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 GOVERNMENT OF ROMANIA, 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 € 190,750,000 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 € 176,443,750.

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 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	Signed in on on For the Government of Romania	
Signed in on		
Signed in on		

ANNEX A

National management and control structures

1. National Focal Point

The EEA Assistance Directorate (EAD) within the Ministry of European Affairs shall act as the National Focal Point.

The EAD is a structure within the Ministry of European Affairs, under the direction of the Secretary of State responsible for the national coordination of EU funds, and it is dedicated solely to coordinating the implementation of the EEA and Norwegian Financial Mechanisms in Romania.

The Director of the EEA Assistance Directorate 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 4.3 thereof.

2. Certifying Authority

The Certifying and Paying Authority (CPA) set up as General Directorate under the coordination of a Secretary of State within the Ministry of Public Finance shall act as the Certifying Authority.

The Certifying and Paying Authority acts as the executive body of the National Authorising Officer (NAO) for EU pre-accession funds, Certifying and Paying Authority for the Structural and Cohesion Funds and Paying Authority for the EEA Grants 2004-2009.

The Certifying and Paying Authority is mainly responsible for certifying the amounts contained in the statements of expenditure submitted to the European Commission/Financial Mechanism Office and receiving the funds transferred to Romania from structural instruments/pre-accession funds/other non reimbursable funds, including the EEA Grants 2004-2009.

The General Director of the Certifying and Paying Authority within the Ministry of Public Finance 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 Central Harmonization Unit for Public Internal Audit (CHUPIA), set up as general directorate within the Ministry of Public Finance, directly subordinated to the Minister of Public Finance, shall act as Audit Authority.

The General Director of the CHUPIA 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.

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

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

The Certifying and Paying Authority (CPA) set up as General Directorate under the coordination of a Secretary of State within the Ministry of Public Finance shall be responsible for the preparation and submission of irregularities reports.

The roles and responsibilities of the Certifying and Paying Authority in relation to irregularities are stipulated in the Regulation, in particular Article 11.3 thereof.

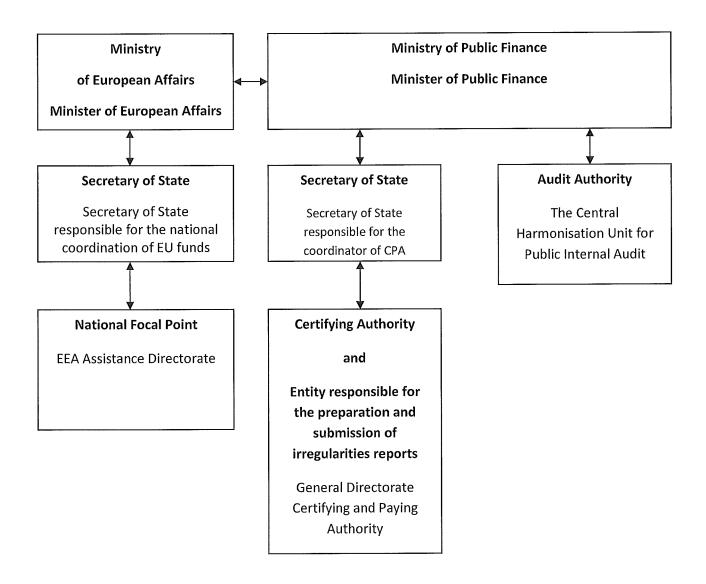
5. Monitoring Committee

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 Parties shall endeavour to hold the annual meeting in the month of June 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

