

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 CZECH REPUBLIC
hereinafter referred to as the "Beneficiary State"

together hereinafter referred to as the "Parties",

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;

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
- (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 € 70,400,000 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 € 65,120,000.

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:
 - (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 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
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 Czech Republic

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National management and control structures

1. National Focal Point

Ministry of Finance of the Czech Republic – Department of International Relations shall act as the National Focal Point. The Director of the Department of International Relations shall act as the head of the National Focal Point.

Ministry of Finance is a central authority of the state administration. Department of International Relations belongs to the Section 07 – International Relations and Financial Policies and reports to the Deputy Minister of the Section 07.

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

2. Certifying Authority

Ministry of Finance of the Czech Republic – National Fund Department shall act as the Certifying Authority. The Director of the National Fund Department shall act as the head of the Certifying Authority.

Ministry of Finance is a central authority of the state administration. National Fund Department belongs to the Section 06 – Public Budgets and reports to the Deputy Minister of the Section 06.

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

3. Audit Authority

Ministry of Finance of the Czech Republic – Audit Department – Central Harmonisation Unit shall act as the Audit Authority. The Director of the Audit Department – Central Harmonisation Unit shall act as the head of the Audit Authority.

Ministry of Finance is a central authority of the state administration. Audit Department – Central Harmonisation Unit belongs to the Section 04 – Finance, Audit and Operation and reports to the Deputy Minister of the Section 04.

The roles and responsibilities of the Audit Authority are stipulated in the Regulation, in particular Article 4.6 thereof.

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.

Ministry of Finance of the Czech Republic – National Fund Department (Certifying Authority) shall be responsible for the preparation and submission of irregularities reports.

The roles and responsibilities of the National Fund Department related to the preparation and submission of irregularities reports are stipulated in the Regulation, in particular Article 11.3 thereof.

