

European Economic Area Financial Mechanism 2021-2028

Norwegian Financial Mechanism 2021-2028

AGREEMENT

Between

The Financial Mechanism Committee and the Norwegian Ministry of Foreign Affairs
hereinafter referred to as the “Donors”,

and

The Estonian State Shared Service Centre (SSSC),
hereinafter referred to as the “National Focal Point”,
Representing the Republic of Estonia,
hereinafter referred to as the “Beneficiary State”

together hereinafter referred to as the “Parties”

on the Funds for Bilateral Relations hereinafter referred to as the “agreement”

Chapter 1

Scope, legal framework, definitions and responsibilities

Article 1.1

Scope

This agreement between the Donors and the National Focal Point lays down the rights and obligations of the Parties regarding the use of the funds for bilateral relations at national level under the financial contribution from the EEA and the Norwegian Financial Mechanisms 2021-2028 (hereinafter referred to as the “Mechanisms”).

Article 1.2

Legal framework

1. This agreement shall be read in conjunction with the following documents, which constitute the legal framework of the EEA and Norwegian Financial Mechanisms 2021-2028:

- (a) the Agreement between the Kingdom of Norway and the European Union on a Norwegian Financial Mechanism for the period 2021-2028 and Protocol 38d to the EEA Agreement on the EEA Financial Mechanism (2021-2028);
- (b) the Regulation on the implementation of the Norwegian Financial Mechanism 2021-2028 and the Regulation on the implementation of the EEA Financial Mechanism 2021-2028 (hereinafter referred to as the “Regulations”);
- (c) the Memorandum of Understanding on the Implementation of the Norwegian Financial Mechanism 2021-2028 and the Memorandum of Understanding on the Implementation of the EEA Financial Mechanism 2021-2028 (hereinafter referred to as the “Memoranda of Understanding”), entered into between the Donor States and the Beneficiary State; and
- (d) any guidelines adopted by the Donors in accordance with the Regulations.

2. In case of an inconsistency between this agreement and the Regulations, the Regulations shall prevail.

3. The legal framework as set forth in paragraph 1 of this Article is binding for the Parties. An act or omission by a Party to this agreement that is incompatible with the legal framework constitutes a breach of this agreement by that Party.

Article 1.3

Definitions

Terms used and institutions and documents referred to in this agreement shall be understood in accordance with the Regulations, in particular Article 1.6 thereof, and the legal framework referred to in Article 1.2 of this agreement.

Article 1.4

Co-operation

1. The Parties shall take all appropriate and necessary measures to ensure fulfilment of the obligations and objectives arising out of this agreement.

2. The Parties agree to provide all information necessary for the good functioning of this agreement and to apply the principles of implementation as set out in Article 1.3 of the Regulations.

3. The Parties shall promptly inform each other of any circumstances that interfere or threaten to interfere with the successful implementation of this agreement.

4. In executing this agreement the Parties declare to counteract corrupt practices. Further, they declare not to accept, either directly or indirectly, any kind of offer, gift, payments or benefits which would or could be construed as illegal or corrupt practice or giving rise to a conflict of interest. The Parties shall immediately inform each other of any indication of corruption or misuse of resources related to this agreement.

Chapter 2

Budget, objective and implementation system for the Bilateral Fund

Article 2.1

Budget

1. In accordance with Article 4.6 of the Regulations, the Beneficiary State, acting through the National Focal Point, has set aside EUR € 1,503,787 for a Bilateral Fund at national level (hereinafter referred to as ‘Bilateral Fund’).

2. The Bilateral Fund is supported jointly by the EEA Financial Mechanism and the Norwegian Financial Mechanism, in accordance with the allocations set in the respective Memoranda of Understanding.

3. The support from the EEA Financial Mechanism to the Bilateral Fund is € 806,571. The support from the Norwegian Financial Mechanism to the Bilateral Fund is € 697,216.

Article 2.2 Objective

The Bilateral Fund shall be used to support activities aiming at strengthening bilateral relations between the Donor States and the Beneficiary States, in line with Article 4.5 of the Regulations.

