MEMORANDUM OF UNDERSTANDING

ON THE IMPLEMENTATION OF THE EEA FINANCIAL MECHANISM

2021-2028

Between

ICELAND,

THE PRINCIPALITY OF LIECHTENSTEIN,

THE KINGDOM OF NORWAY,

hereinafter referred to as the “Donor States”

and

THE PORTUGUESE REPUBLIC,

hereinafter referred to as the “Beneficiary State”

together hereinafter referred to as the “Parties”,

WHEREAS Protocol 38d 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 2021-2028, establishes a financial mechanism (hereinafter referred to as the "EEA Financial Mechanism 2021-2028") 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 2021-2028 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. 4/2024/SC of 24 October 2024 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 2021-2028;

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 2021-2028;

HAVE AGREED on the following:

Article 1
Objectives

1. The overall objectives of the EEA Financial Mechanism 2021-2028 are to contribute to the reduction of economic and social disparities in the European Economic Area and to strengthen bilateral relations between the Donor States and the Beneficiary States through financial contributions in the thematic priorities listed in paragraph 2. Accordingly, the Parties to this Memorandum of Understanding shall select programmes for funding that aim to contribute to the achievement of these objectives.

2. The financial contributions shall be available in the following thematic priorities:

(a) European green transition;

(b) Democracy, rule of law and human rights;

(c) Social inclusion and resilience.

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 2021-2028:

(a) Protocol 38d to the EEA Agreement on the EEA Financial Mechanism 2021-2028;

(b) the Regulation on the implementation of the EEA Financial Mechanism 2021-2028 (hereinafter referred to as the "Regulation") issued by the Donor States in accordance with Article 9.4 of Protocol 38d;

(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 38d, the total amount of the financial contribution is € 1 805 million in annual tranches of € 257.86 million over the period running from 01 May 2021 to 30 April 2028, inclusive.

2. In accordance with Article 6 of Protocol 38d, a total of € 113,391,359 shall be made available to the Beneficiary State over the period referred to in Paragraph 1.

3. In accordance with Article 9.7 of Protocol 38d and Article 1.9 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 € 105,453,964.

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 thematic priorities listed in Article 3.1 of Protocol 38d and the programme areas listed in the Annex to Protocol 38d. The Donor States and the Beneficiary State shall cooperate on the preparation of concept notes defining the scope and planned results for each programme.

2. The Beneficiary State shall assure the full co-financing of programmes that benefit from support from the EEA Financial Mechanism 2021-2028 in accordance with Annex B and the Programme Agreements.

3.The Beneficiary State shall ensure an enabling environment for the unimpeded implementation of the Civil Society Fund in the Beneficiary State and shall refrain from taking any measures that might prevent Fund Operators from independently exercising their role.

4. The Financial Mechanism Committee shall manage the EEA Financial Mechanism 2021-2028 and take decisions on the granting of financial assistance in accordance with the Regulation.

5. The Committee shall be assisted by the Financial Mechanism Office (hereinafter referred to as the "FMO"). The FMO shall serve as a contact point for the Beneficiary State for the day-to-day operations of the EEA Financial Mechanism 2021-2028.

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 2021-2028 as well as for the implementation of the EEA Financial Mechanism 2021-2028 in the Beneficiary State in accordance with the Regulation. In accordance with Article 5.2 of the Regulation, the National Focal Point, the Certifying Authority, the Audit Authority are designated in Annex A.

Article 6
Multi-annual Programming Framework

1. In accordance with Article 2.5 of the Regulation, the Parties have agreed on an implementation framework consisting of the following financial and substantive parameters:

(a) a list of agreed programmes, the financial contribution from the EEA Financial Mechanism 2021-2028 and from the Beneficiary State;

(b) identification of programmes, their objective(s), the Programme Operators, the grant amount and amount of co-financing by programme, the bilateral ambitions as well as any specific concerns relating to the implementation of the programmes;

(c) conditions and/or specific concerns at Beneficiary State level relating to target groups, geographical areas or other issues;

(d) identification of Donor Programme Partners, as appropriate;

(e) identification of International Partner Organisations, as appropriate; and

(f) identification of pre-defined projects to be included in relevant programmes.