Romania	EEA FM
Programme area	contribution
Biodiversity and Ecosystem Services	€ 15,000,000
Environmental Monitoring and Integrated Planning and Control	€ 8,181,250
Reduction of Hazardous Substances	€ 10,000,000
Energy Efficiency	€ 8,000,000
Renewable Energy	€ 8,000,000
Adaptation to Climate Change	€ 5,000,000
Maritime Sector	€ 15,000,000
Funds for Non-governmental Organisations	€ 30,000,000
Children and Youth at Risk and Local and Regional Initiatives to Reduce	€ 22,000,000
National Inequalities and to Promote Social Inclusion	
Mainstreaming Gender Equality and Promoting Work-Life Balance	€ 4,519,478
Conservation and Revitalisation of Cultural and Natural Heritage	€ 14,000,000
Promotion of Diversity in Culture and Arts within European Cultural	€ 6,818,750
Heritage	
Research within Priority Sectors	€ 20,000,000
Scholarships	€ 4,000,000
Other allocations	
Technical assistance to the Beneficiary State (Art. 1.9)	€ 2,861,250
Reserve for projects under FM 2004-09 (Art. 1.10.2)	€ 2,109,272
Fund for bilateral relations at national level (Art. 3.5.1)	€ 953,750
Net allocation to Romania	€ 176,443,750

2. Substantive parameters of the implementation framework

Bilateral relations between the Donor States and Romania 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.

The Parties to this Memorandum agree that an indicative target of at least 10% of the total funding for relevant Programme areas under the EEA Financial Mechanism 2009-14 shall target the improvement of the situation for the Roma population. The relevant Programme areas are: Civil Society; Children and Youth at Risk; Local and Regional Initiatives to Reduce National Inequalities and to Promote Social Inclusion; Mainstreaming Gender Equality and Promoting Work-Life Balance; Conservation and Revitalisation of Cultural and Natural Heritage; Promotion of Diversity in Culture and Arts within European Cultural Heritage; Research within Priority Sectors; and Scholarship. The parties shall agree after consultation how to reach this target in the relevant Programme areas.

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.

The Programme Operator shall, where relevant in cooperation with the Donor Programme Partner, strive to focus the Programmes further during the programming phase.

The Donors will specifically assess the capacity of the Programme Operators agreed during the appraisal of the Programme Proposals.

A. Programme Area: Biodiversity and Ecosystem Services

Programme:

Biodiversity and Ecosystem Services

Objective:

Halt loss of biodiversity

Programme grant:

€ 15,000,000

Programme Operator:

Ministry of Environment and Forests

Donor programme partner:

The Norwegian Directorate for Nature Management (DN)

Specific concern:

A small grants scheme including NGO support shall be

established.

B. Programme Area: Environmental Monitoring and Integrated Planning and Control

Programme:

Environmental Monitoring and Integrated Planning and

Control

Objective:

Improved compliance with environmental legislation

Programme grant:

€ 8,181,250

Programme Operator:

The National Focal Point

Main focus:

The Programme is implemented through the pre-defined project identified below. The amount of funding available to the pre-defined project shall be agreed upon in the

Programme Agreement.

Pre-defined project:

Pre-defined project on implementing the results of the Land Administration Knowledge Improvement (LAKI). The project will be developed by the Romanian National Agency of Cadastre and Land Registration (ANCPI) in cooperation with the Norwegian Mapping Authority (SK) and Registers Iceland.

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C. Programme Area: Reduction of Hazardous Substances

Programme: Reduction of Hazardous Substances

Objective: Prevent injury and adverse environmental effects caused by

chemicals and hazardous waste

Programme grant: € 10,000,000

Programme Operator: Ministry of Environment and Forests

Donor programme partners: The Climate and Pollution Agency (KLIF)

D. Programme Area: Energy Efficiency

Programme: Energy Efficiency

Objective: Reduced emissions of greenhouse gases and air pollutants

Programme grant: € 8,000,000

Programme operator: Ministry of Economy, Trade and Business Environment

Main focus: The main focus will be on the improvement of the energy

efficiency in industry, especially within the industries with high

pollution level and energy consumption.

E. Programme Area: Renewable Energy

Programme: Renewable Energy

Objective: Increased share of renewable energy in energy use

Programme grant: € 8,000,000

Programme operator: Environmental Fund Administration

Donor programme partners: The Norwegian Water Resources and Energy Directorate (NVE)

and the Icelandic National Energy Authority (OS)

Main focus: The main focus will be on the increasing of the renewable

energy share in energy use.