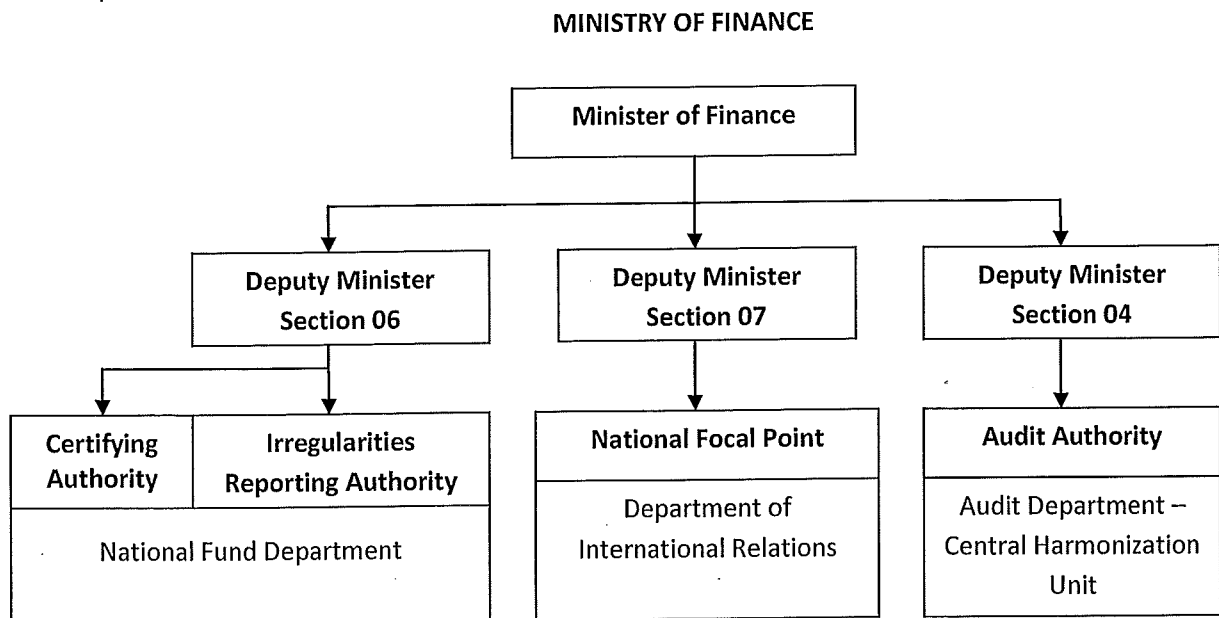
5. Monitoring Committee

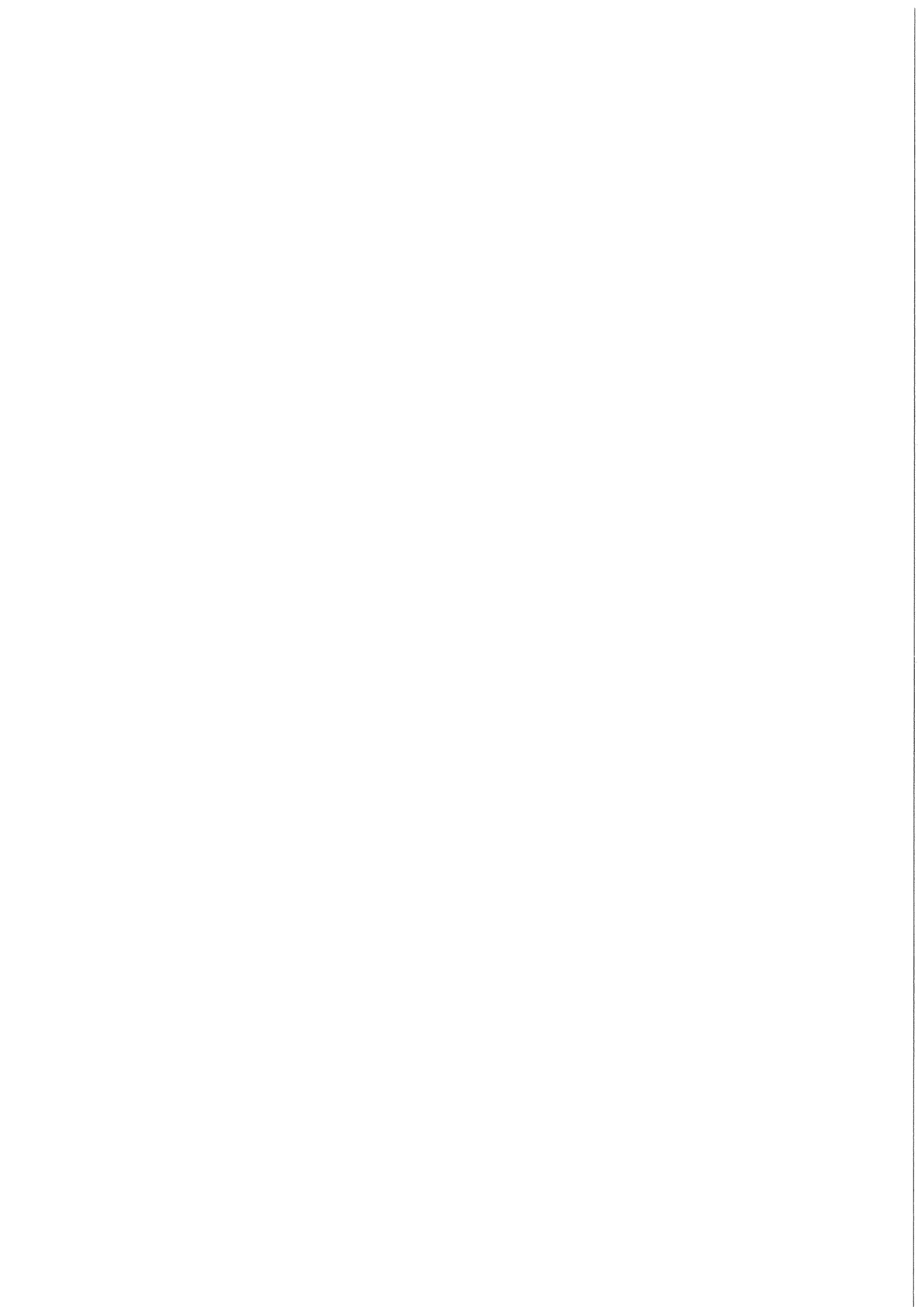
The Monitoring Committee shall be established within six months of the signing of the Memorandum of Understanding. Its role is stipulated in the Regulation, in particular Article 4.4 thereof.

