

English summary
of Fafo-rapport 2023:10

**EEA and Norway grants
2004–2021**
What has Norway achieved?

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The report is a knowledge review of Norwegian support through EEA and Norway grants since 2004. The scheme is anchored in Articles 115–117 of the EEA Agreement and constitutes the contributions from the EFTA countries of Liechtenstein, Iceland, and Norway with a view to reducing economic and social disparities in the European Economic Area (EEA). At the start of 2023, the 15 poorest EU countries qualified as recipients of EEA grants: Poland, Romania, Bulgaria, the Czech Republic, Slovakia, Slovenia, Croatia, Hungary, Estonia, Lithuania, Latvia, Portugal, Greece, Cyprus, and Malta. However, Hungary does not have its own programmes because it did not reach agreement with the donor countries on an independent fund operator for grants for the country’s civil society. In addition to the objective of disparity reduction, the scheme aims to strengthen bilateral relations between donor and recipient countries.

In the period 2004–2021, Norway’s contribution to the EEA and Norway grants amounted to approximately EUR 5.7 billion (NOK 60 billion). Norway contributes over 95 per cent of the grants. What has been achieved in the recipient countries? What has Norway gained from the scheme? The report is based on a document review supplemented with 25 interviews with 40 key personnel working with the grants.

The report starts with a brief introduction to the history and organisation of EEA and Norway grants, including a description of the three funding periods since 2004. The introduction explains the role of various actors, the overall structure of the grant scheme, the various programme areas and the course of project development. This forms the basis for a review of how the grants have been used and the results that have been achieved. Examples are given from different sectors, programme areas and recipient countries.

Economic inequality in Europe has been reduced since 2004, but it is impossible to directly attribute this to the EEA and Norway grants. This is because the grants are too modest compared to other sources of development assistance, such as EU Structural Funds, and there are also countless other conditions and factors that play a role in economic development.

Social and economic disparities in the EEA are being reduced across several dimensions. Narrowing the inequality gap can involve reducing economic differences within and between countries, regions and population groups, whilst simultaneously increasing access to education and social services (health, care, social assistance), good governance (rule of law, competence and capacity in

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public bureaucracy and service structures), increased participation and greater participative decision-making (civil society). The report shows that the EEA and Norway grants have had a positive impact across many of these dimensions. Examples include support for vulnerable and marginalised groups such as the Roma community, women exposed to violence, vulnerable children and young people, and people living in rural and remote areas. By strengthening social services and building capacity in local authorities and civil society, projects funded by the grants have had a directly positive effect on standards of living and people's rights. Some new welfare services have been established, while others have been reformed and improved.

Reducing disparities also requires opportunities for growth and development. By supporting efforts in areas that would otherwise not have received funding, the EEA and Norway grants have helped reduce the disparity in opportunities for recipient countries, regions, and local communities to build up competence and capacity to stimulate their own development. This particularly applies to projects in areas such as research, innovation and local development.

The allocation of EEA and Norway grants reflects the needs and priorities of the recipient and donor countries, while the socioeconomic and political reality in Europe and the EU serves as a guide for which thematic areas are emphasized. The allocation is therefore coordinated with the EU to ensure that it supports and complements the EU's development policy. The report refers to results and effects within five broad sectors: 1) innovation, research, education, and competitiveness; 2) social inclusion, youth employment, and poverty reduction; 3) environment, energy, climate change, and low carbon economy; 4) culture, civil society, good governance and fundamental rights and freedoms; and 5) justice and home affairs. These are further divided into 23 programmes. The scheme also includes a fund for youth employment and a fund for regional cooperation.

The efforts in all areas are extremely valuable, but the support for fundamental rights and good governance through strengthening the role of civil society in the recipient countries is particularly important. The support constitutes a unique contribution in the face of authoritarian currents and democratic decline in Europe. In several countries, EEA and Norway grants are the main or only source of financial support for civil society actors.

In addition to good results in the recipient countries, the EEA grants have shown positive effects in Norway. Examples include job creation, the acquisition of new knowledge and skills, access to and familiarity with the European business market, the establishment of collaborative relationships and the development of strategic and professional international networks, which individually and in combination have a major significance for Norwegian actors. Two examples of more indirect effects are reduced pollution in Norway as a result of support for

the green transition, and easier transfer of foreign convicted offenders because of upgraded prisons and better prison conditions in recipient countries.

The report also points out that the EEA and Norway grants are an important instrument in Norwegian foreign and European policy. The scheme's efforts to address social, economic, environmental and political challenges give Norway a presence and visibility in the recipient countries and access to arenas to discuss key issues bilaterally and with the EU, our leading international partner.

Although the purpose of the report was not to assess the management of the EEA and Norway grants, the review shows that the organisation of the grants is targeted and results-driven. The Financial Mechanism Office, the scheme's secretariat in Brussels, manages the grants according to a professional, rule-based and verifiable strategy based on frequent and comprehensive reporting of progress, finances and goal achievement. A number of final reports and evaluations are produced. Balancing administrative control in order to avoid malpractices and irregularities – of which there are few – with efficient project implementation, where the resources are mainly used for planned activities and goal achievement, can be a challenge. The report found that actors in both recipient and donor countries want the administrative burden to be revised and reduced.

In terms of impact assessment, the report also finds that there is room for improvement. The focus is on numerical indicators at project level. Narrative assessments are supposed to be conducted in which the results and effects of individual projects are linked to the bigger picture at programme and sector level, and where the efforts are discussed in the context of a broader national effort in various fields, but these are seldom carried out. Given that the goals in many of the EEA and Norway grants' programmes and projects are long term, it seems sensible to assess the results over a longer period of time than is currently the case. This may mean, for example, evaluating efforts over more than one grant period.

There can be little doubt that the EEA and Norway grants make a good contribution to development and reducing disparities in recipient countries and between EEA members. They also result in better bilateral relations between donor and recipient countries and to collective European efforts in the face of new challenges. Nevertheless, general awareness of the EEA and Norway grants seems to be limited. Information aimed at current and potential participating institutions has been prioritised. The report briefly describes how the grants are communicated in recipient and donor countries and finds that the communication efforts vis-à-vis the general public could be strengthened.

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