

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 POLAND,
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 € 266.9 million 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 € 246,882,500.

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.

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 Republic of Poland

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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 for Aid Programmes and Technical Assistance of the Ministry of Regional Development of the Republic of Poland shall act as the National Focal Point. The Director of the Department for Aid Programmes and Technical Assistance shall be 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. In addition, with reference to paragraph 3 of Article 4.2 of the Regulation, the National Focal Point shall perform and be responsible for the following tasks:

1) submitting to the FMC certified interim financial reports and final programme reports referred to in Articles 8.3 and 5.12 of the Regulation, respectively, certifying that:

- (i) the summary of eligible expenditure submitted by the Programme Operator is in full conformity with the supporting documents;
- (ii) the supporting documents have been examined and found to be authentic, correct and accurate;
- (iii) the summary of eligible expenditure is based on verifiable accounting which is in compliance with generally accepted accounting principles and methods;
- (iv) the summary of eligible expenditure falls within eligible expenditure under the Regulation;
- (v) the summary of expenditure is incurred as part of the implementation of the Programme in accordance with the programme agreement;
- (vi) sufficient audit trail exists; and
- (vii) co-financing committed to the programme has been paid.

2) taking account for certification purposes of the results of all audits carried out by or under the responsibility of the Audit Authority;

3) ensuring that payments are transferred to the Programme Operators according to paragraph 2 of Article 8.1 of the Regulation;

4) submit to the FMC a detailed description of the management and control system for the national institutions involved in the implementation EEA Financial Mechanism 2009-2014 and the management and control systems of the Programme Operator and their functions.

In addition to tasks of the Certifying Authority explicitly assigned to the National Focal Point according to this section, references in the following articles of the Regulation to the Certifying Authority shall be read as references to the National Focal Point:

- 1) paragraph 1(m) of Article 4.7;
- 2) Article 5.12;
- 3) Article 7.9;

- 4) Article 7.13;
- 5) Article 8.3; and
- 6) Article 8.8.

The hierarchy levels and reporting channels of the National Focal Point and the Certifying Authority within the Ministry of Regional Development and their separation as expressed in the organigram in section 7 of this annex shall be kept during the implementation of the EEA Financial Mechanism 2009-2014.

2. Certifying Authority

The Certifying Authority Department of the Ministry of Regional Development of the Republic of Poland shall act as the Certifying Authority. The Director of the Certifying Authority Department shall be 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, excluding the tasks explicitly assigned to the National Focal Point in section 1 of this annex.

3. Audit Authority

The General Inspector for Treasury Control shall act as the Audit Authority and shall, together with the Department for Protection of EU Financial Interests of the Ministry of Finance and the 16 Regional Treasury Control Offices, perform the functions of the said authority.

The roles and responsibilities of the Audit Authority are stipulated in the Regulation, in particular Article 4.6 thereof. In addition, the Audit Authority shall be responsible for the preparation and submission of reports on irregularities in accordance with section 4 below.

The Audit Authority shall be 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 Audit Authority shall be responsible for the preparation and submission of irregularities reports.

The roles and responsibilities of the Audit Authority with regard to reporting on irregularities are stipulated in the Regulation, in particular Article 11.3 thereof.