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 September 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

Czech Republic	Norwegian FM contribution
Programme area	
Carbon Capture and Storage (CCS)	€ 5,023,623
Global fund for Decent Work and Tripartite Dialogue	€ 704,000
Bilateral Research Cooperation	€ 14,516,377
Bilateral Scholarship Programme	€ 3,520,000
Capacity-building and Institutional Cooperation between Beneficiary State and Norwegian Public Institutions, Local and Regional Authorities	€ 1,760,000
Public Health Initiatives	€ 19,180,000
Mainstreaming Gender Equality and Promoting Work-Life Balance	€ 3,412,947
Domestic and Gender-based Violence	€ 4,162,870
Schengen Cooperation and Combating Cross-border and Organised Crime, including Trafficking and Itinerant Criminal Groups	€ 6,274,183
Judicial Capacity-building and Cooperation	€ 2,464,000
Correctional Services, including Non-custodial Sanctions	€ 2,464,000
Other allocations	
Technical assistance to the Beneficiary State (Art. 1.9)	€ 1,056,000
Fund for bilateral relations at national level (Art. 3.5.1)	€ 582,000
Net allocation to the Czech Republic	€ 65,120,000

2. Specific concerns

Bilateral relations between Norway and the Czech Republic 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 Beneficiary State shall ensure that the co-financing to programmes or projects from national sources is in a close proximity to 15 % of the total eligible costs to programme areas in the Beneficiary State unless otherwise is agreed and specified in the Programme Agreement.

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 no 20:	Carbon Capture and Storage (CCS)
<i>Programme:</i>	Pilot studies and surveys on CCS technology
<i>Objective:</i>	Mitigate Climate Change
<i>Outcome(s):</i>	Increased knowledge and transnational cooperation on CCS
<i>Programme grant:</i>	€ 5,023,623
<i>Programme operator:</i>	National Focal Point – Ministry of Finance
<i>Specific concern(s):</i>	Geophysical investigations and preparation potential repository, including reflection seismology, deep bore-holes, identification of physical properties of rocks etc. Knowledge exchange and networking activities. The cooperation committee shall include as member representatives from the relevant public authority or institution in charge of the policy area in question.
B. Programme Area no 22:	Global Fund for Decent Work and Tripartite Dialogue
<i>Programme:</i>	Decent work and Social Dialogue
<i>Objective:</i>	Decent work promoted and tripartite cooperation improved between employers' organisations, trade unions and public authorities in supporting equitable and sustainable economic and social development

Programme grant: € 704,000
Programme operator: Innovation Norway

C. Programme Area no 23:

Bilateral Research Cooperation

Programme:

Research Support Fund

Objective:

Enhanced research-based knowledge development in the Beneficiary States through enhanced research cooperation between Norway and the Beneficiary States

Programme grant:

€ 14,516,377

Programme operator:

Ministry of Education, Youth and Sports

Donor programme partner(s):

The Research Council of Norway

Specific concern(s):

The programme will also cover social sciences and the humanities and will be developed in consultation with the donor country. The parties commit to ensure the efficient and smooth management of the Programme. The details concerning the reimbursement of the costs of the Donor State partners will be further discussed.

D. Programme Area no 24:

Bilateral Scholarship Programme

Programme:

Bilateral Scholarship Programme

Objective:

Enhanced human capital and knowledge base in the Beneficiary States

Programme grant:

€ 3,520,000

Programme operator:

The National Agency for European Educational Programmes, within the Centre for International Services.

Donor programme partner(s):

The Norwegian Centre for International Cooperation in Higher Education (SIU)

Specific concern(s):

The programme shall be implemented jointly with PA 19 in the EEA Financial Mechanism.

