

AGREEMENT**between the European Union, Iceland, the Principality of Liechtenstein and the Kingdom of Norway
on an EEA Financial Mechanism 2009-2014**

THE EUROPEAN UNION,

ICELAND,

THE PRINCIPALITY OF LIECHTENSTEIN,

THE KINGDOM OF NORWAY,

WHEREAS the Parties to the Agreement on the European Economic Area ('EEA Agreement') agreed on the need to reduce the economic and social disparities between their regions with a view to promoting a continuous and balanced strengthening of trade and economic relations between them,

WHEREAS, in order to contribute to that objective, the EFTA States have established a Financial Mechanism in the context of the European Economic Area,

WHEREAS the provisions governing the EEA Financial Mechanism for the period 2004-2009 have been set out in Protocol 38a and the Addendum to Protocol 38a to the EEA Agreement,

WHEREAS the need to alleviate economic and social disparities within the European Economic Area persists, and therefore a new mechanism for the financial contributions of the EEA EFTA States should be established for the period 2009-2014,

HAVE DECIDED TO CONCLUDE THE FOLLOWING AGREEMENT:

Article 1

The text of Article 117 of the EEA Agreement shall be replaced by the following:

'Provisions governing the Financial Mechanisms are set out in Protocol 38, Protocol 38a and the Addendum to Protocol 38a, and Protocol 38b.'

Article 2

A new Protocol 38b shall be inserted after Protocol 38a to the EEA Agreement. The text of Protocol 38b is provided for in the Annex to this Agreement.

Article 3

This Agreement shall be ratified or approved by the Parties in accordance with their own procedures. The instruments of ratification or approval shall be deposited with the General Secretariat of the Council of the European Union.

It shall enter into force on the first day of the second month after the last instrument of ratification or approval has been deposited.

Pending the completion of the procedures referred to in paragraphs 1 and 2, this Agreement shall be applied on a provisional basis as from the first day of the first month following the deposit of the last notification to this effect.

Article 4

This Agreement, drawn up in a single original in the Bulgarian, Czech, Danish, Dutch, English, Estonian, Finnish, French, German, Greek, Italian, Latvian, Lithuanian, Hungarian, Maltese, Polish, Portuguese, Romanian, Slovak, Slovenian, Spanish, Swedish, Icelandic and Norwegian languages, the text in each of these languages being equally authentic, shall be deposited with the General Secretariat of the Council of the European Union, which will remit a certified copy to each of the Parties to this Agreement.

Съставено в Брюксел на двадесет и осми юли две хиляди и десета година и деветнадесети август две хиляди и десета година.

Hecho en Bruselas, el veintiocho de julio de dos mil diez y el diecinueve de agosto de dos mil diez.

V Bruselu dne 28. července 2010 a 19. srpna 2010.

Udfærdiget i Bruxelles, den 28. juli 2010 og den 19. august 2010.

Geschehen zu Brüssel am 28. Juli 2010 und am 19. August 2010.

Brüsselis kahe tuhande kümnenda aasta juulikuu kahekümne kaheksandal ja augustikuu üheksateistkümnendal päeval

Έγινε στις Βρυξέλλες, στις 28 Ιουλίου 2010 και στις 19 Αυγούστου 2010.

Done at Brussels on the twenty-eighth day of July and on the nineteenth day of August in the year two thousand and ten.

Fait à Bruxelles, le vingt-huit juillet deux mil dix et le dix-neuf août deux mil dix.

Fatto a Bruxelles, addì ventotto luglio duemiladieci e diciannove agosto duemiladieci.

Briselē, 2010. gada 28. jūlijā un 2010. gada 19. augustā

Priimta Briuselyje 2010 m. liepos 28 d. ir 2010 m. rugpjūčio 19 d.

Kelt Brüsszelben, a kétezer-tizedik év július havának huszonnyolcadik napján és a kétezer-tizedik év augusztus havának tizenkilencedik napján.

