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

ROMANIA,

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 to promote 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 to promote 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 1 May 2021 to 30 April 2028, inclusive.

2. In accordance with Article 6 of Protocol 38d, a total of € 273,556,144 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 € 254,407,214.

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 and 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
Funds 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 not 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 annexes

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 Bucharest on 13/05/2026
For Iceland

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Iceland

Signed in Bucharest on 13/05/2026
For Romania

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Romania

Signed in Brussels on 27/02/2026
For the Principality of Liechtenstein

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Principality of Liechtenstein

Signed in Bucharest on 13/05/2026
For the Kingdom of Norway

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Kingdom of Norway

ANNEX A

National management and control structures

1. National Focal Point

The General Directorate Technical Assistance and Financial Mechanisms within the Ministry of Investments and European Projects shall act as the National Focal Point. The General Director of the General Directorate Technical Assistance and Financial Mechanisms shall act the Head of the National Focal Point.
The General Directorate for Technical Assistance and Financial Mechanisms is coordinated by a Deputy Secretary General. The Deputy Secretary General reports to the Minister of Investments and European Projects. The National Focal Point shall ensure that there is sufficient and dedicated capacity for the management of the EEA and Norway Grants within the General Directorate, including the necessary operational decision-making powers at the appropriate level.
The roles and responsibilities of the National Focal Point are stipulated in the Regulation, in particular Article 5.3 thereof.
In addition, the National Focal Point shall act as the Programme Operator for the Institutional Cooperation and Capacity Building programme.

2. Certifying Authority

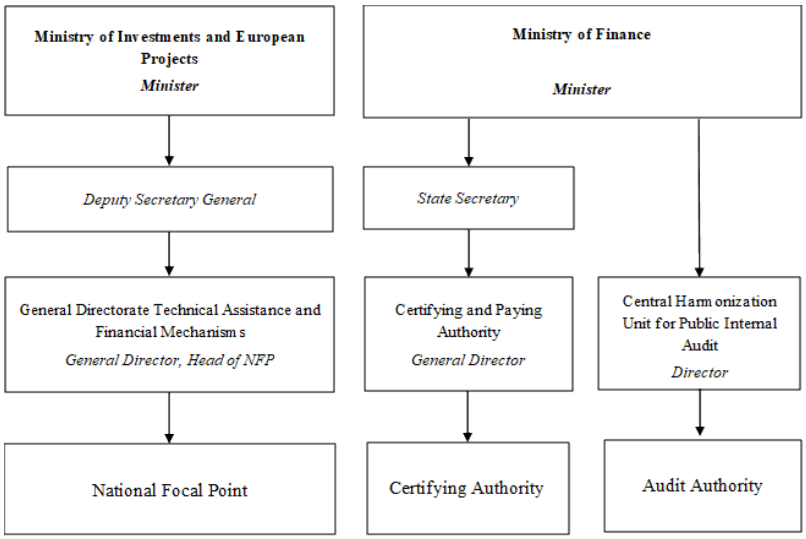
The Certifying and Paying Authority within the Ministry of Finance shall act as Certifying Authority. The General Director of the Certifying and Paying Authority shall act as the Head of the Certifying Authority.
The Certifying and Paying Authority is coordinated by a Secretary of State. The Secretary of State reports to the Minister of Finance.
The roles and responsibilities of the Certifying Authority are stipulated in the Regulation, in particular Article 5.4 thereof.
In addition, the Certifying Authority shall act as the entity responsible for reporting of irregularities according to Article 12.3.1 of the Regulation.

3. Audit Authority

The Central Harmonization Unit for Public Internal Audit (CHUPIA) within the Ministry of Finance shall act as Audit Authority. The Director of the CHUPIA shall act as the Head of the Audit Authority.

The Central Harmonization Unit for Public Internal Audit is under the direct coordination of the Minister of Finance.
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


Ministry of Investments and European Projects
Minister
Ministry of Finance
Minister
Deputy Secretary General
State Secretary
General Directorate Technical Assistance and Financial Mechanisms
General Director, Head of NFP
Certifying and Paying Authority
General Director
Central Harmonization Unit for Public Internal Audit
Director
National Focal Point
Certifying Authority
Audit Authority

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

	Romania	EEA Grants contribution	National contribution
	Programmes		
1	Green Transition	€ 84,000,000	€ 14,823,529
2	Clean Energy Transition	€ 40,000,000	N/A
3	Research and Innovation	€ 45,000,000	€ 7,941,176
4	Local Development	€ 76,000,000	€ 13,411,765
	Other allocations		
	Technical assistance to the Beneficiary states (Art. 1.10)	€ 4,103,342	N/A
	Funds for bilateral relations at national level (Art. 4.7)	€ 3,703,872	N/A
	Reserve for completing projects under FM 2014-2021	N/A	N/A
	Funds for bilateral relations at programme level (Art. 4.10)	€ 1,600,000	N/A
	Net allocation to Romania	**€ 254,407,214**	**€ 36,176,470**