Specific concern: The programme grant shall address two specific concerns:

1. Specific concern shall be given to hydroelectric power as a source of renewable energy. The total allocation to

this concern shall not exceed € 4,000,000.

2. Specific concern shall be given to geothermal energy as a source of renewable energy. The total allocation to

this concern shall not exceed € 4,000,000.

F. Programme Area: Adaptation to Climate Change

Programme: Adaptation to Climate Change

Objective: Reduced human and ecosystem vulnerability to climate change

Programme grant: € 5,000,000

Programme Operator: Ministry of Environment and Forests

Main focus: The Programme is implemented through the pre-defined

project identified below. The amount of funding available to the pre-defined project shall be agreed upon in the

Programme Agreement.

Pre-defined project: A green way to sustainable develoment

Description: The project aims to create a model city

for the adaptation to climate change, involving actions for both the energy

and transport sector in Sibiu.

Project Promoter: Regional Environmental Protection

Agency Sibiu

Donor Project Partner: The Norwegian Association of Local

and Regional Authorities (KS)

G. Programme Area: Maritime Sector

Programme: Maritime Sector

Objective: Reduced emissions of greenhouse gases and air pollutants

from the maritime sector

Programme grant: € 15,000,000

Programme Operator: Innovation Norway (IN)

Pre-defined project: Pre-defined project with Norwegian Maritime Directorate

(Sjøfartsdirektoratet). The allocation to this project from the

Programme shall not exceed € 500,000.

H. Programme Area: Civil society

Programme: Funds for Non-Governmental Organisations

Objective: Strengthened civil society development and enhanced

contribution to social justice, democracy and sustainable

development

Expected outcome(s): To be agreed after stakeholder consultation.

Programme Operator: The Financial Mechanisms Office (FMO) is entrusted with

operation the programme in line with Article 5.13 of the Regulation. The Focal Point is to be consulted in the selection

of the Fund Operator.

Specific concerns:

One third of the total Programme allocation shall be dedicated to the core areas of support.

Minimum 10% of the total Programme allocation shall be dedicated to children and youth-driven organisations and activities targeting children and youth.

Minimum 20% of the Programme allocation shall address provision of welfare and basic services to vulnerable groups.

The Programme shall address the specific needs of minority groups, with a special focus on Roma.

The Programme shall support capacity-building and cross-border activities.

The Programme shall support activities to promote gender equality and to combat gender-based violence.

Environment is eligible when not covered by other programmes.

I. Programme Areas: Children and Youth at Risk and Local and Regional Initiatives to Reduce National Inequalities and to Promote Social Inclusion

Programme: Children and Youth at Risk and Local and Regional Initiatives to

Reduce National Inequalities and to Promote Social Inclusion

Objective: Strengthened social and economic cohesion at national,

regional and local levels

Expected outcomes: Effective and efficient measures addressing vulnerable groups

of children and youth facing particular risks implemented

Local and regional authorities, as well as private and civil society actors, are developing initiatives to strengthen antidiscriminatory measures for groups vulnerable to social and

economic exclusion

Programme grant: € 22,000,000

Programme Operator: The Romanian Social Development Fund

Donor programme partners: Council of Europe (CoE)

Specific concerns: The Programme shall address the specific needs of Roma

through innovative initiatives strengthening cooperation between and within local governments, NGOs and the target

population.

The Programme could address social inequalities, social inclusion, employment, children and youth at risk, strengthening preschool day-care and education including

multicultural perspectives and history teaching.

Municipalities in disadvantaged areas with a high percentage

of Roma population shall be given priority.