Magħmul fi Brussell, it-28 ta' Lulju 2010 u d-19 ta' Awwissu 2010.

Gedaan te Brussel, 28 juli 2010 en 19 augustus 2010.

Sporządzono w Brukseli dnia 28 lipca 2010 r. i 19 sierpnia 2010 r.

Feito em Bruxelas, em vinte e oito de Julho de dois mil e dez e em dezanove de Agosto de dois mil e dez.

Íntocmit la Bruxelles, 28 iulie 2010 și 19 august 2010.

V Bruseli dvadsiateho ôsmeho júla dvetisícdesať a devätnásteho augusta dvetisícdesať.

V Bruslju, 28. julija 2010 in 19. avgusta 2010.

Tehty Brysselissä, kahdentenkymmenentenäkahdeksantena päivänä heinäkuuta vuonna kaksituhattakymmenen ja yhdeksäntenätoista päivänä elokuuta vuonna kaksituhattakymmenen

Som skedde i Bryssel den tjugoåttonde juli tjugohundratio och den nittonde augusti tjugohundratio.

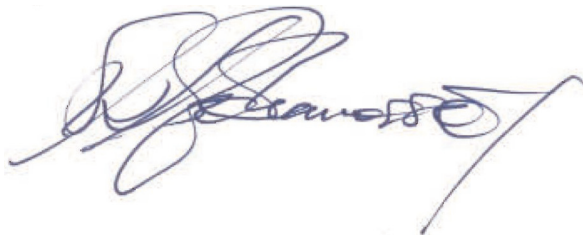
Gert í Brussel, 28. júlí 2010 og 19. ágúst 2010.

Utfærdiget i Brussel, den 28. juli 2010 og den 19. august 2010.

За Европейския съюз
Por la Unión Europea
Za Evropskou unii
For Den Europæiske Union
Für die Europäische Union
Euroopa Liidu nimel
Για την Ευρωπαϊκή Ένωση
For the European Union
Pour l'Union européenne
Per l'Unione europea
Eiropas Savienības vārdā –
Europos Sąjungos vardu
Az Európai Unió részéről
Għall-Unjoni Ewropea
Voor de Europese Unie
W imieniu Unii Europejskiej
Pela União Europeia
Pentru Uniunea Europeană
Za Európsku úniu
Za Evropsko unijo
Euroopan unionin puolesta
För Europeiska unionen



Fyrir Ísland



Für das Fürstentum Liechtenstein

 19. 8. 2010

For Konveriket Norge



ANNEX

PROTOCOL 38 B
ON THE EEA FINANCIAL MECHANISM (2009-2014)

Article 1

Iceland, Liechtenstein and Norway ('the EFTA States') shall contribute to the reduction of economic and social disparities in the European Economic Area and to the strengthening of their relations with the Beneficiary States, through financial contributions in the priority sectors listed in Article 3.

Article 2

The total amount of the financial contribution provided for in Article 1 shall be EUR 988,5 million, to be made available for commitment in annual tranches of EUR 197,7 million over the period running from 1 May 2009 to 30 April 2014, inclusive.

Article 3

1. 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;
 - (e) Protecting cultural heritage.
2. Academic research may be eligible for funding in so far as it is targeted at one or more of the priority sectors.
3. The indicative allocation target for each Beneficiary State is at least 30 percent for priority sectors (a) and (b) combined, and 10 per cent for priority sector (c). The priority sectors shall, in accordance with the procedure referred to in Article 8 paragraph 2, be chosen, concentrated and adapted in a flexible manner, according to the different needs in each Beneficiary State, taking into account its size and the amount of the contribution.

Article 4

1. The EFTA contribution shall not exceed 85 percent of programme cost. It may in special cases be up to 100 per cent of programme cost.
2. The applicable rules on state aid shall be complied with.
3. The European Commission shall screen all programmes and any substantial change in a programme for their compatibility with the European Union's objectives.
4. The responsibility of the EFTA States for the projects is limited to providing funds according to the agreed plan. No liability to third parties will be assumed.