2. The implementation framework is outlined in Annex B.

Article 7
Fund for bilateral relations

In accordance with Article 4.6.1 of the Regulation the Beneficiary State shall set aside funds to strengthen bilateral relations between the Donor States and the Beneficiary State. The agreed amount is reflected in Annex B and is allocated to the funds for bilateral relations at national and programme level. The National Focal Point shall manage the use of the fund for bilateral relations at national level and shall establish a Joint Committee for the Bilateral Fund in accordance with Article 4.9.1 of the Regulation. The Programme Operators shall manage the use of the funds for bilateral relations allocated to their programmes. For donor partnership programmes, decisions on the use of the funds for bilateral relations in the programme shall be taken by consensus between the Programme Operator and the Donor Programme Partner(s).

Article 8
Country Report

In accordance with Article 2.6 of the Regulation, the National Focal Point shall submit to the FMC an Annual Country Report on the implementation of the EEA Financial Mechanism 2021-2028 in the Beneficiary State. The Country Report shall be submitted to the FMC no later than 10 March each year.

Article 9
Annual meetings

In accordance with Article 2.7 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 periods, discuss risks and agree on any necessary measures to be taken. The annual meeting shall provide a forum for discussion of issues of bilateral interest.

Article 10
Modification of the MoU

1. Annex A and B may be amended through an exchange of letters between the FMC and the National Focal Point.
2. Cumulative transfers up to 10% of the total eligible expenditure of a programme may be made between programmes without a modification of the Annexes to this Memorandum of Understanding, provided that the change has been agreed by the FMC through modifications of the relevant Programme Agreements.

3. In addition, cost savings and amounts not committed to projects may be transferred to the funds for bilateral relations without a modification of the Annexes to this Memorandum of Understanding or the approval of the FMC, provided that the transfer has been the subject of prior consultation with the Cooperation Committee of the concerned programme. Any such transfer of funds from a programme shall not affect the objectives or outcomes of the Programme. The National Focal Point shall notify the FMC of such transfers without delay and the FMC shall update the concerned Programme Agreements and the Bilateral Funds Agreement, as relevant.
4. All transfers made in accordance with paragraphs 2 and 3 shall not affect any specific concerns, conditions, objectives or other priorities referred to in this Memorandum of Understanding and shall be in accordance with the provisions of the legal framework.

Article 11
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 12
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 2021-2028 shall be pursued in a framework of close co-operation between the Donor States and the Beneficiary State, respecting the common values and principles of respect for human dignity, freedom, democracy, equality, the rule of law and the respect for human rights, including the rights of persons belonging to minorities. The Parties agree to apply the highest degree of transparency, accountability and cost efficiency as well as the principles of good governance, partnership and multi-level governance, sustainable development, gender equality and non-discrimination in all implementation phases of the EEA Financial Mechanism 2021-2028.

3. All programmes and activities funded by the EEA Financial Mechanism 2021-2028 shall be consistent with respect for these values and principles and abstain from supporting operations that may fail to do so. Their implementation shall comply with the fundamental rights and obligations enshrined in relevant instruments and standards.

4. The Beneficiary State shall take proactive steps in order to ensure adherence to these values and principles at all levels involved in the implementation of the EEA Financial Mechanism 2021-2028.

Article 13
Entry into Force

This Memorandum of Understanding shall enter into force on the day after the date of its last signature.

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This Memorandum of Understanding is signed in four originals in the English Language.

Signed in Lisbon on 07/07/2025
For Iceland

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For Iceland

Signed in Lisbon on 07/07/2025
For the Portuguese Republic

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For the Portuguese Republic

Signed in Brussels on 03/07/2025
For the Principality of Liechtenstein

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For the Principality of Liechtenstein

Signed in Lisbon on 07/07/2025
For the Kingdom of Norway

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For the Kingdom of Norway

ANNEX A

National management and control structures

1. National Focal Point

The National Management Unit (Unidade Nacional de Gestão, UNG) shall act as the National Focal Point (NFP).

