

MEMORANDUM OF UNDERSTANDING
ON THE IMPLEMENTATION OF THE EEA FINANCIAL MECHANISM
2014-2021

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 38c 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 2014-2021, establishes a financial mechanism (hereinafter referred to as the “EEA Financial Mechanism 2014-2021”) 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 2014-2021 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. 2/2016/SC of 2 June 2016 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 2014-2021;

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 2014-2021;

HAVE AGREED on the following:

Article 1 Objectives

1. The overall objectives of the EEA Financial Mechanism 2014-2021 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) Innovation, research, education and competitiveness;
- (b) Social inclusion, youth employment and poverty reduction;
- (c) Environment, energy, climate change and low carbon economy;
- (d) Culture, civil society, good governance, fundamental rights and freedoms; and
- (e) Justice and home affairs.

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 2014-2021:

- (a) Protocol 38c to the EEA Agreement on the EEA Financial Mechanism 2014-2021;

- (b) the Regulation on the implementation of the EEA Financial Mechanism 2014-2021 (hereinafter referred to as the “Regulation”) issued by the Donor States in accordance with Article 10.5 of Protocol 38c;
- (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 2.1 of Protocol 38c, the total amount of the financial contribution is € 1548.1 million in annual tranches of € 221.16 million over the period running from 1 May 2014 to 30 April 2021, inclusive.
2. In accordance with Article 6 of Protocol 38c, a total of € 54,900,000 shall be made available to the Beneficiary State over the period referred to in Paragraph 1.
3. In accordance with Article 3.2.b) of Protocol 38c, 10% of the total amount referred to in paragraph 2 shall be set aside for a fund for civil society.
4. In accordance with Article 10.4 of Protocol 38c and Article 1.9 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 € 50,782,500.

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 38c and the programme areas listed in the Annex to Protocol 38c. The Donor States and the Beneficiary State shall cooperate on the preparation of concept notes defining the scope and planned results for each programme.
2. The Beneficiary State shall assure the full co-financing of programmes that benefit from support from the EEA Financial Mechanism 2014-2021 in accordance with Annex B and the programme agreements.
3. The Financial Mechanism Committee shall manage the EEA Financial Mechanism 2014-2021 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 2014-2021 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 2014-2021 as well as for the implementation of the EEA Financial Mechanism 2014-2021 in the Beneficiary State in accordance with the Regulation. In accordance with Article 5.2 of the Regulation, the National Focal Point, the Certifying Authority, the Audit Authority, and the Irregularities Authority are designated in Annex A.

Article 6
Multi-annual Programming Framework

1. In accordance with Article 2.5 of the Regulation, the Parties have agreed on an implementation framework consisting of the following financial and substantive parameters:

- (a) a list of agreed programmes and the financial contribution from the EEA Financial Mechanism 2014-2021 by programme;
- (b) identification of programmes, their objective, their main focus, as appropriate, the grant rate by programme, the bilateral ambitions as well as any specific concerns relating to target groups, geographical areas or other issues;
- (c) identification of programme operators, as appropriate;
- (d) identification of Donor Programme Partners, as appropriate;
- (e) identification of International Partner Organisations, as appropriate;
- (f) identification of pre-defined projects to be included in relevant programmes.

2. The implementation framework is outlined in Annex B.

Article 7
Fund for bilateral relations

In accordance with Article 4.6 of the Regulation the Beneficiary State shall set aside funds to strengthen bilateral relations between the Donor States and the Beneficiary State. The National Focal Point shall manage the use of the fund for bilateral relations and shall establish a Joint Committee for Bilateral Funds in accordance with Article 4.2 of the Regulation.

Article 8
Annual meetings

In accordance with Article 2.7 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. The annual meeting shall provide a forum for discussion of issues of bilateral interest.

Article 9
Modification of the annexes

Annex A and B may be amended through an exchange of letters between the FMC and the National Focal Point.

