

MEMORANDUM OF UNDERSTANDING
ON THE IMPLEMENTATION OF THE EEA FINANCIAL MECHANISM
2009-2014


between

ICELAND,
THE PRINCIPALITY OF LIECHTENSTEIN,
THE KINGDOM OF NORWAY,
hereinafter referred to as the "Donor States"

and

THE SLOVAK REPUBLIC,
hereinafter referred to as the "Beneficiary State"

together hereinafter referred to as the "Parties",



WHEREAS Protocol 38b to the EEA Agreement establishes a financial mechanism (hereinafter referred to as the "EEA Financial Mechanism 2009-2014") through which the Donor States will contribute to the reduction of economic and social disparities in the European Economic Area;

WHEREAS the EEA Financial Mechanism 2009-2014 aims to strengthen relations between the Donor States and the Beneficiary State to the mutual benefit of their peoples;

WHEREAS the enhanced co-operation between the Donor States and the Beneficiary State will contribute to securing a stable, peaceful and prosperous Europe, based on good governance, democratic institutions, the rule of law, respect for human rights and sustainable development;

WHEREAS the Parties agree to establish a framework for cooperation in order to ensure the effective implementation of the EEA Financial Mechanism 2009-2014;



HAVE AGREED on the following:

Article 1 Objectives

1. The overall objectives of the EEA Financial Mechanism 2009-2014 are to contribute to the reduction of economic and social disparities in the European Economic Area and to the strengthening of bilateral relations between the Donor States and the Beneficiary States through financial contributions in the priority sectors listed in paragraph 2. Accordingly, the Parties to this Memorandum of Understanding shall endeavour to select for funding programmes that contribute to the achievement of these objectives.

2. The financial contributions shall be available in the following priority sectors:

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- (a) Environmental protection and management;
 - (b) Climate change and renewable energy;
 - (c) Civil society;
 - (d) Human and social development; and
 - (e) Protecting cultural heritage

Academic research may be eligible for funding in so far it is targeted at one or more of the priority sectors.

Article 2 Legal Framework

This Memorandum of Understanding shall be read in conjunction with the following documents which, together with this Memorandum of Understanding, constitute the legal framework of the EEA Financial Mechanism 2009-2014:

- (a) Protocol 38b to the EEA Agreement on the EEA Financial Mechanism 2009-2014;
- (b) the Regulation on the implementation of the EEA Financial Mechanism 2009-2014 (hereinafter referred to as the "Regulation") issued by the Donor States in accordance with Article 8.8 of Protocol 38b;
- (c) the programme agreements that will be concluded for each programme; and
- (d) any guidelines adopted by the Financial Mechanism Committee.

Article 3 Financial Framework

1. In accordance with Article 2 of Protocol 38b, the total amount of the financial contribution is € 988.5 million in annual tranches of € 197.7 million over the period running from 1 May 2009 to 30 April 2014, inclusive.
2. In accordance with Article 5 of Protocol 38b, a total of € 38,350,000 shall be made available to the Beneficiary State over the period referred to in Paragraph 1.
3. In accordance with Article 8.7 of Protocol 38b and Article 1.8 of the Regulation, the management costs of the Donor States shall be covered by the overall amount referred to above. Further provisions to this effect shall be set out in the Regulation. The net amount of the allocation to be made available to the Beneficiary State is € 35,282,000.

Article 4 Roles and responsibilities

1. The Donor States shall make funds available in support of eligible programmes proposed by the Beneficiary State and agreed on by the Financial Mechanism Committee within the priority sectors listed in Article 3.1 of Protocol 38b and the programme areas identified in Annex B of this Memorandum of Understanding. The Donor States and the Beneficiary State may consult on possible and specific programmes before a formal programme proposal is submitted to the Financial Mechanism Committee.
2. The Beneficiary State shall assure the full co-financing of programmes that benefit from support from the EEA Financial Mechanism 2009-2014 in accordance with Annex B and the programme agreements.
3. The Financial Mechanism Committee shall manage the EEA Financial Mechanism 2009-2014 and take decisions on the granting of financial assistance in accordance with the Regulation.
4. The Committee shall be assisted by the Financial Mechanism Office (hereinafter referred to as the "FMO"). The FMO shall be responsible for the day-to-day operations of the EEA Financial Mechanism 2009-2014 and shall serve as a contact point.