Article 2.3 Role and composition of the Joint Committee for the Bilateral Fund

1. The Joint Committee for the Bilateral Fund shall be established in line with Article 4.9 of the Regulations. Its tasks shall inter alia include:

- (a) discussing matters of bilateral interest, identifying bilateral initiatives at national level and reviewing the overall progress towards reaching the objective of strengthened bilateral relations;
- (b) adopting the Work Plan for the Bilateral Fund as described in Article 2.6; and
- (c) taking decisions on the use of the bilateral funds at national level.

2. The Joint Committee for the Bilateral Fund shall be chaired by the National Focal Point and composed of representatives from the Donor States, including the embassies of the Donor States, and from the Beneficiary State, including the respective ministry of foreign affairs. The members may appoint their deputy by written notification to the National Focal Point. The deputy shall have the same rights as the member.

Article 2.4 Meetings of the Joint Committee for the Bilateral Fund

1. The Joint Committee for the Bilateral Fund shall meet at least once a year. The National Focal Point is responsible for organising the meetings. The tentative dates of the meetings shall be included in the Work Plan. Additional meetings may be organised at the justified proposal of any of the members and with the agreement of the National Focal Point.

2. The National Focal Point is responsible for preparing the draft agenda of the meetings of the Joint Committee for the Bilateral Fund, which shall be sent to the members of the Committee and the Financial Mechanism Office (hereinafter referred to as the "FMO"), at least two weeks before the meeting for comments.

3. Any member of the Joint Committee for the Bilateral Fund may invite representatives from the Programme Operators, Donor Programme Partners or others to participate in meetings as observers

if/when their participation is needed for specific issues to be discussed.

4. Representatives of the FMO shall be invited to participate at the meetings of the Joint Committee for the Bilateral Fund as observers.

5. The working language of the Joint Committee for the Bilateral Fund shall be English. The meetings shall be conducted in English and all documents presented to, and produced by, the Committee shall be in English.

6. The meetings of the Joint Committee for the Bilateral Fund shall be considered valid if attended by at least half of the Committee members, of which at least one of the members should be from the Donor States. In case a member cannot participate in the meetings, they may provide written input to the National Focal Point in advance of the meetings. Requests for participation through video link or phone conferencing should be accommodated.

Article 2.5 Decisions by the Joint Committee for the Bilateral Fund

1. Decisions by the Joint Committee for the Bilateral Fund shall be taken by consensus between the members of the Committee. In case no consensus can be reached, the decision shall be taken by the FMC.

2. The National Focal Point is responsible for the drafting of meeting minutes. The minutes shall set out decisions taken and summarise the main discussion points, following the structure of the agenda. The minutes shall be decision-oriented, follow-up-oriented and task-oriented.

3. The draft minutes from the meetings shall be circulated to all members of the Joint Committee for the Bilateral Fund and the FMO not later than ten working days after the meeting. Comments to the minutes should be provided within ten working days of receipt. After considering comments received or in case of absence of comments, the minutes shall be agreed between the members who participated at the meetings. The final minutes shall be sent to the members of the Committee and the FMO not later than 30 working days after the meetings.

4. Decisions of the Joint Committee for the Bilateral Fund may be made in writing between the members.

5. The FMO shall always be included in copy of any communication and shall be given possibility to provide comments and proposals as well as participate in the meetings.

Article 2.6 Work Plan

1. The National Focal Point shall, in consultation with the Donors, prepare an initial draft Work Plan for the implementation and activities under the Bilateral Fund for the duration of the Fund (hereinafter referred to as the "Work Plan"). The Work Plan shall include the share of the Bilateral Fund available for activities involving entities from each Donor State. A template for the Work Plan will be provided by the FMC.

2. The initial draft Work Plan shall be submitted to the members of the Joint Committee for the Bilateral Fund and the FMO for comments at least four weeks prior to the first meeting of the Joint Committee.

3. The initial Work Plan shall be adopted by the Joint Committee for the Bilateral Fund at its first meeting, based on the draft by the National Focal Point. If it is not possible to adopt the Work Plan at the first meeting, the Committee shall agree on a timeframe for its adoption.

4. The Work Plan is the working document for the Joint Committee for the Bilateral Fund and shall be updated as relevant to reflect the decisions of the Committee. Further to the adoption of the initial Work Plan, the Work Plan shall be modified by consensus of the Committee, to reflect all the decisions of the Committee and the relevant developments of the Bilateral Fund.