Article 10
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 11
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 2014-2021 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, partnership and multi-level governance, sustainable development, gender equality and equal opportunities in all implementation phases of the EEA Financial Mechanism 2014-2021.
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 2014-2021.
4. No later than 31 December 2020, the Parties to this Memorandum of Understanding shall review progress in the implementation of this Memorandum of Understanding and thereafter agree on reallocations within and between the programmes, where appropriate. The conclusion of this review shall be taken into account by the National Focal Point when submitting the proposal on the allocation of the reserve referred to in Article 1.11 of the 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

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Signed in on
For the Slovak Republic

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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 EEA and Norway Grants in the Government Office of the Slovak Republic shall act as the National Focal Point.

The Department of EEA and Norway Grants, within the Section of Bilateral Financial Instruments, is directly subordinated to the Head of the Government Office, who shall act as the Head of the National Focal Point.

The roles and responsibilities of the National Focal Point are stipulated in the Regulation, in particular Article 5.3 thereof.

2. Certifying Authority

The Section of European Funds 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 Funds. The Certifying Authority reports directly to State Secretary II.

The roles and responsibilities of the Certifying Authority are stipulated in the Regulation, in particular Article 5.4 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 5.5 thereof.

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

4. Irregularities Authority

The Section of European Funds of the Ministry of Finance of the Slovak Republic (Certifying Authority) shall be responsible for the preparation and submission of irregularities reports to the FMC.

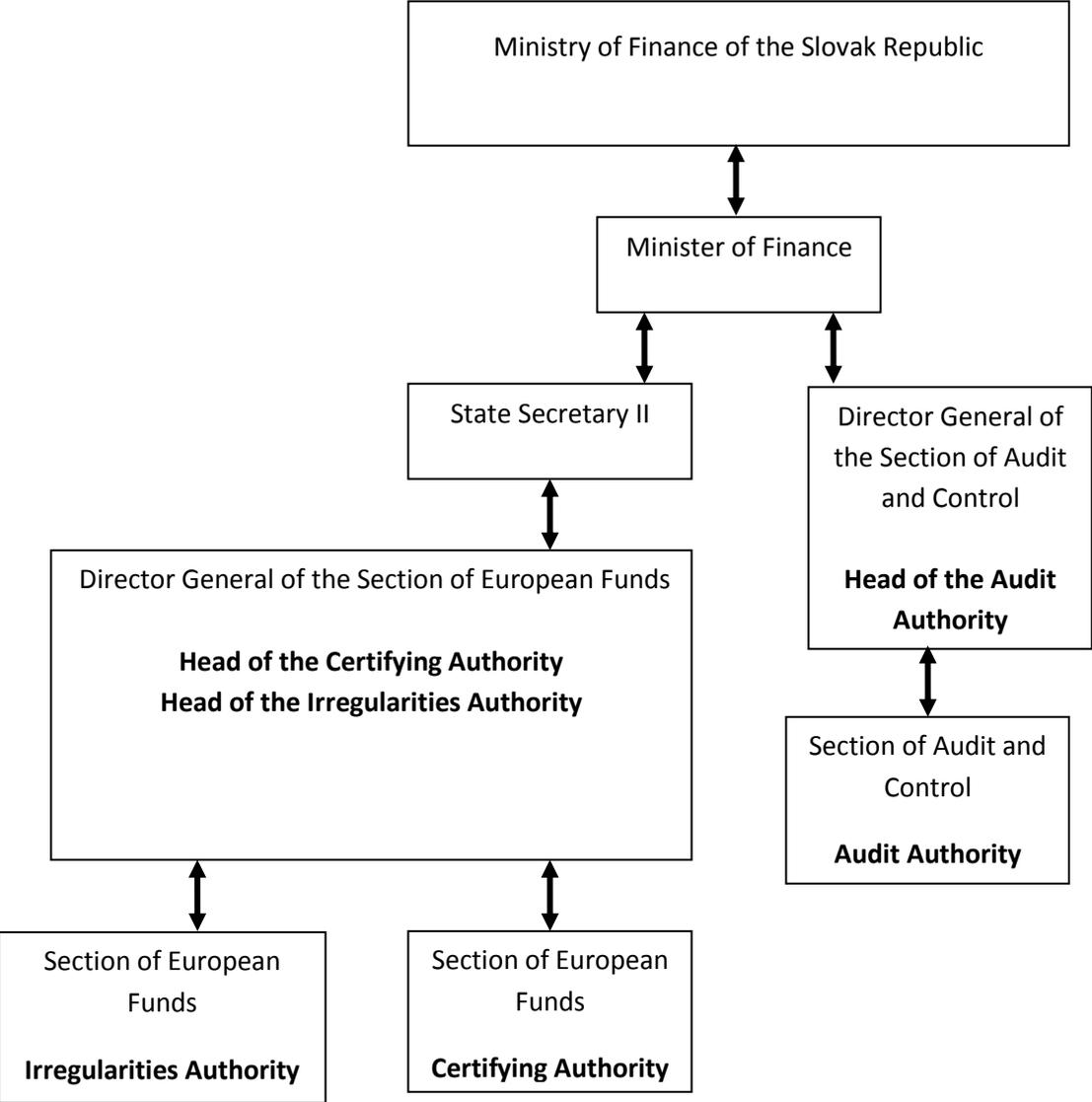
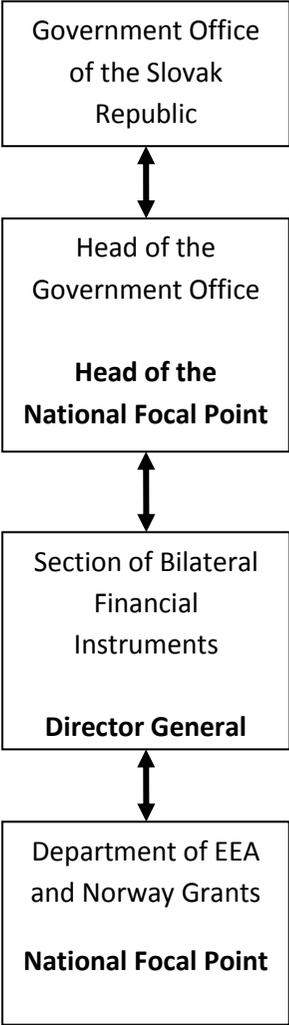
The Head of the Irregularities Authority is the Director General of the Section of European Funds. The Section of European Funds of the Ministry of Finance of the Slovak Republic reports directly to State Secretary II.