Article 5 Designation of authorities

The Beneficiary State has authorised a National Focal Point to act on its behalf. The National Focal Point shall have the overall responsibility for reaching the objectives of the EEA Financial Mechanism 2009-2014 as well as for the implementation of the EEA Financial Mechanism 2009-2014 in the Beneficiary State in accordance with the Regulation. The National Focal Point, the Certifying Authority, the Audit

Authority, and an appropriate national entity responsible for the preparation and submission of irregularities reports are designated in Annex A.

Article 6

Multi-annual Programming Framework

1. In accordance with Article 2.1 of the Regulation, the Parties have agreed on an implementation framework consisting of:

- (a) a list of agreed programme areas;
- (b) identification of specific concerns related to target groups, geographical areas or other issues;
- (c) initiatives to strengthening the bilateral relations between the Parties, including the identification of programme areas in which donor partnership programmes shall be prepared, the designation of donor programme partners, as well as the allocation of funds for such programmes;
- (d) the financial contribution from the EEA Financial Mechanism 2009-2014 by programme area and the corresponding co-financing by the Beneficiary State; and
- (e) in specific cases, the identification of pre-defined projects to be included in the relevant programmes.

2. The implementation framework is outlined in Annex B.

Article 7

Annual meetings

In accordance with Article 2.4 of the Regulation an annual meeting shall be held between the FMC and the National Focal Point. The annual meeting shall allow the FMC and the National Focal Point to examine progress achieved over the previous reporting period and agree on any necessary measures to be taken.

Article 8

Modification of the annexes

Annexes A and B may be subject to review at the annual meetings. Amendments to these annexes agreed upon at the annual meetings do not require a formal change to this Memorandum of Understanding. Such amendments shall be confirmed through an exchange of letters between the FMC and the National Focal Point.

Article 9

Control and Access to Information

The Financial Mechanism Committee, the EFTA Board of Auditors and their representatives have the right to carry out any technical or financial mission or review they consider necessary to follow the planning, implementation and monitoring of programmes and projects as well as the use of funds. The Beneficiary State shall provide all necessary assistance, information and documentation.

Article 10
Governing Principles

1. The implementation of this Memorandum of Understanding shall in all aspects be governed by the Regulation and subsequent amendments thereof.
2. The objectives of the EEA Financial Mechanism 2009-2014 shall be pursued in the framework of close co-operation between the Donor States and the Beneficiary State. The Parties agree to apply the highest degree of transparency, accountability and cost efficiency as well as the principles of good governance, sustainable development, gender equality and equal opportunities in all implementation phases of the EEA Financial Mechanism 2009-2014.
3. The Beneficiary State shall take proactive steps in order to ensure adherence to these principles at all levels involved in the implementation of the EEA Financial Mechanism 2009-2014.

Article 11
Changes to this Memorandum of Understanding and its Annexes pending the completion of the Regulation

1. With disregard to Article 8 of this Memorandum of Understanding the Annexes to this Memorandum of Understanding shall be re-drafted and completed when the final version of the Regulation referred to in Article 2 (b) of this Memorandum of Understanding has been adopted. These amendments may be done without a review at the Annual Meeting. The agreement between the Parties on the completed Annexes to this Memorandum of Understanding shall be confirmed through an exchange of letters between the Parties.
2. The Preamble and any Article of this Memorandum of Understanding may, after the Donors have adopted the final version of the Regulation, be amended once through an exchange of letters between the Parties, to secure conformity with the final, adopted Regulation.

Article 12
Parliamentary approval

This Memorandum of Understanding is signed conditional to Parliamentary approval of the EEA Financial Mechanisms 2009-2014 by the Donor States.

Article 13
Entry into Force

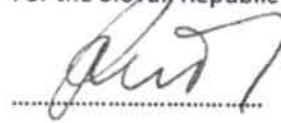
This Memorandum of Understanding shall enter into force on the day after the date of its last signature.