The UNG is a specific managing structure reporting directly to the Minister of Economy and of Territorial Cohesion, or to the respective State Secretary by delegated powers, that appoints a Coordinator responsible for the management of the National Focal Point. The Coordinator 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 5.3 thereof.

2. Certifying Authority

The Agency for Development and Cohesion (Agência para o Desenvolvimento e Coesão, I.P., AD&C) shall act as the Certifying Authority.

The AD&C is a Public Institute within the Ministry for Territorial Cohesion that has the overall coordination of European Structural and Investment Funds and the Regional Development policy and acts under the coordination of the Minister of Territorial Cohesion, or of the respective State Secretary by delegated powers.

The President of the Agency 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 5.4 thereof.

The Certifying Authority shall be responsible for the preparation and submission of irregularities reports on behalf of the Beneficiary State.

3. Audit Authority

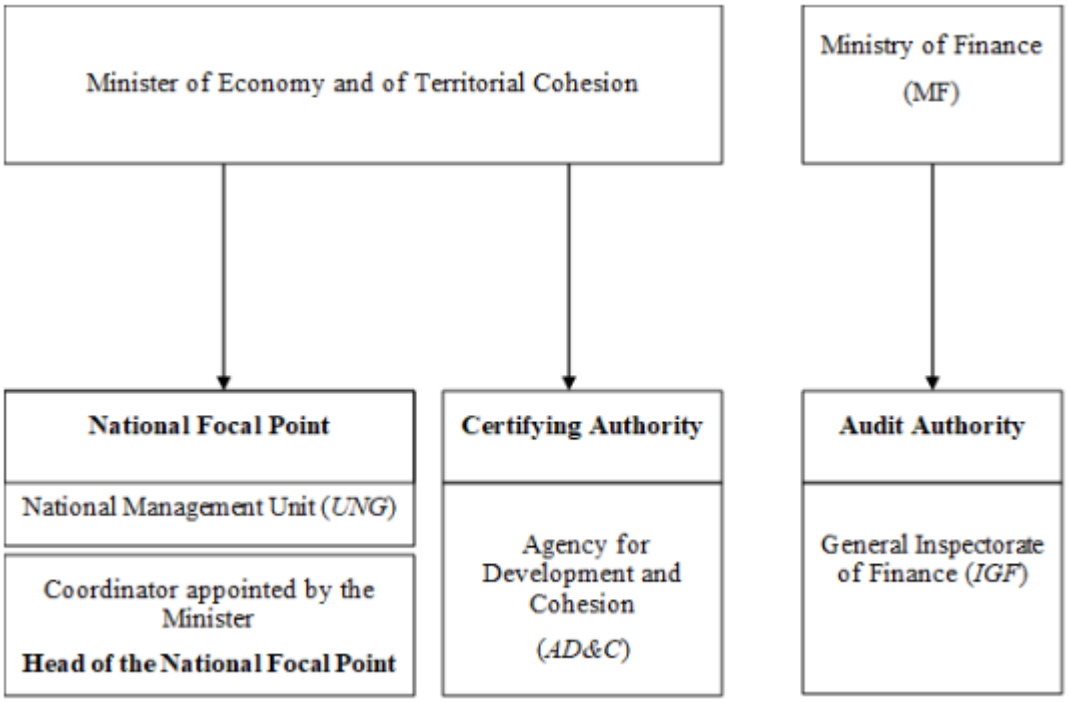
The General Inspectorate of Finance (Inspeção Geral de Finanças, IGF) shall act as the Audit Authority. IGF is an entity belonging to the Ministry of Finance that covers the strategic state finance administration and the specialised technical support for the public administration.

The Inspector General of IGF 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 5.5 thereof.