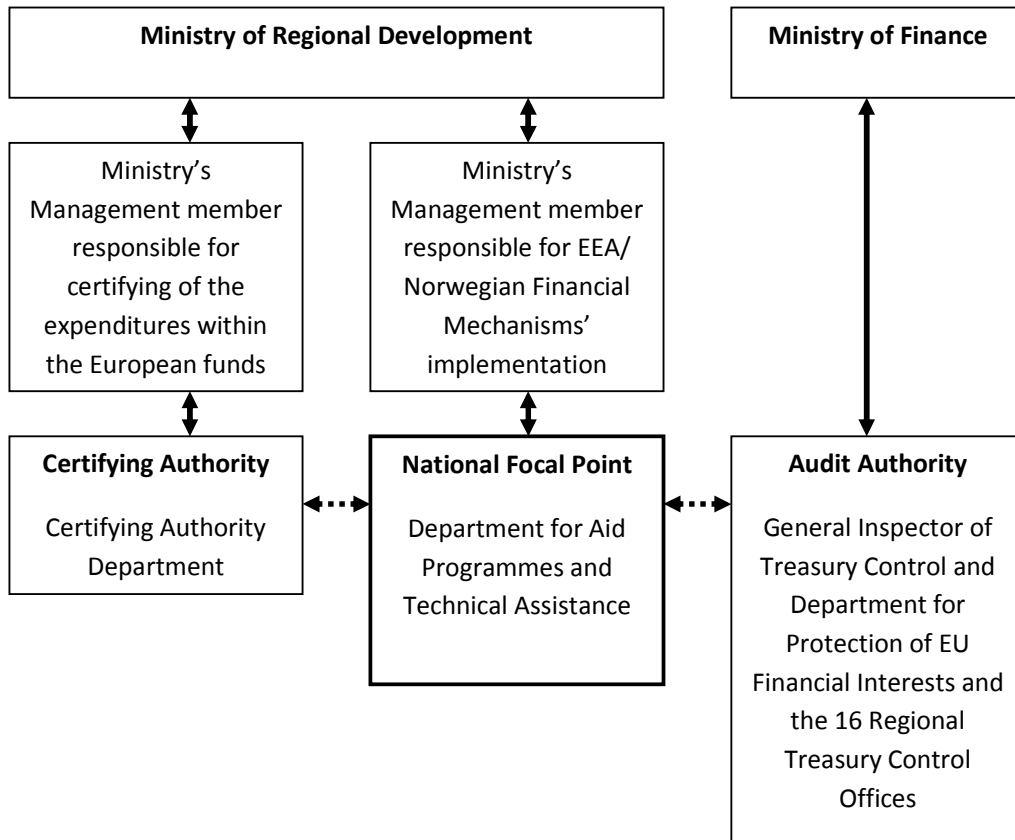
5. Monitoring Committee

The Monitoring Committee shall be established with 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 the annual meeting

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 each 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

Republic of Poland	EEA FM contribution
Programme area	
Biodiversity and Ecosystem Services	€ 20,000,000
Environmental Monitoring and Integrated Planning and Control	€ 15,000,000
Energy Efficiency and Renewable Energy	€ 75,000,000
Funds for Non-Governmental Organisations	€ 37,000,000
Local and Regional Initiatives to Reduce National Inequalities and to Promote Social Inclusion	€ 9,544,500
Public Health Initiatives	€ 10,000,000
Conservation and Revitalisation of Cultural and Natural Heritage	€ 60,000,000
Promotion of Diversity in Culture and Arts within European Cultural Heritage	€ 10,000,000
Scholarships	€ 5,000,000
Other allocations	
Technical assistance to the Beneficiary State (Art. 1.9)	€ 4,003,500
Fund for bilateral relations at national level (Art. 3.5.1)	€ 1,334,500
Net allocation to Republic of Poland	€ 246,882,500

2. Specific concerns

Bilateral relations between the Donor States and Republic of Poland 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: Biodiversity and Ecosystem Services (Programme area 2)

<i>Programme:</i>	The protection of the biological diversity and ecosystems
<i>Outcomes:</i>	Increased capacity to manage and monitor Natura 2000 sites effectively Increased protection of native ecosystems against invasive alien species Increased awareness of and education in biodiversity and ecosystem services, including awareness of and education in the linkage between biodiversity and climate change, and economic valuation of ecosystems Improved integration of biodiversity considerations in sectoral policies and legislation Increased capacity within environmental NGOs promoting biodiversity
<i>Programme Operator:</i>	Ministry of Environment with support from The National Fund for Environmental Protection and Water Management
<i>Pre-defined project(s):</i>	Biodiversity and ecosystems services- nationwide information campaign raising biodiversity awareness
<i>Small grant scheme:</i>	A grant scheme for NGOs will be established

B. Programme Area: Environmental Monitoring and Integrated Planning and Control (Programme area 3)

<i>Programme:</i>	Improving environmental monitoring and inspection
<i>Outcome(s):</i>	Strengthened capacity of environmental authorities in relation to integrated planning and control Improved environmental information on impact, status and trends

	Increased awareness of and education in environmental monitoring and integrated planning and control
<i>Programme Operator:</i>	Ministry of Environment with support from The National Fund for Environmental Protection and Water Management
<i>Donor programme partner:</i>	The Climate and Pollution Agency (KLIF)
<i>Pre-defined projects:</i>	1) Strengthening the air quality assessment system in Poland on the basis of Norwegian experience (NILU) 2) Strengthening the technical capacity of the Chief Inspectorate for Environmental Protection (GIOS) through the purchase of the measurement devices, laboratory equipment and IT tools (NILU) 3) Monitoring of the implementation of the project PL100 “Increase of the efficiency of the Chief Inspectorate for Environmental Protection (GIOS) activity on the ground of the Norwegian Experiences (KLIF) 4) Data model and database management system with spatial information on natural environment in aspect of thematic mapping (The Polish Head Office for Geodesy and Cartography and the Norwegian Mapping Authority)

C. Programme Areas: Energy Efficiency & Renewable Energy (Programme areas 5 and 6)

<i>Programme:</i>	Saving energy and promoting renewable energy sources
<i>Objective:</i>	Reduced emissions of greenhouse gases and air pollutants
<i>Outcome(s):</i>	Improved energy efficiency in buildings Increased renewable energy production Developed strategies to improve the use of green investment schemes Improved capacity at national, regional and local level on renewable energy solutions Increased awareness of and education in renewable energy solutions Increased awareness of and education in energy efficiency
<i>Programme Operator:</i>	Ministry of Environment with support from The National Fund for Environmental Protection and Water Management
<i>Pre-defined project(s):</i>	Educational and promotional activities in the field of energy efficiency and use of renewable energy. Energy-friendly houses to be included