E. Programme Area no 25:

Capacity-building and Institutional Cooperation between Beneficiary State and Norwegian Public Institutions, Local and Regional Authorities

Programme:

Capacity-building and Institutional Cooperation between Beneficiary State and Norwegian Public Institutions, Local and Regional Authorities

Objective:

Strengthened institutional capacity and human resource development in public institutions, local and regional authorities in the Beneficiary States within the agreed priority sectors through cooperation and transfer of

knowledge with similar institutions and authorities in Norway

Programme grant: € 1,760,000
Programme operator: National Focal Point – Ministry of Finance
Pre-defined project(s): Cooperate with the Council of Europe to ensure an improved implementation of the recommendations made by Greco.

F. Programme Area no 27:

Public Health Initiatives

Programme: **Public Health Initiatives**
Objective: Improved public health and reduced health inequalities
Programme grant: € 19,180,000
Programme operator: National Focal Point – Ministry of Finance
Donor programme partner(s): The Norwegian Institute of Public Health
Specific concern(s): Minimum 40 % of the total eligible expenditures of the programme shall be dedicated to the area of mental health.
The cooperation committee shall include as member representatives from the relevant public authority or institution in charge of the policy area in question.

G. Programme Area no 28 & 29:

Mainstreaming Gender Equality and Promoting Work-Life Balance & Domestic and Gender-based Violence

Programme 1: **Mainstreaming Gender Equality and Promoting Work-Life Balance & Domestic and Gender-based Violence**
Objective: *Let's give (wo)men a chance*
Gender equality and work-life balance promoted
Outcome(s): Awareness raised and research on gender issues promoted
Balance between work, private and family life improved
Domestic violence reduced
Capacity of gender equality organisations and networks strengthened
Gender-based violence reduced
Programme grant: € 6,735,817
Programme operator: Open Society Fund Prague
Specific concern(s): The programme should also address the specific needs of minorities.

Programme 2: **Domestic and Gender-based Violence & Mainstreaming Gender Equality and Promoting Work-Life Balance**

Objective: Gender-based violence prevented and tackled

Outcome(s): Gender-based violence reduced
Domestic violence reduced
Awareness raised and research on gender issues promoted
Balance between work, private and family life improved

Programme grant: € 840,000

Programme operator: National Focal Point – Ministry of Finance

Pre-defined project(s): Prevention of Domestic and Gender-based Violence and Gender Equality in Practice.

The pre-defined project shall be a governmental project. The Project Promoter shall be the Office of the Government of the Czech Republic.

The total project grant shall be € 800,000.

H. Programme Area no 30: **Schengen Cooperation and Combating Cross-border and Organised Crime, including Trafficking and Itinerant Criminal Groups**

Programme: **Schengen Cooperation and Combating Cross-border and Organised Crime, including Trafficking and Itinerant Criminal Groups**

Objective: Increase citizen's security through improvement of the efficiency of cooperation between law enforcement authorities in the Schengen Member States in fighting organised crime, including trafficking in human beings.

Programme grant: € 6,274,183

Programme operator: National Focal Point – Ministry of Finance

Specific concern(s): The programme should address the importance of good cooperation between the law enforcement authorities and the general public, especially the cooperation with minority groups.

I. Programme Area no 31: **Judicial Capacity-building Cooperation**

Programme: **Judicial Capacity-building Cooperation**

Objective: A fairer and more efficient judicial system
Programme grant: € 2,464,000
Programme operator: National Focal Point – Ministry of Finance
Specific concern(s): The programme shall be prepared and implemented jointly with PA 32.

Programme Area no 32: **Correctional Services, including Non-custodial Sanctions**
Programme: Correctional services, including Non-custodial sanctions.
Objective: Improved correctional services system in compliance with relevant international human rights instruments.
Programme grant: € 2,464,000
Programme operator: National Focal Point – Ministry of Finance
Donor programme partner: The Council of Europe
Specific concern(s): The cooperation committee shall include as member representatives from the relevant public authority or institution in charge of the policy area in question.
The programme shall be prepared and implemented jointly with PA 31.