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

4. Organigram



ANNEX B

Implementation framework

In accordance with Article 2.5 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

	Portugal	EEA Grants contribution	National contribution
	Programmes		
1	Blue Growth	€ 49,000,000	€ 8,647,059
2	Green Transition	€ 29,500,000	€ 5,205,882
3	Domestic and Gender-based Violence	€ 12,000,000	€ 2,117,647
4	Culture	€ 9,000,000	€ 1,588,235
	Other allocations		
	Technical Assistance to the Beneficiary states (Art. 1.10)	€ 2,953,964	N/A
	Funds for bilateral relations at national level (Art. 4.7)	€ 1,700,000	N/A
	Reserve for completing projects under FM 2014-2021	N/A	N/A
	Funds for bilateral relations at programme level (Art. 4.10)	€ 1,300,000	N/A
	Net allocation to Portugal	**€ 105,453,964**	**€ 17,558,824**

2. Conditions

3. Specific concerns

The amount of funds for bilateral relations allocated to each programme shall be included in the respective programme agreements.

The agreed allocations to the programmes and bilateral funds include the EEA Financial Mechanism contribution to Portugal related to the challenges experienced as a result of the invasion of Ukraine, which amounts to € 6,282,070. The funding shall be made available through the bilateral funds and to projects across all programmes. The planned use of these funds shall be described in the Concept Notes.

In accordance with Article 8.11.4 of the Regulation, the allocation to technical assistance is set at 2.61% further to the request of the National Focal Point and the submission of justifications. The National Focal Point shall ensure that the entire allocation is necessary for the performance of the tasks of the National Focal Point, the Certifying Authority and the Audit Authority.

Gender equality and digitalization will be mainstreamed and form part of all relevant programme areas. The Concept Notes shall describe how this shall be achieved.

4. Substantive parameters of the implementation framework

The programmes described below are to be implemented subject to the approval of the FMC, in accordance with Article 6.3 of the Regulation.

A. Blue Growth

Programme objective: Green value creation and competitiveness. Enhanced excellence in research and research-based innovation, strengthening the foundations for the green and digital transitions, democracy, rule of law, human rights, social inclusion and resilience. Enhanced quality, access and relevance of education and training for the green and digital transitions, human rights, democracy and youth employment.
Programme grant: € 49,000,000
Programme co-financing: € 8,647,059

Programme Operator:	Directorate General for Maritime Policy
Donor Programme Partners(s):	Innovation Norway (IN) Research Council of Norway (RCN) Directorate for Higher Education and Skills (HK-DIR) Icelandic Centre for Research (RANNIS) National Agency for International Education Affairs (AIBA)
Programme area(s):	Green business and innovation Research and innovation Education, training and youth employment
Programme specific concerns:	The programme shall increase value creation and sustainable growth in the blue economy by supporting green and blue innovation, research and skills development. Indicative allocation to programme areas is in line with the following guiding principles: approximately 50% to the programme area "Green business and innovation", approximately 40% to the programme area "Research and innovation" and approximately 10% to the programme area "Education, training and youth employment". The final allocations shall be agreed and set in the programme agreement. The programme area "Green business and innovation" shall support investments in innovative green technologies and development of products, services and solutions ready for commercialisation. The programme shall stimulate long-term bilateral business cooperation in the blue and green economy. This programme area shall contribute to harnessing the growth potential that derives from the European Green Deal for maritime enterprises to promote a sustainable blue economy. It will foster value creation through environmentally sustainable practices. It will contribute to mitigating and adapting to climate change and to ensuring a transition to a resource efficient circular economy. The promotion of female entrepreneurs shall be included in the programme and the possibility of pre-defining a project with Donor partner(s) shall be explored when developing the Concept Note. The programme area "Education, training and youth employment" shall support development of sustainable skills in the blue economy and ocean literacy. The programme shall strengthen the capacity of relevant stakeholders within the education sector to fully exploit the opportunities offered by European funding instruments. Partnerships between Donor States and Beneficiary State entities are mandatory in all projects under the programme area "Education, training and youth employment". The National Innovation Agency (Agência Nacional de Inovação - ANI), the Foundation for Science and Technology (Fundação para a Ciência e a Tecnologia - FCT), and the National Agency for Education and Training (Agência Nacional Erasmus+ Educação e Formação (ANE+EF) shall act as Programme Partners for the programme areas "Green Business and Innovation", "Research and Innovation" and "Education, training and youth employment",

respectively. The Programme Partners' main responsibility shall be the selection of projects through calls for proposals.