This Memorandum of Understanding is signed in four originals in the English Language.

Signed in Brussels on 15.11.2010
For Iceland



Signed in Bratislava on 26.10.2010
For the Slovak Republic



Signed in Brussels on 15.11.2010
For the Principality of Liechtenstein



Signed in Bratislava on 26.10.2010
For the Kingdom of Norway



Draft national management and control structures

[1. National Focal Point

The Department of Management and Implementation of the EEA Financial Mechanism and the Norwegian Financial Mechanism in the Government Office of the Slovak Republic shall fulfil the tasks of the National Focal Point.

The Government Office of the Slovak Republic is a central state administration body and an institution fully funded from the State Budget.]

[2. Certifying Authority

The Ministry of Finance of the Slovak Republic shall fulfil the tasks of the Certifying Authority.

Within the Ministry these tasks are fulfilled by the Section of European and International Affairs reporting directly to State Secretary I.]

[3. Audit Authority

The Audit and Control Section at the Ministry of Finance of the Slovak Republic shall fulfil the tasks of the Audit Authority.

The Audit and Control Section is directly subordinated to the Minister of Finance. It is independent and functionally separate from the Certifying Authority, other administrative units of the Ministry of Finance of the Slovak Republic and other bodies involved in the implementation of the EEA Financial Mechanism 2009-2014.]

[4. National public entity responsible for the preparation and submission of irregularities reports.

The Government Office of the Slovak Republic shall fulfil the tasks of the national public entity responsible for the preparation and submission of irregularities reports.

The roles and responsibilities of the national public authority responsible for the preparation and submission of irregularities reports are stipulated in the Regulation, in particular in Article 11.3 thereof.]

[5. Functional independence

The National Focal Point, the Certifying Authority and the Audit Authority shall be functionally independent of each other.]

[6. Monitoring Committee

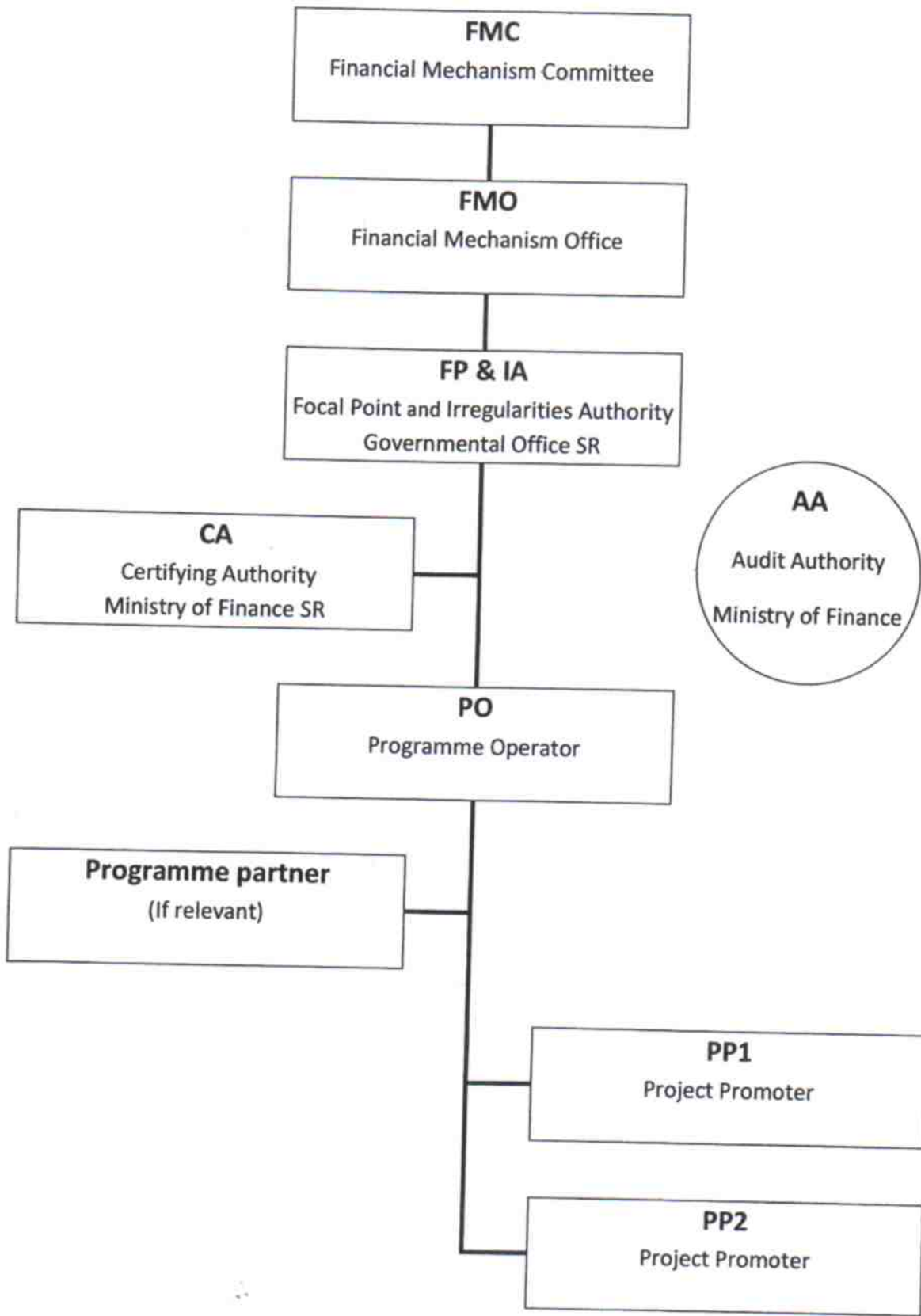
The Monitoring Committee shall be established with three months of the signing of the Memorandum of Understanding. Its role is stipulated in the Regulation, in particular Article 4.4 thereof.]

