

COMPILATION OF INTERNATIONAL AGREEMENTS EXCLUDING THE HUNGARIAN STATE AUDIT OF THE EEA/NORWAY GRANTS NGO FUND

18 NOVEMBER 2014

As emphasized both by Norway and some of the Hungarian NGOs under state audit, the Hungarian Government Control Office is not entitled to monitor or audit the implementation of the EEA/Norway Grants NGO Fund under the respective international agreements as presented below.¹ In addition, the respective Hungarian laws do not entitle the Government Control Office to monitor the implementation of the EEA/Norway Grants NGO Fund either.

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| <p><i>Agreement between the European Union, Iceland, the Principality of Liechtenstein and the Kingdom of Norway on an EEA Financial Mechanism 2009-2014²</i></p> | <p><i>Article 8</i></p> <p>The following shall apply to the implementation of the EEA Financial Mechanism: (...)</p> <p>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. (...)</p> <p>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.</p> |
| <p><i>Regulation on the implementation of the Norwegian Financial Mechanism 2009-2014³</i></p> | <p><i>Article 5.13 – Programmes operated by the FMO, inter-governmental organisations or Norwegian entities</i></p> <p>1. The National Focal Point, with the consent of the NMFA, may entrust the operations of a programme to the FMO, inter-governmental organisations or Norwegian entities. In such cases, the provisions of this Regulation related to the implementation of the programme, its preparation, eligibility of applicants, application and appraisal process, programme agreement, disbursements, monitoring, audits, irregularities, suspension of payments and financial corrections, reporting, and publicity, do not apply. The entrusted Programme</p> |

¹ The compilation of the provisions from international agreements is based on: <http://atlatszo.hu/2014/10/15/nemzetkozi-szerzodesek-zariak-ki-a-kehi-vizsgalat-a-norveg-civil-alap-ellen/>.

² Available in English at: <http://ec.europa.eu/world/agreements/downloadFile.do?fullText=yes&treatyTransId=14422>.

³ Available in English at: <http://ecagrants.org/content/download/7078/86259/version/2/file/Regulation+NO+FM+2009-2014+amended+02+07+14.pdf>. This regulation was adopted by the Norwegian Ministry of Foreign Affairs.

Operator shall apply specific rules in this regard, to ensure implementation in line with the principles stated in Article 1.6. (...)

5. When a programme is being operated by the FMO, an inter-governmental organisation or a Norwegian entity according to this article, the Beneficiary State bears no responsibility for the implementation of the programme, financially or otherwise, except as provided in paragraph 4.

Article 4 – Roles and responsibilities

3. The Financial Mechanism Committee shall manage the EEA Financial Mechanism 2009–2014 and take decisions on the granting of financial assistance in accordance with the Regulation.

Article 9 – 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.

ANNEX A

3. Audit Authority

The Directorate General for Audit of European Funds (DGAEF) shall act as the Audit Authority. The DGAEF is an independent legal entity within the central state administration, established by Legal Act.

The DGAEF's activities include the performance of audit authority tasks regarding the support from the European Regional Development Fund, the European Social Fund and the Cohesion Fund, and also the audit tasks defined by the Government regarding other European Union and international funds, including the EEA and Norwegian Financial Mechanisms. The Audit Authority performs its tasks in line with international audit standards and relevant provisions of European legislation.

The Director General of the DGAEF shall act as the head of the Audit Authority. The Director General of the DGAEF reports to the Minister for National Economy. The relationship of the DGAEF with the Ministry for National Economy is coordinated by the Deputy State Secretary responsible for the Treasury who reports to the State Secretary for Public Finances of the Ministry for National Economy.

The roles and responsibilities of the Audit Authority in respect of funding from the EEA FM are stipulated in the Regulation, in particular Article 4.6 thereof.

ANNEX B

*Government Decree
235/2011. (XI. 15.) on the
promulgation of the
Memorandum of understanding on
the implementation of the EEA
Financial Mechanism 2009–2014
between the Republic of Hungary
hereinafter referred to
as the „Beneficiary State” and
Iceland, the Principality of
Liechtenstein, the Kingdom of
Norway, hereinafter referred to as the
„Donor States” together hereinafter
referred to as the „Parties”⁴*

⁴ Available in English and Hungarian at: http://njt.hu/cgi_bin/njt_doc.cgi?docid=140042.203625. Please note that the since the memorandum is promulgated also by a Hungarian Government decree, it is part of the Hungarian law, thus, the Hungarian Government violates the provisions of the Hungarian law with the audit of the Government Control Office.

D. Programme Area: Funds for Non-Governmental Organisations

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| Programme Operator: | The Financial Mechanism Office (FMO) is entrusted with operating the Programme in line with Article 5.13 of the Regulation. Appointment of the fund operator shall be consulted with the National Focal Point. |
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For FAQ in English regarding the EEA/Norway Grants and the NGO Fund in Hungary, see the information issued by the Royal Norwegian Embassy:

<https://norwayportal.mfa.no/Norvegia--hivatalos-honlapja-Magyarorszagon/Norsk/EEA-and-Norway-Grants1/EEA-and-Norway-Grants/Frequently-Asked-Question-about-the-EEA-and-Norway-Grants-/#.VBnOpVekPgF>