D. Programme Area: Funds for Non-Governmental Organisations (Programme area 10)

<i>Programme:</i>	Funds for Non-Governmental Organisations
<i>Objective:</i>	Strengthened civil society development and enhanced contribution to social justice, democracy and sustainable development
<i>Outcome:</i>	To be agreed
<i>Programme Operator:</i>	To be appointed through selection procedure by the National Focal Point in consultation with the Donor States
<i>Specific concern(s)</i>	Focus to be agreed

E. Programme Area: Local and Regional Initiatives to Reduce National Inequalities and to Promote Social Inclusion (Programme area 12)

<i>Programme:</i>	Local and Regional Initiatives to Reduce National Inequalities and to Promote Social Inclusion
<i>Programme Operator:</i>	Ministry of Regional Development
<i>Pre-defined project:</i>	Pre-defined project, implemented in partnership by the KS and the Association of Polish Cities (in cooperation with other local government associations in Poland), contributes to increase local government competence in the field of inter-municipal cooperation as well as elaboration of projects to be submitted within an open call, organized for the Programme by the Operator
<i>Specific concern:</i>	For this programme, tasks relating to certification of payment claims shall be performed by the Certifying Authority (CA)

F. Programme Area: Public Health Initiatives (Programme area 13)

<i>Programme:</i>	Development and better adaption of health care to demographic and epidemiological trends
<i>Outcomes:</i>	Developed resources for all levels of health care (incl. health care related to ageing society) Improved access to and quality of health services including reproductive and preventive child health care as well as health care related to ageing society Life-style related diseases prevented or reduced
<i>Programme Operator:</i>	Ministry of Health
<i>Specific concern(s):</i>	The programme shall be implemented jointly with programme 1 under programme area 27 in the Norwegian Financial Mechanism

G. Programme Area: Conservation and Revitalisation of Cultural and Natural Heritage (Programme area 16)

<i>Programme:</i>	Conservation and Revitalisation of Cultural and Natural Heritage
<i>Outcomes:</i>	Cultural heritage restored, renovated and protected Cultural history documented Local communities further developed and economically sustainable livelihoods established through the revitalisation of cultural and natural heritage Cultural heritage made accessible to the public
<i>Programme Operator:</i>	Ministry of Culture and National Heritage
<i>Pre-defined project(s):</i>	Possible pre-defined project(s) with the Norwegian Directorate for Cultural Heritage (RA)
<i>Specific concern(s):</i>	5% of the allocation should be set aside for the documentation of cultural history, also covering ethnic and national minorities

H. Programme Area: Promotion of Diversity in Culture and Arts within European Cultural Heritage (Programme area 17)

<i>Programme:</i>	Promotion of Diversity in Culture and Arts within European Cultural Heritage (Donor Partnership Programme)
<i>Outcome(s):</i>	Art and culture presented and reaching a broader audience Awareness of cultural diversity raised and intercultural dialogue strengthened
<i>Programme Operator:</i>	Ministry of Culture and National Heritage
<i>Donor programme partner:</i>	Arts Council Norway (NKR) with support from the Norwegian Directorate for Cultural Heritage (RA)
<i>Pre-defined project(s):</i>	Possible pre-defined project(s) with the Norwegian Directorate for Cultural Heritage (RA)
<i>Specific concern(s):</i>	About 70% of the allocation for this Programme shall be used in support of large projects including institutional cooperation, while the remaining 30% shall be used for small cultural exchange projects

I. Programme Area: Scholarships (Programme area 19)

<i>Programme:</i>	EEA Scholarship Programme (Donor Partnership Programme)
<i>Outcomes:</i>	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

	Increased mobility of education sector staff at all levels of education between Beneficiary and EEA EFTA States
<i>Programme Operator:</i>	Foundation for the Development of the Education System
<i>Donor programme partners:</i>	The Norwegian Centre for International Cooperation in Higher Education (SIU) and the Icelandic Centre for Research (RANNIS) and Agentur für Internationale Bildungsangelegenheiten (AIBA) in Liechtenstein.
<i>Specific concern(s):</i>	The programme shall be implemented jointly with programme area 24 in the Norwegian Financial Mechanism 10% of the allocation for this Programme shall be used for scholarships in the field of culture

Fund for bilateral relations at national level

The Fund aims to facilitate outreach activities between stakeholders and networking between the Programme Operators and programme partners, or potential project partners from the Donor States prior to or during the preparation of a programme proposal and during the implementation of a given programme. The use of the Fund for bilateral relations shall be managed by the National Focal Point. The Fund will reach 0.5% of the allocation of the EEA Financial Mechanism. It shall be available from the last signature of the first Memorandum of Understanding.