

**PROTOCOL 32<sup>{1}</sup>**  
***ON FINANCIAL MODALITIES***  
***FOR IMPLEMENTATION OF ARTICLE 82***

*Article 1*

*Procedure for the determination of the financial participation of the EFTA States  
for each financial year (n)*

1. At the latest by 31 January of each year (n–1), the European Commission shall communicate to the Standing Committee of the EFTA States the financial programming document covering the activities to be implemented for the remaining period of the relevant Multiannual Financial Framework and giving the indicative commitment appropriations foreseen for these activities.
2. The Standing Committee of the EFTA States shall communicate to the European Commission at the latest by 15 February of the year (n–1), a list of Community activities which the EFTA States wish, for the first time, to include in the EEA Annex to the preliminary draft budget of the European Union for the financial year (n). The list shall be without prejudice to new proposals that are introduced by the Community during the year (n–1) and without prejudice to the final position adopted by the EFTA States as regards their participation in these activities.
3. At the latest by 15 May of each year (n–1), the European Commission shall communicate to the Standing Committee of the EFTA States its position concerning the requests of the EFTA States to participate in activities during the financial year (n), together with the following information:
  - (a) the indicative amounts entered "for information" as commitment and payment appropriations, in the statement of expenditure of the preliminary draft budget of the European Union for the activities in which the EFTA States are taking part or have indicated a wish to take part and calculated in accordance with the provisions of Article 82 of the Agreement;
  - (b) the estimated amounts corresponding to the contributions of the EFTA States, entered "for information" in the statement of revenue of the preliminary draft budget.

The position of the European Commission shall be without prejudice to the possibility of continuing discussions on activities for which it has not accepted the participation of the EFTA States.

4. In the event that the amounts referred to in paragraph 3 are not in accordance with the provisions of Article 82 of the Agreement, the Standing Committee of the EFTA States may request corrections before 1 July of the year (n–1).
5. The amounts referred to in paragraph 3 shall be adjusted following the adoption of the general budget of the European Union, with due respect to the provisions of Article 82 of the Agreement. These adjusted amounts shall be communicated to the Standing Committee of the EFTA States without delay.
6. Within a period of 30 days following the publication of the general budget of the European Union in the Official Journal of the European Union, the Chairs of the EEA Joint Committee shall confirm, by an exchange of letters initiated by the European Commission, that the amounts entered in the EEA Annex to the general budget of the European Union are in accordance with the provisions of Article 82 of the Agreement.
7. At the latest by 1 June of the financial year (n), the Standing Committee of the EFTA States shall communicate to the European Commission the final breakdown of the contribution for each EFTA State. This breakdown shall be binding.

Should this information not be provided by 1 June of the financial year (n), the percentages of the breakdown implemented during the year (n–1) shall apply on a provisional basis. The adjustment shall be made according to the procedure set out in Article 4.

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<sup>{1}</sup> Protocol 32 replaced by Decision No 110/2008 (OJ L 339, 18.12.2008, p. 93 and EEA Supplement No 79, 18.12.2008, p. 1), e.i.f. 6.11.2008.