J. Programme Area: Mainstreaming Gender Equality and Promoting Work-Life Balance

Programme: Mainstreaming Gender Equality and Promoting Work-Life

Balance

Objective: Gender equality and work-life balance promoted

Programme grant: € 4,519,478

Programme Operator: Ministry of Labor, Family and Social Protection

Specific concern: The Programme shall also address the specific needs of

minority groups, with a special focus on Roma.

K. Programme Area: Conservation and Revitalisation of Cultural and Natural Heritage

Programme: Conservation and revitalisation of cultural and natural heritage

and promotion of diversity in culture and arts

Objective: Cultural and natural heritage for future generations safe-

guarded and conserved and made publicly available

Expected outcomes: Cultural heritage restored, renovated and protected

Local communities further developed and economically sustainable livelihoods established through the revitalisation

of cultural and natural heritage

Programme grant: € 14,000,000

Programme Operator: The National Focal Point

Donor programme partner: The Norwegian Directorate for Cultural Heritage (RA)

Pre-defined project: A pre-defined project on the Astra Museum establishing Roma

homestead shall be included in the Programme.

Small grant scheme: A small grants scheme for institutional cooperation, training as

well as NGO support shall be established.

Specific concerns: The Programme should also support projects that relate to the

documentation of the cultural history of social, ethnic and

cultural minorities and groups.

The cooperation committee shall include as members, representatives from the relevant public authorities or institutions in charge of the policy area in question. The Ministry of Culture shall be one such member of the

cooperation committee.

L. Programme Area: Promotion of Diversity in Culture and Arts within European Cultural Heritage

Programme: Promotion of diversity in culture and arts within European

Cultural Heritage

Objective: Cultural dialogue increased and European identity fostered

through understanding of cultural diversity

Expected outcomes: Awareness of cultural diversity raised and intercultural

dialogue strengthened

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Cultural history documented

Programme grant:

€ 6,818,750

Programme Operator:

The National Focal Point

Donor programme partner:

The Arts Council (ACN)

Specific concerns:

The cooperation committee shall include as members, representatives from the relevant public authorities or institutions in charge of the policy area in question. The Ministry of Culture shall be one such member of the

cooperation committee.

The Programme shall also include cultural exchange between

the Donor States and Romania.

M. Programme Area: Research within Priority Sectors

Programme:

Research within Priority Sectors

Objective:

Enhanced research based knowledge development in the

Beneficiary States

Expected outcome:

Increased research cooperation between the EEA EFTA and

Beneficiary States

Programme grant:

€ 20,000,000

Programme Operator:

The National Authority for Scientific Research

Donor programme partners:

Norwegian Research Council - NRC (Norway) and the Icelandic

Centre for Research – RANNIS (Iceland)

Specific concern:

The programme shall focus on bilateral research cooperation. Research into renewable energy should be covered with an

amount of up to € 3.0 million.

N. Programme Area: Scholarships

Programme:

EEA Scholarship Programme

Objectives:

Enhanced human capital and knowledge base in the

Beneficiary State

Expected outcome:

Increased higher education student and staff mobility between

Beneficiary and EEA EFTA States

Increased and strengthened institutional cooperation at all levels of the education sector (school education, higher education, vocational training/education and adult education)

between Beneficiary and EEA EFTA States

Programme grant:

€ 4,000,000

Programme Operator:

The National Agency for Community Programmes in the Field

of Education and Vocational Training

Donor programme partners:

The Icelandic Centre for Research – RANNIS (Iceland), the National Agency for International Education Affairs – AIBA (Liechtenstein), and the Norwegian Centre for International

EEA Financial Mechanism - Romania

Cooperation in Education – SIU (Norway). SIU will function as lead Donor Programme Partner.

Specific concern:

The institutional cooperation between the Beneficiary and EEA EFTA States shall be limited to the level of higher education.

4. Projects under the EEA 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
RO0032 – "Restoration of the Gabroveni Inn"	€ 1,765,022
RO0060 – "Assessment and support of public policies in Romania by means of sociologic panel survey"	€ 344,250
Total amount	€ 2,109,272