

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

between

THE KINGDOM OF NORWAY,
hereinafter referred to as "Norway"

and

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

together hereinafter referred to as the "Parties",

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

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;

the Parties 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

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(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 € 42,400,000 shall be made available to the Beneficiary State over the period referred to in Paragraph 1.
3. In accordance with Article 8.7 of 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 € 39,220,000.

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:

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- (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

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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

**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 Norway has 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 two originals in the English Language.

Signed in on
For the Kingdom of Norway

Signed in on
For the Slovak Republic

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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 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 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 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 EEA and Norway Grants 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

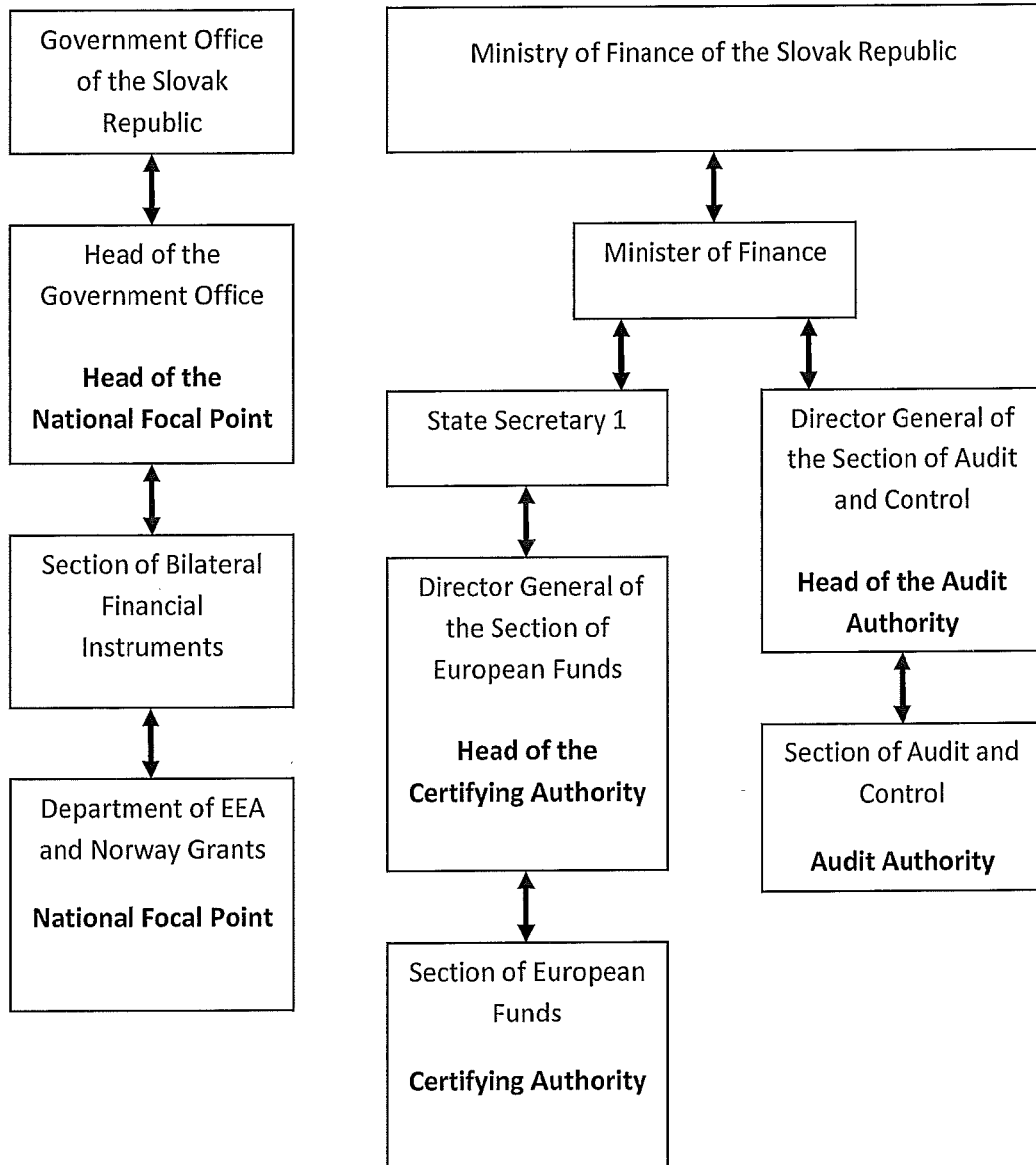
The Monitoring Committee shall be established within six months of the signing of the Memorandum of Understanding. Its role is stipulated in the Regulation, in particular Article 4.4 thereof.

6. Strategic Report and annual meetings

In accordance with Article 2.2 of the Regulation, the National Focal Point shall annually submit to the Norwegian Ministry of Foreign Affairs a Strategic Report on the implementation of the Norwegian 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

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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	Norwegian FM contribution
Programme area	
Green Industry Innovation	€ 16,073,985
Global fund for Decent Work and Tripartite Dialogue	€ 424,000
Cross-border Cooperation	€ 13,368,547
Domestic and Gender-based Violence	€ 8,440,000
Other allocations	
Technical assistance to the Beneficiary State (Art. 1.9)	€ 636,000
Fund for bilateral relations at national level (Art. 3.5.1)	€ 277,468
Net allocation to the Slovak Republic	€ 39,220,000

2. Specific concerns

Bilateral relations between Norway 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 NMFA approval, implemented in the Beneficiary State.

A. Programme Area: Green Industry Innovation

<i>Programme:</i>	Green Industry Innovation
<i>Programme grant:</i>	€ 16,073,985
<i>Programme Operator:</i>	The National Focal Point – Office of the Government
<i>Donor Programme Partner:</i>	Innovation Norway

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Pre-defined project(s): Pre-defined project(s) involving the Office of the Government and a Norwegian partner to apply innovation in the field of heat pumps.

Main Focus: Increased green job creation and entrepreneurship

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.

B. Programme Area: Global fund for Decent Work and Tripartite Dialogue

Programme: Decent work

Programme grant: € 424,000

Programme Operator: Innovation Norway

C. Programme Area: Cross-border Cooperation

Programme: Cross-border Cooperation

Programme grant: € 13,368,547

Programme Operator: The National Focal Point – Office of the Government

Donor programme partner: The Barents Secretariat

Main focus: The programme shall focus on Slovak-Ukraine cooperation including a focus on supporting people-to-people contacts. It will also foster exchange on lessons learned and best practice of cross-border projects between Norway and Slovakia, as well as networking in Europe.

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.

D. Programme Area: Domestic and Gender-based Violence

Programme: Domestic and Gender-based Violence

Programme grant: € 8,440,000

Programme Operator: The National Focal Point – Office of the Government

Donor programme partner: The Norwegian Directorate of Health and the Council of Europe. The NMFA will in the programming phase decide on which Donor programme partner takes the lead role.

Main focus: The programme will mainly focus on investments in domestic violence prevention and impact mitigation.

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.