Article 2.7 Allocations of funds for bilateral relations

1. Allocations of funds for bilateral relations shall be based on the principles of transparency, equal treatment, accountability and sound financial management.

2. Where the Joint Committee for the Bilateral Fund decides to organise calls for proposals, the following shall apply:

- (a) the National Focal Point shall be responsible for organising calls for proposals and drafting the call text, including eligibility criteria, according to the provisions of the Work Plan;
- (b) the Committee and the FMO shall be consulted on the call text and comments received shall be duly taken into consideration;
- (c) the calls shall be published on the websites of the National Focal Point, the Donor Embassies and the EEA and Norway Grants and be advertised as widely as possible; and
- (d) rules for awarding funds shall be agreed by the Committee.

3. Any members of the Joint Committee for the Bilateral Fund may, using a template provided by the National Focal Point, propose pre-defined bilateral initiatives to be included in the Work Plan. The contracting, implementation, monitoring and verification of predefined bilateral initiatives shall be carried out by the National Focal Point.

Article 2.8 Reporting

The National Focal Point shall, in accordance with Article 4.7.1 of the Regulations, report on the use of the Bilateral Fund, including the work of the Joint Committee for the Bilateral Fund, in the Interim Financial Reports and the annual and Final Country Reports, as defined in Article 2.6 of the Regulations.

Article 2.9 Communication

1. All communication to the Donors regarding this agreement shall take place in English and be directed to the FMO, which represents the Donors towards the National Focal Point in relation to the implementation of this agreement.

2. To the extent that original documents are not available in the English language, the documents shall be accompanied by full and accurate translations into English.

3. The National Focal Point shall bear the responsibility for the accuracy of the translation that it provides and the possible consequences that might arise from any inaccurate translations.

Article 2.10 Representations and warranties

1. This agreement is based on information provided by, through, or on behalf of the National Focal Point to the Donors.

2. The National Focal Point represents and warrants that all information provided by, through, or on behalf of the National Focal Point in connection with this agreement is authentic, accurate and complete.

Chapter 3 Finance

Article 3.1 Eligible expenditures

1. Expenditure under the Bilateral Fund is eligible if it falls within the activities as described in Article 4.5 of the Regulations.

2. Notwithstanding and in addition to the provisions of paragraph 1 of this Article, the rules on eligibility

of expenditures set out in Chapter 8 apply *mutatis mutandis* to the Bilateral Fund.

3. The first date of eligibility of expenditures under this agreement shall be 28 May 2025.

4. The final date of eligibility of expenditures under this agreement shall be 30 April 2032.

Article 3.2 **Proof of expenditure**

Costs incurred by the National Focal Point or any final beneficiary under this agreement shall be supported by documentary evidence as required in Article 8.12 of the Regulations.

Article 3.3 **Proof of conditions fulfilled for simplified cost options**

Costs of the National Focal Point or of any final beneficiary under this agreement that are covered by simplified cost options shall be supported by proof of conditions fulfilled in accordance with Article 8.13 of the Regulations.

Article 3.4 **Payments**

1. Payments under this agreement shall be made when all relevant conditions for payments stipulated in this agreement and the Regulations have been fulfilled.

2. Payments shall take the form of an advance payment, interim payments and payment of the final balance and shall be made in accordance with Articles 9.2, 9.3 and 9.5 of the Regulations. The final balance shall be calculated and reported in the last interim financial report.

3. The level of the advance payment is € 150,379. The advance payment is contingent on the availability of funds under the EEA and Norwegian Financial Mechanisms and shall be made as soon as possible after signature of this agreement. In exceptional cases, extraordinary advance payments may be made prior to the signing of this agreement.

4. Interim payments shall be paid based on an interim financial report submitted by the National Focal Point in a format provided by the FMC, certified by the Certifying Authority in accordance with Article 5.4 of the Regulations, and approved by the FMC. A justified forecast of likely payment applications from the funds for bilateral relations shall be included in the interim financial report. Paragraphs 3 to 9 of Article 9.3 of the Regulations apply *mutatis mutandis* to interim payments under this agreement.

5. Notwithstanding paragraphs 1 to 4 above, Chapter 9 of the Regulations shall apply *mutatis mutandis* to all aspects related to payments.