B. Green Transition

Programme objective:	Acceleration of the green transition towards a more sustainable society.
Programme grant:	€ 29,500,000
Programme co-financing:	€ 5,205,882
Programme Operator:	Portuguese Agency for Climate
Donor Programme Partners(s):	Norwegian Environment Agency (NEA)
Programme area(s):	Green transition
Programme specific concerns:	The programme shall support the following areas of support under the programme area: "Air, water and soil pollution", "Circular economy" and "Biodiversity and ecosystems". The programme shall support the application of innovative Nature Based Solutions. Further areas of bilateral interest may be explored during the development of the Concept Note.

C. Domestic and Gender-based Violence

Programme objective:	Prevention and combatting of domestic and gender-based violence in line with international and European human rights standards. Increased access to an independent, accountable, and efficient justice system of high quality in line with international and European human rights standards. Strengthened institutional cooperation and increased quality of public services policies and regulations.
Programme grant:	€ 12,000,000
Programme co-financing:	€ 2,117,647
Programme Operator:	Portuguese Commission for Citizenship and Gender Equality
Donor Programme Partners(s):	Norwegian Directorate of Health (HDIR) Norwegian Ministry of Justice and Public Security (NMOJ)
International Partner Organisation(s):	Council of Europe (CoE)
Programme area(s):	Domestic and gender-based violence Access to justice Institutional cooperation and capacity building
Programme specific concerns:	The programme shall combat domestic and gender-based violence, including trafficking, and support minorities and persons in vulnerable situations, including Roma. The programme shall support a broad range of measures to advance gender equality. Approximately €4,000,000 shall be made available for the programme area "Access to Justice" to support pre-defined project(s)

to be developed in the Concept Note. The project(s) shall include cooperation with partner(s) from the Donor States.

The possibility of pre-defining further projects shall be explored when developing the Concept Note.

The maximum level of funding for investment in infrastructure and equipment (hard measures) shall be set in the Programme Agreement.

D. Culture

Programme objective:	Increased participation, sustainability, and diversity in culture and cultural heritage.
Programme grant:	€ 9,000,000
Programme co-financing:	€ 1,588,235
Programme Operator:	Cultural Heritage, Public Institute (Património Cultural, I.P)
Donor Programme Partners(s):	Norwegian Directorate for Cultural Heritage (RA) Arts and Culture Norway (ACN) Icelandic Centre for Research (RANNIS)
Programme area(s):	Culture

Programme specific concerns:

The programme aims to support the sustainable revitalisation of coastal cultural heritage to create vibrant and inclusive cultural and community spaces based on local identity and intangible heritage that harness the economic potential of local cultural resources.

The programme shall also support artistic and cultural creation, exchange and mobility in remote, low-density areas with a focus on networked cooperation in cultural programming and education to enhance outreach and to promote human rights, cultural diversity, and the participation and cultural self-expression of women, minorities, and persons in vulnerable situations, including Roma.

At least 30% of the total eligible expenditure of the programme shall be made available for cultural and artistic creation and cooperation, capacity building, outreach and exchange, with specific regard to cultural diversity.

The maximum level of funding for investment in infrastructure and equipment (hard measures) shall be set at 45% of the total eligible expenditure of the programme.

The National Focal Point and the Programme Operator shall at the latest by the submission of the Concept Note, demonstrate adequate programme management capacity and expertise to fulfil the Programme Operator’s responsibilities.

The Directorate General for the Arts in Portugal (Direção-Geral das Artes - DG Artes) shall act as Programme Partner and shall be actively involved in the preparation and implementation of the programme.