The roles and responsibilities of the Irregularities Authority are stipulated in the Regulation, in particular Article 12.3 thereof.

5. Strategic Report

In accordance with Article 2.6 of the Regulation, the National Focal Point shall annually submit to the FMC a Strategic Report on the implementation of the EEA Financial Mechanism 2014-2021 in the Beneficiary State. The Strategic Report shall be submitted to the FMC at least two months before the annual meeting unless otherwise agreed.

6. Organigram



Implementation framework

In accordance with Article 2.5 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

	SLOVAK REPUBLIC	EEA FM contribution	National contribution
	Programmes		
1	Business Development, Innovation and SMEs	€ 6,000,000	€ 1,058,824
2	Climate Change Mitigation and Adaptation	€ 5,000,000	€ 882,353
3	Cultural Entrepreneurship, Cultural Heritage and Cultural Cooperation	€ 17,500,000	€ 3,088,236
4	Good Governance, Accountable Institutions, Transparency / Cross-border Cooperation	€ 8,500,000	€ 1,500,000
5	Fund for Non-Governmental Organisations	€ 9,000,000	€ 0
	Other allocations		
	Technical assistance to the Beneficiary State (Art. 1.10)	€ 823,500	€ 145,324
	Reserve (Art. 1.11)	€ 2,861,000	€ 0
	Reserve for completion of projects under FM 2009-2014 (Art. 1.12)	€ 0	€ 0
	Fund for bilateral relations (Art. 4.6.1)	€ 1,098,000	€ 0
	Net allocation to Slovakia	€ 50,782,500	€ 6,674,737

2. Specific concerns

Bilateral relations between the Donor States and the Slovak Republic shall be strengthened with the aim of stimulating and developing long-term cooperation within all areas listed in the Annex to Protocol 38c. It is also an ambition to strengthen bilateral cooperation at political level and European level in areas of common interest.

