

**Annex 2  
Template for MoU  
EEA Financial Mechanism 2009-2014**

**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

**[Beneficiary State],**

hereinafter referred to as the “Beneficiary State”

together hereinafter referred to as the “Parties”,

WHEREAS Protocol 38b to the EEA Agreement, incorporated into the EEA Agreement by the Agreement between the European Union, Iceland, the Principality of Liechtenstein and the Kingdom of Norway on the EEA Financial Mechanism 2009-2014, 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 by decision of the Standing Committee of the EFTA States No. [X/2011/SC] of [date] the Donor States have established a Financial Mechanism Committee, which shall manage the EEA Financial Mechanism 2009-2014;

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:

- (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 in accordance with the Regulation.

### **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 € [amount] 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 are set out in the Regulation. The net amount of the allocation to be made available to the Beneficiary State is € [amount].

### **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. In accordance with Article 4.2 of 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 the following financial and substantive parameters:
  - (a) a list of agreed programme areas, the financial contribution from the EEA Financial Mechanism 2009-2014 by programme area;
  - (b) identification of programmes, their main focus and outcomes, as appropriate, as well as any specific concerns relating to target groups, geographical areas or other issues;
  - (c) identification of programme operators, if appropriate;
  - (d) initiatives to strengthening the bilateral relations between the Donor States and the Beneficiary State, including the identification of programme areas in which donor partnership programmes as referred to in Article 3.2 shall be prepared, the designation of donor programme partners, the allocation of funds for such programmes, and programmes, or component thereof, that are dedicated exclusively to donor partnership projects;
  - (e) in specific cases, the identification of pre-defined projects to be included in relevant programmes;
  - (f) identification of small grant schemes, as appropriate.
2. The implementation framework is outlined in Annex B.

**Article 7**  
**Annual meetings**

In accordance with Article 2.3 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**

1. Annex A may be subject to review at the annual meetings. Amendments to Annex A 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.
2. Annex B may be changed 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**  
**Entry into Force**

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

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

Signed in ..... on .....  
For Iceland

Signed in ..... on .....  
For [name of Beneficiary State]

.....  
Signed in ..... on .....  
For the Principality of Liechtenstein

.....  
Signed in ..... on .....  
For the Kingdom of Norway

## National management and control structures

### 1. National Focal Point

<Name of National Focal Point> shall act as the National Focal Point.

[Description of the National Focal Point's location in the public administration, within what ministry and/or administrative unit it belongs to, who it reports to etc.]

The roles and responsibilities of the National Focal Point are stipulated in the Regulation, in particular Article 4.3 thereof. [In addition, the National Focal Point shall:]

[list any additional roles that the National Focal Point is responsible for.]

[If some parts of the roles and responsibilities of the National Focal Point are implemented by other public authorities, these authorities and their roles should be listed here. The text should state clearly that regardless of such delegation of tasks, the responsibility for the performance of these tasks remains with the National Focal Point.]

### 2. Certifying Authority

<Name of Certifying Authority> shall act as the Certifying Authority.

[Description of the Certifying Authority's location in the public administration, within what ministry and/or administrative unit it belongs to, who it reports to etc.]

The roles and responsibilities of the Certifying Authority are stipulated in the Regulation, in particular Article 4.5 thereof. [In addition, the Certifying Authority shall:]

[list any additional roles that the Certifying Authority is responsible for.]

[If some parts of the roles and responsibilities of the Certifying Authority are implemented by other public authorities, these authorities and their roles should be listed here. The text should state clearly that regardless of such delegation of tasks, the responsibility for the performance of these tasks remains with the Certifying Authority. In case of such delegation of tasks, the Certifying Authority must explain how it ensures that the system set up by the authority to which the tasks are delegated are of sufficient quality to ensure that funds from the EEA Financial Mechanism 2009-2014 are used efficiently and correctly and in accordance with the principles of sound financial management.]

### 3. Audit Authority

<Name of Audit Authority> shall act as the Audit Authority.

[Description of the Audit Authority's location in the public administration, within what ministry and/or administrative unit it belongs to, who it reports to etc.]

The roles and responsibilities of the Audit Authority are stipulated in the Regulation, in particular Article 4.6 thereof. [In addition, the Audit Authority shall:]

[list any additional roles that the Audit Authority is responsible for.]

[If some parts of the roles and responsibilities of the Audit Authority are implemented by other public authorities, these authorities and their roles should be listed here. The text should state clearly that regardless of such delegations of tasks, the responsibility for the performance of these tasks remains with the Audit Authority.]

The Audit Authority shall be functionally independent of the National Focal Point and the Certifying Authority.

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

<Name of entity responsible for the preparation and submission of irregularities reports> shall be responsible for the preparation and submission of irregularities reports.

[Description of this National public entity's location in the public administration, within what ministry and/or administrative unit it belongs to, who it reports to etc.]

The roles and responsibilities of the [name of entity] are stipulated in the Regulation, in particular Article 11.3 thereof. [In addition, the [name of entity] responsible for the preparation and submission of irregularities reports shall:]

[list any additional roles that the national public entity responsible for the preparation and submission of irregularities reports is responsible for.]

