

Annex 2
Template for MoU
Norwegian Financial Mechanism 2009-2014

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

between

THE KINGDOM OF NORWAY,
hereinafter referred to as “Norway”

and

[Beneficiary State],

hereinafter referred to as the “Beneficiary State”

together hereinafter referred to as the “Parties”,

WHEREAS the Agreement between the Kingdom of Norway and the European Union on the Norwegian Financial Mechanism 2009-2014 establishes a financial mechanism (hereinafter referred to as the “Norwegian Financial Mechanism 2009-2014”) through which Norway will contribute to the reduction of economic and social disparities in the European Economic Area;

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

WHEREAS the enhanced co-operation between Norway 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 Norwegian Financial Mechanism 2009-2014;

HAVE AGREED on the following:

Article 1 Objectives

1. The overall objectives of the Norwegian 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 Norway 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) Carbon capture and storage;
- (b) Green industry innovation;
- (c) Research and scholarship;
- (d) Human and social development;
- (e) Justice and home affairs;
- (f) Promotion of decent work and tripartite dialogue.

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 Norwegian Financial Mechanism 2009-2014:

- (a) the Agreement between the Kingdom of Norway and the European Union on the Norwegian Financial Mechanism 2009-2014 (hereinafter referred to as “the Agreement”);
- (b) the Regulation on the implementation of the Norwegian Financial Mechanism 2009-2014 (hereinafter referred to as the “Regulation”) issued by Norway in accordance with Article 8.8 of the Agreement;
- (c) the programme agreements that will be concluded for each programme; and

(d) any guidelines adopted by the Norwegian Ministry of Foreign Affairs (NMFA) in accordance with the Regulation.

Article 3 Financial Framework

1. In accordance with Article 2 of the Agreement, the total amount of the financial contribution is € 800 million in annual tranches of € 160 million over the period running from 1 May 2009 to 30 April 2014, inclusive.

2. In accordance with Article 5 of the Agreement, 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 the Agreement and Article 1.8 of the Regulation, the management costs of Norway 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. Norway shall make funds available in support of eligible programmes proposed by the Beneficiary State and agreed on by the NMFA within the priority sectors listed in Article 3 of the Agreement and the programme areas identified in Annex B of this Memorandum of Understanding. Norway and the Beneficiary State may consult on possible and specific programmes before a formal programme proposal is submitted to the NMFA.

2. The Beneficiary State shall assure the full co-financing of programmes that benefit from support from the Norwegian Financial Mechanism 2009-2014 in accordance with Annex B and the programme agreements.

3. The NMFA shall manage the Norwegian Financial Mechanism 2009-2014 and take decisions on the granting of financial assistance in accordance with the Regulation.

4. The NMFA 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 Norwegian 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 Norwegian Financial Mechanism 2009-2014 as well as for the implementation of the Norwegian 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 Norwegian 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 Norway 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 NMFA and the National Focal Point. The annual meeting shall allow the NMFA 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 NMFA and the National Focal Point.
2. Annex B may be changed through an exchange of letters between the NMFA and the National Focal Point.

Article 9 Control and Access to Information

The NMFA, the Office of the Auditor General of Norway 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 Norwegian Financial Mechanism 2009-2014 shall be pursued in the framework of close co-operation between Norway 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 Norwegian 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 Norwegian 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.

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

Signed in on
For the Kingdom of Norway

Signed in on
For [name of Beneficiary State]

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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 Norwegian 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 NMFA a Strategic Report on the implementation of the Norwegian Financial Mechanism 2009-2014 in the Beneficiary State.

7. Organigram

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

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]	Norwegian FM contribution
	Programme area	
20	Carbon Capture and Storage (CCS)	€ [amount]
21	Green Industry Innovation	€ [amount]
22	Global fund for Decent Work and Tripartite Dialogue	€ [amount]
23	Bilateral Research Cooperation	€ [amount]
24	Bilateral Scholarship Programme	€ [amount]
25	Capacity-building and Institutional Cooperation between Beneficiary State and Norwegian Public Institutions, Local and Regional Authorities	€ [amount]
26	Cross-border Cooperation	€ [amount]
27	Public Health Initiatives	€ [amount]
28	Mainstreaming Gender Equality and Promoting Work-Life Balance	€ [amount]
29	Domestic and Gender-based Violence	€ [amount]
30	Schengen Cooperation and Combating Cross-border and Organised Crime, including Trafficking and Itinerant Criminal Groups	€ [amount]
31	Judicial Capacity-building and Cooperation	€ [amount]
32	Correctional Services, including Non-custodial Sanctions	€ [amount]
	Other allocations	
	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 NMFA approval, implemented in the Beneficiary State.

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

Programme: [Name]

Programme grant: € [amount]

Programme Operator: [Name of Programme Operator (if known). Mention if the designation is in accordance with Article 5.13 of the

Regulation. (If PO is not know, designation of the PO is regulated in Article 4.2.4 or Article 5.13 of the Regulation).]

Donor programme partner(s):

[Name of donor programme partner (if relevant)]

Main focus and identification of specific concerns relating to target groups, geographical areas or other issues:

[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.]

Initiatives to strengthening the bilateral relations between Norway and the Beneficiary State

[Narrative text on any specific initiatives to strengthening the bilateral relations between Norway 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.]

Pre-defined projects

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]

Small grant schemes:

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 to 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 Norwegian 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]
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