Article 5

The funds shall be made available to the following Beneficiary States: Bulgaria, Czech Republic, Estonia, Greece, Spain, Cyprus, Latvia, Lithuania, Hungary, Malta, Poland, Portugal, Romania, Slovenia and Slovakia.

EUR 45,85 million shall be allocated to Spain for transitional support for the period 1 May 2009–31 December 2013. While taking into account transitional adjustments, the remaining funds shall be made available in accordance with the following distribution:

	Funds (million EUR)
Bulgaria	78,60
Czech Republic	61,40

	Funds (million EUR)
Estonia	23,00
Greece	63,40
Cyprus	3,85
Latvia	34,55
Lithuania	38,40
Hungary	70,10
Malta	2,90
Poland	266,90
Portugal	57,95
Romania	190,75
Slovenia	12,50
Slovakia	38,35

Article 6

With a view to reallocating any non-committed available funds to high priority projects of any Beneficiary State, a review shall be carried out in November 2011 and again in November 2013.

Article 7

1. The financial contribution provided for in this Protocol shall be closely coordinated with the bilateral contribution from Norway provided for by the Norwegian Financial Mechanism.
2. In particular, the EFTA States shall ensure that the application procedures and implementation modalities are essentially the same for both financial mechanisms referred to in the previous paragraph.
3. Any relevant changes in the European Union's cohesion policies shall be taken into account, as appropriate.

Article 8

The following shall apply to the implementation of the EEA Financial Mechanism:

1. The highest degree of transparency, accountability and cost efficiency shall be applied in all implementation phases, as well as principles of good governance, sustainable development and gender equality. The objectives of the EEA Financial Mechanism shall be pursued in the framework of close cooperation between the Beneficiary States and the EFTA States.
2. In order to ensure efficient and targeted implementation, and taking into account national priorities, the EFTA States shall conclude with each Beneficiary State a Memorandum of Understanding that shall set out the multi-annual programming framework and the structures for management and control.
3. After having concluded the Memorandum of Understanding, the Beneficiary State shall submit programme proposals. The EFTA States will appraise and approve the proposals and conclude grant agreements with the Beneficiary States for each programme. The level of detail in the programme shall take into account the size of the contribution. Within programmes, projects may in exceptional cases be specified, including conditions for their selection, approval and control, in accordance with the provisions for implementation referred to in paragraph 8.

The implementation of the agreed programmes shall be the responsibility of the Beneficiary States. The Beneficiary States shall provide for an appropriate management and control system in order to ensure a sound implementation and management system.

4. Partnerships shall, where appropriate, be applied in the preparation, implementation, monitoring and evaluation of the financial contribution in order to ensure broad participation. Partners may include, *inter alia*, local, regional and national levels, as well as the private sector, civil society and social partners in the Beneficiary States and the EFTA States.
5. The control system provided for the management of the EEA Financial Mechanism shall ensure the respect of the principle of sound financial management. The EFTA States may carry out controls according to their internal requirements. The Beneficiary States shall provide all necessary assistance, information and documentation to this effect. The EFTA States may suspend financing and require recovery of funds in the case of irregularities.
6. Any project under the multi-annual programming framework in the Beneficiary States may be implemented in cooperation between entities based in the Beneficiary States and in the EFTA States, in accordance with the applicable rules on public procurement.
7. The management costs of the EFTA States shall be covered by the overall amount referred to in Article 2 and will be specified in the provisions for the implementation referred to in paragraph 8.
8. The EFTA States shall establish a Committee for the overall management of the EEA Financial Mechanism. Further provisions for the implementation of the EEA Financial Mechanism will be issued by the EFTA States after consultation with the Beneficiary States. The EFTA States shall endeavour to issue these provisions before the signing of the Memoranda of Understanding.

Article 9

At the end of the five-year period and without prejudice to the rights and obligations under the Agreement, the Contracting Parties will, in the light of Article 115 of the Agreement, review the need to address economic and social disparities within the European Economic Area.
