

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 REPUBLIC OF SLOVENIA,
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;

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 € 12,500,000 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 € 11,562,500.

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 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.

National management and control structures

1. National Focal Point

The National Focal Point shall be the Financial Mechanisms Division, within the European Territorial Cooperation and Financial Mechanism Office, at the Government Office for Development and European Cohesion Policy (hereinafter GODC). The Director of the European Territorial Cooperation and Financial Mechanism Office is the Head of the National Focal Point.

GODC is a central state administration body fully funded from the State Budget, under the supervision of the Minister without portfolio responsible for Development, Strategic Projects and Cohesion, acting as a Head of GODC.

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

2. Certifying Authority

The Department for management of EU Funds within the Budget directorate of the Ministry of Finance shall act as the Certifying Authority. The Head of the Department for management of EU Funds shall act as the Head of the Certifying Authority.

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

3. Audit Authority

The Budget Supervision Office of the Republic of Slovenia (hereinafter BSO) shall act as the Audit Authority. The BSO is an autonomous body under the umbrella of the Ministry of Finance. The BSO Director reports directly to the Minister of Finance on the execution of the budget of the BSO. The BSO is not responsible for any function pursued by the National Focal Point or the Certifying Authority and is organisationally separate from these bodies.

The performance of the tasks of the Audit Authority has been assigned to the Cohesion and Structural Funds Audit Sector, which also performs audit activities for funds and programmes under, amongst others, the EU Cohesion policy and the Instrument for Pre-Accession Assistance. The Director of the BSO shall act as the Head of the Audit Authority.

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 National Focal Point shall be responsible for the preparation and submission of irregularities reports.

The roles and responsibilities are stipulated in the Regulation, in particular Article 11.3 thereof.

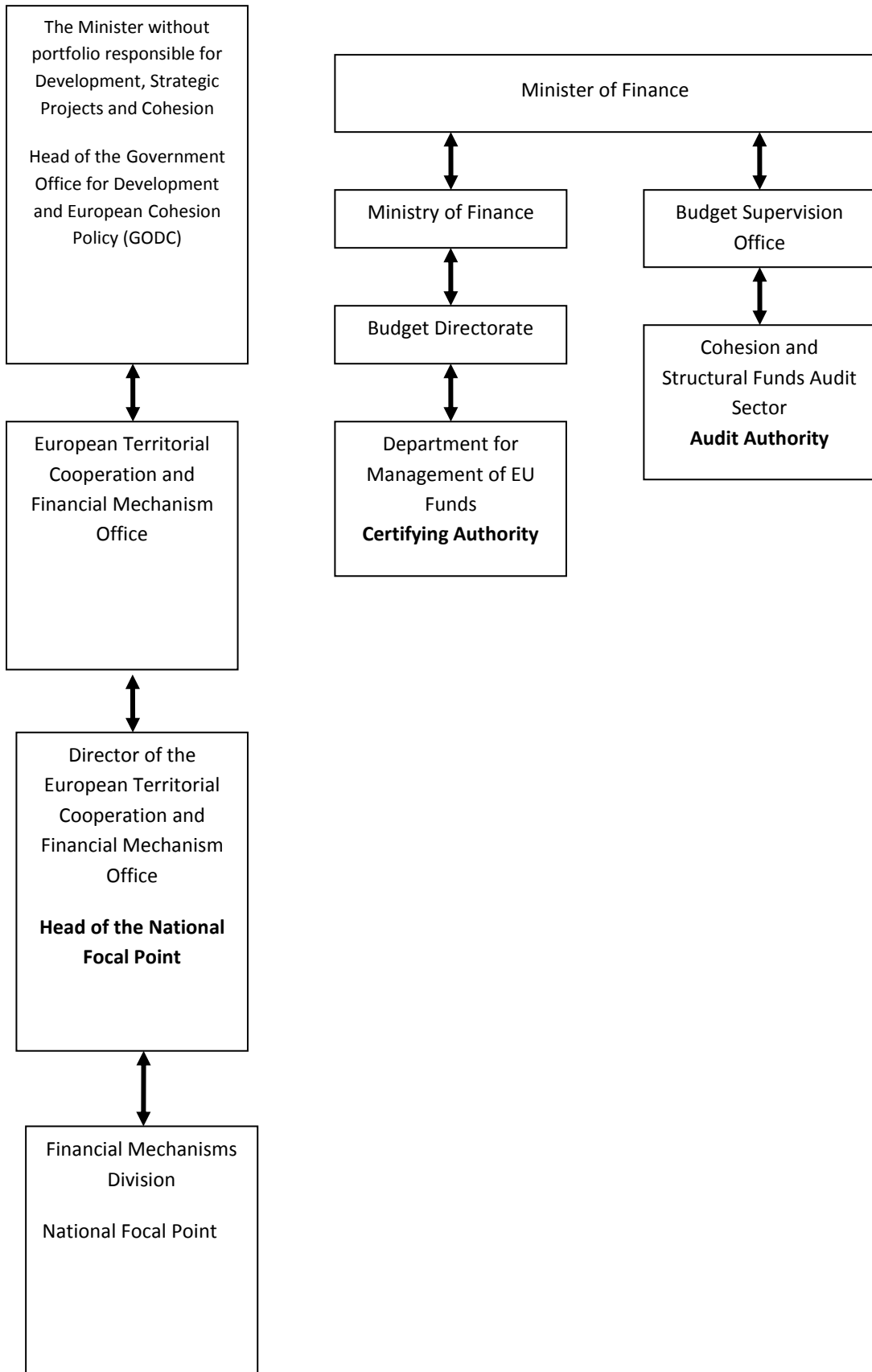
5. Monitoring Committee

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 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 Strategic Report shall be submitted to the FMC no later than 31 January each year. The Parties shall endeavour to hold the annual meeting in the first quarter of every year.