2. Conditions
Not applicable

3. Specific concerns
The amount of funds for bilateral relations 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 Romania related to the challenges experienced as a result of the invasion of Ukraine, which amounts to € 15,155,465. The funding shall primarily be made available through the bilateral funds and to projects through the Clean Energy Transition, Research and Local Development programmes, where the planned use of these funds shall be described in the respective Concept Notes.

Gender equality and digitalisation 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. Programme Green Transition

Programme objective(s): Acceleration of the green transition towards a more sustainable society.

Programme grant: € 84,000,000
Programme co-financing: € 14,823,529
Programme Operator: Romanian Ministry of Environment, Water and Forestry

Donor Programme Partners(s): Norwegian Environment Agency

International Partner Organisation(s): OECD

Programme area(s):	Green Transition
Programme specific conditions:	N/A
Programme specific concerns:	The programme shall support the green transition with the following priorities: sustainable and smart mobility; climate change adaptation; air, water and soil pollution; circular economy; biodiversity and ecosystems; and green governance. The Executive Agency for Higher Education, Research, Development and Innovation Funding shall act as Programme Partner and be actively involved in the preparation and implementation of the programme. The role of the Ministry of Development, Public Works and Administration in supporting capacity building at local and regional level shall be further explored when developing the Concept Note. The contribution of other Romanian entities to the programme may be further explored during the development of the Concept Note. Support to green cities of approximately € 37,000,000 shall be made available from the programme targeting climate neutrality by prioritising the application of innovative nature-based solutions. The geographical dimension of ensuring a just green transition shall be addressed. Support for increased resilience of marine ecosystems, including through a pre-defined project, reduction of pollution, and risks related to climate change in the Black Sea area in partnership with Donor State entities shall be prioritised. A pre-defined project with a grant from the programme of approximately € 18,000,000 that supports the Danube Delta shall be explored when developing the Concept Note. The aim shall be to support nature restoration in line with EU regulations, reduce pressure on habitats and species, as well as nature-based solutions to climate adaptation. Measures supporting the conservation of the genetic diversity of plant species, with the involvement of partners from the Donor States, shall be explored when developing the Concept Note. The support to circular economy shall prioritise measures that contribute to a resource-efficient economy, recovery of secondary resources through improved lifecycle management of materials in order to create further value and improved governance structures. A pre-defined project contributing to the area of support “Green Governance” with the OECD as project partner shall be developed in the Concept Note. The grant from the Programme shall be at least € 3,000,000. Up to € 1,000,000 shall target local authorities and cities specifically. The possibility of pre-defining a project that contributes to the area of support “Green Governance” in partnership with a donor project partner (s) shall be explored in the Concept Note. A pre-defined project called “Green Resilience Connector” strengthening collaboration between stakeholders and experts in Romania involved in the green transition shall be developed in the

Concept Note. The grant from the programme shall be approximately € 3,000,000. The involvement of partners from the Donor States shall be explored.

Consultation with relevant stakeholders shall be carried out in the development of the Concept Note.

B. Programme Clean Energy Transition

Programme objective(s):	Acceleration of the green transition towards a more sustainable society.
Programme grant:	€ 40,000,000
Programme co-financing:	Not-applicable
Programme Operator:	The Financial Mechanism Office in accordance with Article 6.9 of the Regulation. Innovation Norway is appointed Fund Operator in accordance with paragraph 3 of Article 6.9 of the Regulation.
Donor Programme Partners(s):	Norwegian Water Resources and Energy Directorate Icelandic Centre for Research
Programme area(s):	Green Transition
Programme specific conditions:	N/A
Programme specific concerns:	To ensure the alignment of the programme with national policies, the Ministry of Energy shall be involved in and contribute to the development and implementation of the programme. This also includes participation in Cooperation Committee meetings, alongside the Donor Programme Partners. The programme shall support the development of renewable energy communities. Capacity building in the fields of hydropower and geothermal energy shall be supported. Measures related to capture of CO2 for storage and utilisation that contribute to the area of support "Industrial carbon management" shall be developed in the Concept Note. Any support for wind and solar power production shall be limited to innovative projects. Measures related to energy security and connectivity in the Black Sea region shall be explored when developing the Concept Note. Support for improved energy security and reduced energy poverty in the Danube Delta shall be explored. Opportunities for cross-border cooperation between Romania, Ukraine and/or Moldova, shall be explored when developing the Concept Note.