3. Substantive parameters of the implementation framework

The programmes described below are to be implemented subject to the approval of the FMC, in accordance with Article 6.3 of the Regulation.

A. Programme: Business Development, Innovation and SMEs

<i>Programme objective:</i>	Increased value creation and sustainable growth
<i>Programme grant:</i>	€ 6,000,000
<i>Programme co-financing:</i>	€ 1,058,824
<i>Programme Operator:</i>	Research Agency
<i>Donor Programme Partner(s):</i>	Innovation Norway, Norwegian Centre for International Cooperation in Education (SIU) and National Agency of International Education Affairs (AIBA)
<i>Programme area(s):</i>	Business Development, Innovation and SMEs Education, Scholarships, Apprenticeships and Youth Entrepreneurship
<i>Special concerns:</i>	<p>The programme shall address the following main focus areas: Green Industry Innovation, Welfare technology and Ambient Assisted Living.</p> <p>Up to 15% of the total eligible expenditure of the programme shall be set aside for a component addressing “Education, Scholarships, Apprenticeships and Youth Entrepreneurship” (PA3), which shall be implemented in the form of a small grant scheme. The participation of the Norwegian Centre for International Cooperation in Education (SIU) and the National Agency of International Education Affairs (AIBA), as Donor Programme Partners, shall be limited to this component of the programme.</p> <p>Measures implemented under this programme shall, inter alia, address young and female entrepreneurs, as a prioritised target group.</p>
<i>Bilateral ambitions:</i>	€ 50,000 shall be allocated to the programme from the fund for bilateral relations. This does not prevent the Joint Committee for Bilateral Funds from allocating additional funds to the programme.

The programme shall be implemented in conjunction with the programme **Business Development, Innovation and SMEs** implemented under the Norwegian Financial Mechanism 2014-2021.

B. Programme: Climate Change Mitigation and Adaptation

<i>Programme objective:</i>	Climate change mitigated and vulnerability to climate change reduced
<i>Programme grant:</i>	€ 5,000,000
<i>Programme co-financing:</i>	€ 882,353
<i>Programme Operator:</i>	Ministry of Environment of the Slovak Republic
<i>Donor Programme Partner(s):</i>	The Norwegian Water Resources and Energy Directorate (NVE), the Directorate for Civil Protection and Emergency Planning (DSB) and the Norwegian Environment Agency (NEA)
<i>Programme area(s):</i>	Climate Change Mitigation and Adaptation

Special concerns: A possible pre-defined project in the area of modernisation of spatial data infrastructure, with the participation of the Norwegian and Icelandic mapping authorities (Statens Kartverk and Landmælingar Islands) as donor project partners, shall be explored in the concept note phase.

Bilateral ambitions: € 50,000 shall be allocated to the programme from the fund for bilateral relations. This does not prevent the Joint Committee for Bilateral Funds from allocating additional funds to the programme.

The programme shall be implemented in conjunction with the programme **Climate Change Mitigation and Adaptation** implemented under the Norwegian Financial Mechanism 2014-2021.

C. Programme: Cultural Entrepreneurship, Cultural Heritage and Cultural Cooperation

Programme objective: Social and economic development strengthened through cultural cooperation, cultural entrepreneurship and cultural heritage management

Programme grant: € 17,500,000

Programme co-financing: € 3,088,236

Programme Operator: Government Office of the Slovak Republic (National Focal Point)

Donor Programme Partner(s): Directorate for Cultural Heritage (RA) and Arts Council of Norway (ACN)

Programme area(s): Cultural Entrepreneurship, Cultural heritage and Cultural Cooperation

Special concerns: The programme shall focus on the role that art, culture and cultural heritage play in local and regional development; emphasis shall be put on the potential of the cultural and creative sectors in relation to social and economic development and their ability to reach out to the broader public. Measures addressing less developed and disadvantaged geographical areas and communities, valorisation of cultural heritage, as well as facilitating networking between service providers shall be prioritised.

