

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, 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. 5/2010/SC of 9 December 2010 the Donor States have given the Financial Mechanism Committee, established by a decision of the Standing Committee of the EFTA States No. 4/2004/SC of 3 June 2004, a mandate to 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;

the Parties 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 € 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 are set out in the Regulation. The net amount of the allocation to be made available to the Beneficiary State is € 35,473,750.

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
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
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 on
For Iceland

Signed in on
For the Slovak Republic

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EEA Financial Mechanism 2009-14
Memorandum of Understanding – Slovak Republic

Signed in on
For the Principality of Liechtenstein

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Signed in on
For the Kingdom of Norway

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National management and control structures

1. National Focal Point

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

The Department of Management and Implementation of EEA Financial Mechanism and Norwegian Financial Mechanism, within the Section of Foreign Cooperation, is directly subordinated to the Head of the Government Office, who shall act as the Head of the National Focal Point.

The main roles and responsibilities of the National Focal Point are stipulated in the Regulation, in particular Article 4.3 thereof.

2. Certifying Authority

The Section of European and International Affairs of the Ministry of Finance of the Slovak Republic shall act as the Certifying Authority.

The Head of the Certifying Authority is the Director General of the Section of European International Affairs. The Certifying Authority reports directly to State Secretary I.

The roles and responsibilities of the Certifying Authority are stipulated in the Regulation, in particular Art. 4.5 of the Regulation.

3. Audit Authority

The Section of Audit and Control of the Ministry of Finance of the Slovak Republic shall act as the Audit Authority.

The Head of the Audit Authority is the Director General of the Section of Audit and Control. The Director General of the Section of Audit and Control is directly subordinated to the Minister of Finance. The Section of Audit and Control is independent and functionally separated 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 Financial Mechanism.

The roles and responsibilities of the Audit Authority are stipulated in the Regulation, in particular Article 4.6 thereof.

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

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

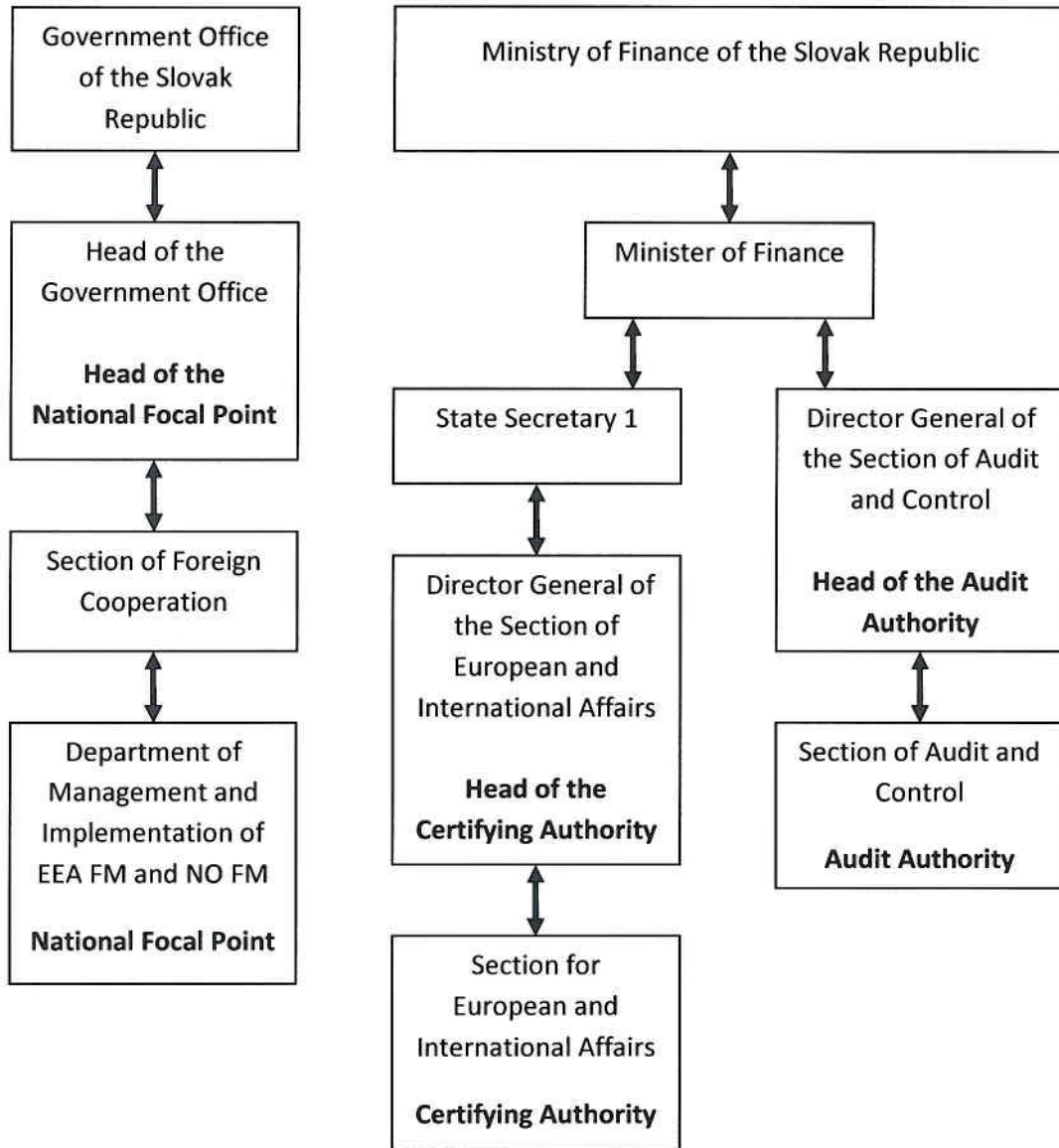
5. Monitoring Committee

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

6. Strategic Report and annual meetings

In accordance with Article 2.2 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 Beneficiary State. The Parties shall endeavour to hold the annual meeting in the month of November every year.