[7. Strategic Report

In accordance with Article 2.3 of the Regulation, the National Focal Point shall annually submit to the Financial Mechanism Committee a Strategic Report on the implementation of the EEA Financial Mechanism 2009-2014 in the Slovak Republic. The first Strategic Report shall be submitted within one year of the signing of this Memorandum of Understanding. The reporting periods for the subsequent Strategic Reports shall cover a period of one calendar year from the submission of the previous Report.]

[8. Organigramme

A simple organigramme describing the position of the main public authorities involved in the implementation of the EEA Financial Mechanism 2009-2014.



Implementation framework

The Parties to this Memorandum of Understanding have agreed on an implementation framework outlined in this annex.

Financial parameters of the implementation framework

Slovak Republic	Allocation	
	EEA FM	National co-financing ¹
Programme area		
Adaptation to Climate Change	€ 12,272,000	€ 2,165,647
Funds for Non-governmental Organisations	€ 6,903,000	€ 1,218,176
Conservation and Revitalisation of Cultural and Natural Heritage	€ 9,587,500	€ 1,691,912
Scholarships	€ 1,917,500	€ 338,382
Other allocations		
Technical assistance to the Beneficiary State	€ 575,250	
Reserve for unforeseen developments	€ 1,917,500	
Reserve for projects under the FM 2004-09	€ 1,917,500	
Fund for bilateral relations at national level	€ 191,750	
Net allocation (as defined in Art. 3.3 of the MoU)	€ 35,282,000	€ 5,414,118

Initiatives to strengthening the bilateral relations between the Donor States and the Beneficiary States

The Parties agree that the potential for partnership at Programme level will be pursued through further discussions and based on specification of the focus to be applied to the relevant Programme areas.

Substantive parameters of the implementation framework

The Parties agree to define additional substantive parameters in respect of the Programme areas following additional consultations, and at the latest at the first Annual meeting, in particular to identify Programme outcomes, specific concerns (target groups, geographical areas and other issues), and – where possible – any pre-defined projects, the Programme operators and Donor programme partners.

¹ The amount of national co-financing is indicative and shall be agreed following further discussions.