[If some parts of the roles and responsibilities of the national public entity responsible for the preparation and submission of irregularities reports are implemented by other public authorities, these authorities and their roles should be listed here. The text should state clearly that regardless of such delegations of tasks, the responsibility for the performance of these tasks remains with the national public entity responsible for the preparation and submission of irregularities reports.]

#### **5. Monitoring Committee**

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

[list any additional roles that the Monitoring Committee is responsible for.]

#### **6. Strategic Report and annual programme reports**

In accordance with Article 2.2 of the Regulation, the National Focal Point shall annually submit to the FMC a Strategic Report on the implementation of the EEA Financial Mechanism 2009-2014 in the Beneficiary State. The reporting periods for the Strategic Reports shall be [dates of the reporting period].

#### **7. Organigram**

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

## ANNEX B

### Implementation framework

In accordance with Article 2.1 of the Regulation, the Parties to this Memorandum of Understanding have agreed on an implementation framework outlined in this annex.

#### 1. Financial parameters of the implementation framework

[Beneficiary State]	EEA FM contribution
<b>Programme area</b>	
1 Integrated Marine and Inland Water Management	€ [amount]
2 Biodiversity and Ecosystem Services	€ [amount]
3 Environmental Monitoring and Integrated Planning and Control	€ [amount]
4 Reduction of Hazardous Substances	€ [amount]
5 Energy Efficiency	€ [amount]
6 Renewable Energy	€ [amount]
7 Adaptation to Climate Change	€ [amount]
8 Maritime Sector	€ [amount]
9 Environmental and Climate Change-related Research and Technology	€ [amount]
10 Funds for Non-governmental Organisations	€ [amount]
11 Children and Youth at Risk	€ [amount]
12 Local and Regional Initiatives to Reduce National Inequalities and to Promote Social Inclusion	€ [amount]
13 Public Health Initiatives	€ [amount]
14 Mainstreaming Gender Equality and Promoting Work-Life Balance	€ [amount]
15 Institutional Framework in the Asylum and Migration Sector	€ [amount]
16 Conservation and Revitalisation of Cultural and Natural Heritage	€ [amount]
17 Promotion of Diversity in Culture and Arts within European Cultural Heritage	€ [amount]
18 Research within Priority Sectors	€ [amount]
19 Scholarships	€ [amount]
<b>Other allocations</b>	
Technical assistance to the Beneficiary State (Art. 1.9)	€ [amount]
Reserve for unforeseen developments (Art. 1.10.1)	€ [amount]
Reserve for projects under FM 2004-09 (Art. 1.10.2)	€ [amount]
Fund for bilateral relations at national level (Art. 3.5.1)	€ [amount]
Net allocation to [BS]	€ [total]

#### 2. Substantive parameters of the implementation framework

The programmes described below are to be prepared and, subject to FMC approval, implemented in the Beneficiary State.

**A. Programme Area no [n]: [name of programme area]**

<i>Programme:</i>	[Name] [Objective] [Expected outcome(s), if known]
<i>Programme Operator:</i>	[Name of Programme Operator (if known). Mention if the designation is in accordance with Article 5.13 of the Regulation. (If PO is not known, designation of the PO is regulated in Article 4.2.4 or Article 5.13 of the Regulation).]
<i>Donor programme partner(s):</i>	[Name of donor programme partner (if relevant)]
<i>Main focus and identification of specific concerns relating to target groups, geographical areas or other issues:</i>	[Narrative text on the main focus of the programme and on whether this programme aims to address needs of certain target groups, geographic areas, etc.]
<i>Initiatives to strengthening the bilateral relations between the Donor States and the Beneficiary State</i>	[Narrative text on any specific initiatives to strengthening the bilateral relations between the Donor States and the Beneficiary State, outlining the areas of focus in the bilateral relations in more specific terms, and further details on any concrete initiatives being drawn up. If the programme or parts of it are dedicated exclusively to donor partnership programme, that should be mentioned here, including amounts or percentage.]
<i>Pre-defined projects</i>	Name of project: [Name of project. If only the general area is known, describe the area]  Description: [Brief description of project(s), including the expected outcomes, and outputs if identified]  Project Promoter: [Name of project promoter if known]  Amount: [Maximum amount earmarked for the project]
<i>Small grant schemes:</i>	Focus of scheme: [Brief description of the focus and the target groups]  Amount: € [amount earmarked for the small grant scheme]

**B. Programme Area no [n]: [name of programme area]**

[Repeat template text as needed]

[If the substantive parameters are not exhaustive, this text should be added:]

Identification of the substantive parameters for any remaining programmes or programme areas shall be made in accordance with the Regulation.

**C. Projects under the EEA Financial Mechanism 2004-2009 funded through the reserve referred to in paragraph 2 of Article 1.10 of the Regulation**

Name and number of project	Amount from reserve
	€ [amount]
	€ [amount]
Total amount	€ [total amount]