Article 3.5 **Transparency and availability of documents**

The Beneficiary State shall ensure an audit trail for financial contributions from the EEA and Norwegian Financial Mechanisms 2021-2028 under this agreement, in accordance with Article 9.8 of the Regulations.

Article 3.6 **Irregularities, suspension and reimbursements**

The Donors have the right to make use of the remedies provided in the Regulations, in particular Chapter 13 thereof. The National Focal Point has a duty to take all necessary measures to ensure that the provisions in Chapter 12 and 13 of the Regulations regarding irregularities, suspension of payments, financial corrections and reimbursement are complied with.

Chapter 4 **Final provisions**

Article 4.1 **Contact information**

1. The contact information of the National Focal Point is:

The State Shared Service Centre
Lökke 4, Tallinn, Estonia 10122
Telephone: +372 663 8200
E-mail: info@rtk.ee

2. The contact information for the Donors and the FMO is:

Financial Mechanism Office
Att: Managing Director
EFTA House
Avenue des Arts 19H
1000 Brussels
Telephone: +32 (0)2 286 1701
E-mail: fmo@efta.int

3. Changes of or corrections to the contact information referred to in this Article shall be given in writing without undue delay by the Parties to this agreement.

Article 4.2 **Dispute settlement**

1. The Parties waive their rights to bring any dispute related to the agreement before any national or

international court, and agree to settle such a dispute in an amicable manner.

2. If a demand for reimbursement to the Donors is not complied with by the Beneficiary State, or a dispute related to a demand for reimbursement arises that cannot be solved in accordance with paragraph 1, the Parties may bring the dispute before Oslo Tingrett.

Article 4.3 Termination

1. The Donors may, after consultation with the National Focal Point, terminate this agreement if:

- (a) a general suspension decision according to Article 13.6 of the Regulations or a decision to suspend payments according to point (h) of Article 13.1.1 of the Regulations has not been lifted within 6 months of such a decision;
- (b) a suspension of payments according to Article 13.1 of the Regulations, other than under point (h) of Article 13.1.1, has not been lifted within one year of such a decision; or
- (c) a request for reimbursement according to Article 13.2 of the Regulations has not been complied with within one year from such a decision.

2. This agreement can be terminated by mutual agreement between the Parties.

3. Termination does not affect the right of the Parties to make use of the dispute settlement mechanism referred to in Article 4.2 or the right of the Donors to make use of the remedies provided in Chapter 13 of the Regulations.

Article 4.4 Waiver of responsibility

1. Nothing contained in this agreement shall be construed as imposing upon the Donors or the FMO any responsibility of any kind to any third party for the supervision, execution, completion, or operation of any actions or obligations entered into pursuant to this agreement.

2. The Donors do not assume any risk or responsibility whatsoever for any damages, injuries, or other possible adverse effects caused as a result of actions entered into pursuant to this agreement. It is the full and sole responsibility of the National Focal Point to satisfactorily address such issues.

3. Neither the European Free Trade Association, its Secretariat, including the FMO, its officials or employees, nor the Donors, their officials or employees, can be held liable for any damages or

injuries of whatever nature sustained by the National Focal Point, the Beneficiary State, Programme Operators, Project Promoters or any other third person, in connection, be it direct or indirect, with this agreement.

Article 4.5 Modification of the agreement

1. Unless otherwise explicitly stipulated in this agreement, any modification of this agreement is subject to prior approval by the Donors.

2. Requests for modifications shall be submitted and assessed in accordance with the relevant provisions of Article 6.7 of the Regulations.

3. Changes to the agreement which have been agreed in their entirety in a Memoranda of Understanding modification do not require a modification to this agreement. In such a case, the agreement shall be updated by the FMC.

Article 4.6 Entry into force and duration

1. This agreement shall enter into force on the day following the date of the last signature of the Parties.

2. This agreement shall remain in force until five years have elapsed after the date of the acceptance of the Final Country Report.

This agreement is drawn up in two originals in the English language.

For the Donors

Signed in Oslo on 22/5-28



Kristin Hansen

Chair of the Financial Mechanism Committee
Deputy Director General,
Norwegian Ministry of Foreign Affairs

For the National Focal Point

Signed in Tallinn on 27.05.2025



Urmo Merila

Deputy Director General
State Shared Service Centre