7. Organigram



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

Slovenia	EEA FM contribution
Programme area	
Biodiversity and Ecosystem Services	€ 1,950,000
Environmental Monitoring and Integrated Planning and Control	€ 1,800,000
Funds for Non-governmental Organisations	€ 1,875,000
Conservation and Revitalisation of Cultural and Natural Heritage	€ 5,062,500
Scholarships	€ 625,000
Other allocations	
Technical assistance to the Beneficiary State (Art. 1.9)	€ 187,500
Fund for bilateral relations at national level (Art. 3.5.1)	€ 62,500
Net allocation to Slovenia	€ 11,562,500

2. Specific concerns

Bilateral relations between the EEA EFTA States and Slovenia shall be strengthened with the aim of stimulating long-term cooperation, including through 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.

The Parties agree that with respect to the small size of the allocation, the support will be provided through three programmes:

- A. the “EEA Financial Mechanism Programme” consisting of the Programme Areas “Biodiversity and Ecosystem Services”, “Environmental Monitoring and Integrated Planning and Control”, “Conservation and Revitalisation of Cultural and Natural Heritage”. The implementation of the Programme shall involve the competent line ministries and other relevant stakeholders in respect of programming and implementation;

- B. a Non-Governmental Organisation programme (NGO Fund); and
- C. a Scholarship programme.

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. EEA Financial Mechanism Programme

Programme Area no 2: Biodiversity and Ecosystem Services; and Programme Area no 3: Environmental Monitoring and Integrated Planning and Control

Objectives: Halt loss of biodiversity, and improved compliance with environmental legislation

Programme Operator: Government Office for Development and European Cohesion Policy (GODC)

Possible pre-defined project: Name of project: Environmental Monitoring and Integrated Planning and Control

Project Promoter: Slovenian Surveying and Mapping Authority

Donor Project Partners: The Norwegian Mapping Authority (Statens Kartverk) and the National Land Survey of Iceland (Landmaelingar)

Specific concerns: Any pre-defined project shall be approved jointly by the FMC and the National Focal Point prior to the signing of the project contract.

Specific concerns: The Programme shall actively stimulate bilateral cooperation through networking and exchange of experiences and best practice.

Programme Area 16: Conservation and Revitalisation of Cultural and Natural Heritage

Objective: Cultural and natural heritage for future generations safeguarded and conserved and made publicly accessible

Programme Operator: Government Office for Development and European Cohesion Policy (GODC)

Main focus and identification of specific concerns relating to target groups, geographical areas or other issues: The projects under this Programme Area shall be selected taking into account the principles of local and regional development.

Specific concerns: The Programme shall actively stimulate bilateral cooperation through networking and exchange of experiences and best practices and donor partnership projects.

B. Programme Area no 10: Funds for Non-Governmental Organisations

<i>Programme:</i>	NGO Fund
<i>Objective:</i>	Strengthened civil society development and enhanced contribution to social justice, democracy and sustainable development
<i>Programme Operator:</i>	The Financial Mechanism Office is entrusted with operating the programme in line with Article 5.13 of the Regulation. The National Focal Point shall be consulted on the appointment of the Fund Operator.
<i>Specific concerns:</i>	<p>The programme shall include a separate component that shall focus on development of cross-sectoral partnerships, particularly with organisations at local, regional and/or national level in addressing the needs of children and youth at risk, as well as vulnerable groups such as Roma.</p> <p>Funding from Programme Area 28 (Mainstreaming Gender Equality and Promoting Work-Life Balance) and funding from Programme Area 27 “Public health initiatives” of the Norwegian Financial Mechanism could be partly managed under the NGO Fund.</p>

C. Programme Area no 19: Scholarships

<i>Programme:</i>	EEA and Norwegian Scholarship Programme
<i>Objective:</i>	Enhanced human capital and knowledge base in the Beneficiary States
<i>Programme Operator:</i>	Centre of the Republic of Slovenia for Mobility and European Educational and Training Programmes (CMEPIUS)
<i>Donor programme partners:</i>	<p>The Norwegian Centre for International Cooperation in Higher Education (SIU), the Icelandic Centre for Research (Rannis), and the National Agency for International Affairs (AIBA) of Liechtenstein</p> <p><i>Specific concerns:</i> The Programme shall be implemented jointly with the scholarship programme under the Norwegian Financial Mechanism.</p>