At least € 2.5 million shall be available for a small grants scheme addressing contemporary art and culture, as well as the promotion of bilateral exchange of living art.

This programme shall contribute to greater awareness about the culture of social, ethnic and cultural minorities and groups, including the Roma population.

No more than 60% of the total eligible expenditure of the programme shall be available for infrastructure (hard measures).

The relevant public institution(s) in the Slovak Republic in charge of the policy area in question, including the Ministry of Culture, shall be actively involved in the preparation and

implementation of the programme, specifically as member(s) of the Cooperation Committee.

Bilateral ambitions: € 125,000 shall be allocated to the programme from the fund for bilateral relations. This does not prevent the Joint Committee for Bilateral Funds from allocating additional funds to the programme.

Pre-defined projects: 1) Support to a project building on the pre-defined project 'Pro Monumenta – prevention by maintenance' under the SK05 programme (2009-2014)

Project promoter: Monuments Board of the Slovak Republic

Donor project partner: Norwegian Directorate for Cultural Heritage

Maximum grant amount: € 1,500,000

2) Reconstruction of the Rusovce Manor - Rusovce Servants' House and the restoring of the surrounding historical park and garden

Project promoter: Government Office of the Slovak Republic

Maximum grant amount: € 5,000,000

In case the detailed description, plan and budget for the pre-defined project are not submitted to the Financial Mechanism Committee at the same time as the programme concept note the funds set aside for this pre-defined project shall be re-allocated to the open call.

D. Programme: Cross-border Cooperation / Good Governance, Accountable Institutions, Transparency

Programme objective: Integrity and accountability of public administration improved

Programme grant: € 8,500,000

Programme co-financing: € 1,500,000

Programme Operator: Government Office of the Slovak Republic
(National Focal Point)

Donor Programme Partner(s): The Norwegian Barents Secretariat

International Partner Organisation(s): Organisation for Economic Cooperation and Development (OECD)

Programme area(s): Good Governance, Accountable Institutions, Transparency
Effectiveness and Efficiency of the Judicial System,
Strengthening Rule of Law

Special concerns: The programme shall address two main components:

- 1) Good governance: Improving the efficiency and transparency of the Slovak state institutions

Projects addressing anti-corruption, a more efficient public procurement system and the efficiency of the judiciary shall be prioritised under this component. A pre-defined project, contributing to the improvement of the public procurement environment, the application of the principles of value for money and Results Based Management in Slovakia, may be considered during the concept note phase, in cooperation with the OECD.

2) Cross-border cooperation (CBC) with the Ukraine

In addition to the pre-defined project mentioned below, measures fostering institutional cross-border co-operation shall be supported through open calls. At least € 2.5 million shall be set aside under this component for this purpose. The participation of the Barents Secretariat, as Donor Programme Partner, shall be limited to this component of the programme.

A maximum level of funding available from the total eligible expenditure of the programme for infrastructure (hard measures) shall be identified in the concept note.

Bilateral ambitions:

€ 75,000 shall be allocated to the programme from the fund for bilateral relations. This does not prevent the Joint Committee for Bilateral Funds from allocating additional funds to the programme.

Pre-defined projects:

Project building on the results of the project “SOS-Alert Solution, Cross-border cooperation project for enhanced detection and interception of illicit CBRN materials on the Slovakian-Ukrainian Border”, supported by SK08 (2009-2014)

Project promoter: Ministry of the Interior of the Slovak Republic – Presidium of the Police Force

Donor project partner: Norwegian Radiation Protection Agency

Maximum grant amount: € 2,500,000

E. Programme: Fund for Non-Governmental Organisations

<i>Programme objective:</i>	Civil society and active citizenship strengthened and vulnerable groups empowered
<i>Programme grant:</i>	€ 9,000,000
<i>Programme co-financing:</i>	Not applicable
<i>Programme Operator:</i>	The Financial Mechanism Office in accordance with Article 6.13 of the Regulation.
<i>Programme area(s):</i>	Civil Society
<i>Special concerns:</i>	Not applicable