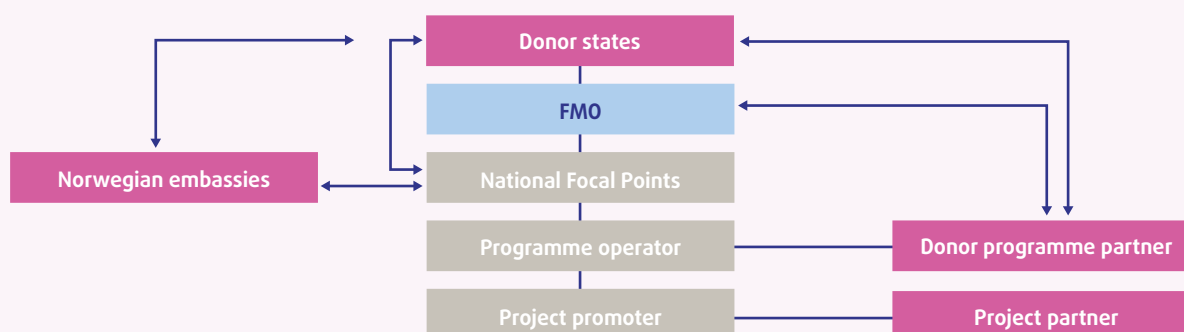
Management costs for national Focal Points are allocated through funds for technical assistance.

TABLE 5.3: ADMINISTRATIVE COSTS IN 2011

2011	EEA Grants	Norway Grants	Total
Donor states management costs			
2004-09	€2 485 824	€2 070 244	€4 556 068
2009-14	€2 904 604	€2 360 938	€5 265 542*
Total	€5 390 428	€4 431 182	€9 821 610
Beneficiary states (technical assistance)			
2004-09	€1 958 408	€1 340 446	€3 298 854
2009-14	€0	€0	€0
Total national Focal Points costs	€1 958 408	€1 340 446	€3 298 854
Total administrative costs	€7 348 836	€5 771 628	€13 120 464

*In 2011, expenses to donor programme partners were approximately €1.5 million (included in these costs).

FIGURE 5.4: ORGANISATIONS INVOLVED IN MANAGEMENT OF THE GRANTS



3. Innovation Norway is the PO for several programmes in Bulgaria and Romania as well as for the Global Fund for Decent Work and Tripartite Dialogue in all countries. The FMO is the PO for NGO Funds in nine countries and for one of the asylum and migration programmes in Greece.

Photographs:

Most of the photographs in this year's report were taken in Estonia, Hungary and Poland by Christophe Vander Eecken

Design by **karakas**