C. Programme Research and Innovation

Programme objective(s):	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.

Programme grant:	€ 45,000,000
Programme co-financing:	€ 7,941,176
Programme Operator:	Executive Agency for Higher Education, Research, Development and Innovation Funding
Donor Programme Partners(s):	Research Council of Norway Icelandic Centre for Research
Programme area(s):	Research and Innovation
Programme specific conditions:	N/A
Programme specific concerns:	The programme shall support both basic and applied research. The programme shall include support to the social sciences and humanities. The programme shall include activities to overcome barriers for the career progression of early-stage and female researchers.

D. Programme Local Development

Programme objective(s):	More resilient, inclusive, and sustainable communities. Enhanced inclusion and empowerment of Roma. More resilient and inclusive public health systems. Enhanced quality, access and relevance of education and training for the green and digital transitions, human rights, democracy and youth employment.
Programme grant:	€ 76,000,000
Programme co-financing:	€ 13,411,765
Programme Operator:	Romanian Social Development Fund
Donor Programme Partners(s):	Norwegian Association of Local and Regional Authorities Liechtenstein Agency for International Education Affairs
International Partner Organisation(s):	EU Fundamental Rights Agency
Programme area(s):	Local Development, Good Governance and Inclusion Roma Inclusion and Empowerment Public Health Education, Training and Youth Employment
Programme specific conditions:	N/A
Programme specific concerns:	The programme shall support the inclusion and empowerment of Roma both through targeted measures and as a horizontal concern throughout the programme. The programme shall target disadvantaged regions and deprived neighbourhoods with a focus on groups in vulnerable situations, with particular attention to Roma. The indicative allocation to programme areas is in line with the following guiding principles: approximately 40% to local development, good governance and inclusion; approximately 20% to

Roma inclusion and empowerment; approximately 20% to public health; and approximately 20% to education, training and youth employment.

The indicative percentage allocations shall be applied to the entire programme allocation, including the support from the Norwegian Financial Mechanism 2021-2028.

The public institution(s) in Romania in charge of the relevant policy areas, including the Ministry of Education, the Ministry of Health and the Ministry of Labour, Family, Youth and Social Solidarity shall be involved in the preparation and implementation of the programme, specifically as observers of the Cooperation Committee. Where relevant, the inclusion of further stakeholders shall be explored.

Within the programme area 'Local development, good governance and inclusion' the programme shall strengthen good governance and capacity building at the local level, supporting models for community-led local development and integrated service delivery based on participation and social inclusion. Anti-discrimination measures shall be included.

A pre-defined project supporting local institutional development and public governance, with the Association of Local Communes and the Norwegian Association of Local and Regional Authorities, with a grant from the Programme of approximately € 4,000,000, shall be explored in the Concept Note.

A pre-defined project developing and providing comprehensive support for Ukrainian refugees, with a grant from the Programme of approximately € 1,500,000, shall be explored in the Concept Note.

Within the programme area 'Education, training and youth employment' measures supporting access to quality, inclusive, education shall be developed in the Concept Note. The professional development of educators and support staff shall be supported alongside the active involvement of parents.

A pre-defined project supporting quality, inclusive education through empowering educators, schools, and communities, with a grant from the Programme of approximately € 3,000,000, shall be explored in the Concept Note. Cooperation with European Wergeland Centre and/or other possible donor states partner(s) shall be explored.

Within the programme area 'Public Health' actions in the field of non-substance addiction, community health services, including mental health and promotion of wellbeing for people in vulnerable situations and disadvantaged areas shall be supported.

A pre-defined project strengthening institutional and civil society capacity, and prevention, in the field of non-substance addictions, with a grant from the Programme of approximately € 2,800,000, involving partners from the Donor States, shall be explored in the Concept Note.

Within the programme area 'Roma inclusion and empowerment' the provision of integrated services responding to the needs of Roma communities shall be supported. The capacity of Roma civil society organisations shall be strengthened. Support to Roma women,

children and youth's empowerment shall be explored in the Concept Note.

A pre-defined project supporting a national campaign promoting inclusion and combating discrimination, with the European Union Fundamental Rights Agency and/or further partners from the Donor States, with a grant from the Programme of approximately € 3,000,000, shall be explored in the Concept Note.

Consultation with relevant stakeholders, including relevant Roma and pro-Roma organisations, shall be carried out in the development of the Concept Note.

The maximum level of funding for investment in infrastructure and equipment (hard measures) shall be 60% of the total eligible expenditure of the programme.

The programme will be implemented in conjunction with the programme Local Development implemented under the Norwegian Financial Mechanism 2021-2028.