7. Organigram



Implementation framework

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

1. Financial parameters of the implementation framework

Slovak Republic	EEA FM contribution
Programme area	
Adaptation to Climate Change	€ 12,463,750
Funds for Non-Governmental Organisations	€ 6,903,000
Local and Regional Initiatives to Reduce National Inequalities and to Promote Social Inclusion	€ 1,000,000
Conservation and Revitalisation of Cultural and Natural Heritage	€ 10,505,000
Scholarships	€ 1,917,500
Other allocations	
Technical assistance to the Beneficiary State (Art. 1.9)	€ 575,250
Reserve for unforeseen developments (Art. 1.10.1)	€ 1,917,500
Fund for bilateral relations at national level (Art. 3.5.1)	€ 191,750
Net allocation to the Slovak Republic	€ 35,473,750

2. Specific concerns

Bilateral relations between the Donor States and Slovakia shall be strengthened with the aim of stimulating long-term cooperation, in particular in the programme areas listed below with donor programme partners, as well as through other means such as partnership at project level in all programme areas supported.

The appraisal of Programme Proposals will take due account of relevant human rights- and governance-related standards of the Council of Europe (such as those monitored by CPT, GRECO, GRETA, ECRI etc.), including the Convention for the Protection of Human Rights and Fundamental Freedoms.

3. 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: Adaptation to Climate Change

Programme: Adaptation to Climate Change - Flood and Drought Prevention

Programme grant: € 12,463,750

Outcomes: Develop strategies and measures for adapting to a changing climate

	Increased capacity to assess vulnerability to climate change
	Increased awareness of and education in climate change adaptation
<i>Programme Operator:</i>	National Focal Point – Office of the Government
<i>Donor programme partners:</i>	The Norwegian Water Resources and Energy Directorate (NVE) and the Directorate for Civil Protection and Emergency Planning (DSB). The Donor States will in the programming phase decide on which Donor programme partner takes the lead role.
<i>Main focus:</i>	As part of supporting a national strategy on effective, economically efficient and environmentally sustainable prevention of flooding, the Programme shall focus on the protection of water retention capacity of soil, forests and meadows; restoring forest ecosystems, increased soil erosion protection and revitalising waterways; improving the definition of flood plains and areas at risk during flooding; and informing the public about flood prevention measures and preparedness.
<i>Specific concerns:</i>	The Cooperation committee shall also include member(s) representing the relevant public institution(s) in the Slovak Republic in charge of the policy area in question.

B. Programme Area: Funds for Non-Governmental Organisations

<i>Programme:</i>	Fund for Non-Governmental Organisations
<i>Programme grant:</i>	€ 6,903,000
<i>Programme Operator:</i>	The Financial Mechanism Office is entrusted with operating the programme in line with article 5.13 of the Regulation. The Focal Point and the Plenipotentiary for civic society will be consulted.
<i>Specific concerns:</i>	Minimum 10% of the total eligible expenditures of the programme shall be dedicated to support children and youth at risk The programme shall address the specific needs of minority groups, including Roma.

C. Programme Area: Local and Regional Initiatives to Reduce National Inequalities and to Promote Social Inclusion

<i>Programme:</i>	Local and Regional Initiatives to Reduce National Inequalities and to Promote Social Inclusion
<i>Programme grant:</i>	€ 1,000,000
<i>Programme Operator:</i>	National Focal Point – Office of the Government
<i>Donor programme partner:</i>	The Council of Europe

Specific concerns: The programme shall address the specific needs of Roma.
The funding shall be complementary to and supportive of the national strategy in respect of social inclusion.
The Cooperation committee shall also include member(s) representing the relevant public institution(s) in the Slovak Republic in charge of the policy area in question.

D. Programme Area: Conservation and Revitalisation of Cultural and Natural Heritage & Promotion of Diversity in Culture and Arts within European Cultural Heritage

Programme: Conservation and Revitalisation of Cultural and Natural Heritage & Promotion of Diversity in Culture and Arts within European Cultural Heritage

Programme grant: € 10,505,000

Outcomes: Cultural heritage restored, renovated and protected
Cultural heritage made accessible to the public
Awareness of cultural diversity raised and intercultural dialogue strengthened

Programme Operator: National Focal Point – Office of the Government

Pre-defined project(s): Possible pre-defined project(s) involving the Directorate for Cultural Heritage (RA)

Small grants scheme: Not less than 10 % of the total programme grant shall be allocated to a small grants scheme covering programme area 17, specifically contemporary art and culture presented and bilateral exchange of living art promoted.

Specific concern: The Cooperation committee shall also include member(s) representing the relevant public institution(s) in the Slovak Republic in charge of the policy area in question.

E. Programme Area: Scholarships

Programme: EEA Scholarship Programme

Programme grant: € 1,917,500

Programme Operator: To be appointed through selection procedure

Donor programme partner(s): The Icelandic Centre for Research – RANNIS (Iceland), the National Agency for International Education Affairs – AIBA (Liechtenstein), and the Norwegian Centre for International Cooperation in Higher Education – SIU (Norway). SIU will function as lead Donor Programme Partner.

Specific concern: The Cooperation committee shall also include member(s) representing the relevant public institution(s) in the Slovak Republic in charge of the policy area in question.