8. If, by 10 July of the financial year (n) at the latest, unless a later date is agreed upon in exceptional circumstances, a decision of the EEA Joint Committee establishing the participation of the EFTA States in an activity included in the EEA Annex to the general budget of the European Union for the financial year (n) is not adopted, or if the fulfilment of constitutional requirements for such a decision, if any, is not notified by that date at the latest, the participation of the EFTA States in the activity in question shall be deferred to the year (n+1), unless otherwise agreed.
9. Once the participation of the EFTA States in an activity is established for a financial year (n), the financial contribution of the EFTA States shall apply to all the transactions that are made on the relevant budget lines in that financial year, unless otherwise agreed.
- 10.<sup>{2}</sup> For the purpose of calculating the operational contribution pursuant to Article 82(a) and (b) of the Agreement, the commitment and payment appropriations entered in the European Union budget definitively adopted for the applicable years for financing the Horizon Europe Programme (established by Regulation (EU) 2021/695 of the European Parliament and of the Council), the InvestEU Programme (established by Regulation (EU) 2021/523 of the European Parliament and of the Council) and the Union Civil Protection Mechanism (governed by Decision No 1313/2013/EU of the European Parliament and of the Council) shall be increased by the appropriations corresponding to external assigned revenue allocated to those activities under Article 3(1) of Council Regulation (EU) 2020/2094 of 14 December 2020 establishing a European Union Recovery Instrument to support the recovery in the aftermath of the COVID-19 crisis.
11. For the purpose of calculating the proportionality factor for budget lines exclusively carrying payments for completion of commitments signed under the 2014-2020 and preceding multiannual financial frameworks, the EFTA proportionality factor as defined in Article 82(1) of the Agreement shall be the sum of the ratios between, on the one hand, the gross domestic product (GDP) at market prices of each of the EFTA States and, on the other hand, the sum of the GDPs at market prices of the EU Member States, of the United Kingdom and of that EFTA State. This factor shall be calculated, for each budgetary year, on the basis of the most recent statistical data in accordance with Article 7.
12. Unless otherwise agreed by the EEA Joint Committee, for the purpose of calculating the proportionality factor as defined under Article 82(1) of the Agreement for the budgetary year during which an agreement on the accession of a new Member State, as referred to in Article 49 of the Treaty on European Union, enters into force before 1 July, the GDP at market prices of EU Member States shall include the GDP at market prices of the new Member State.
13. Unless otherwise agreed by the EEA Joint Committee, for the purpose of calculating the proportionality factor as defined under Article 82(1) of the Agreement for the budgetary year during which an agreement on the withdrawal of a Member State, as referred to in Article 50 of the Treaty on European Union, enters into force after 1 July, the GDP at market prices of EU Member States shall include the GDP at market prices of the withdrawing Member State.

## *Article 2*

### *Making available the contributions of the EFTA States*

1. On the basis of the EEA Annex to the general budget of the European Union, finalised in accordance with Articles 1(6) and 1(7), the European Commission shall establish, for each EFTA State, a call for funds calculated on the basis of the payment appropriations and in accordance with Article 71(2) of the Financial Regulation<sup>{3}</sup>.
2. This call for funds shall reach the EFTA States no later than 15 August of the financial year (n) and shall request the payment by each EFTA State of its contribution by 31 August of that year (n) at the latest.

If the general budget of the European Union is not adopted before 10 July of the financial year (n) or the date agreed upon pursuant to Article 1(8) in exceptional circumstances, the payment shall be requested on the basis of the indicative amount foreseen in the preliminary draft budget. The adjustment shall take place according to the procedure set out in Article 4.

<sup>{2}</sup> Paragraphs 10 to 13 added by Decision No 320/2021 (OJ L [to be published] and EEA Supplement No [to be published], e.i.f. 27.11.2021. Paragraph 10 subsequently replaced by Decision No 226/2022 (OJ L [to be published] and EEA Supplement No [to be published], e.i.f. 9.8.2022. It shall apply from 1 January 2022.

<sup>{3}</sup> Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities (OJ L 248, 16.9.2002, p. 1).

3. Contributions shall be expressed and paid in EUR.
4. To this end, each EFTA State shall open with its Treasury, or the body it shall designate for this purpose, an account in EUR on behalf of the European Commission.
5. Any delay in the entries in the account referred to in paragraph 4 shall give rise to the payment of interest by the EFTA State concerned at the rate applied by the European Central Bank for its main refinancing operations in EUR, plus one and a half percentage points. The reference rate shall be the rate in force on 1 July of that year, as published in the C series of the Official Journal of the European Union.

### *Article 3*

#### *Conditions for implementation*

1. The utilisation of the appropriations arising from the participation of the EFTA States shall be in accordance with the provisions of the Financial Regulation.
2. With regard to tendering procedures, calls for tender shall be open to all EC Member States as well as to all EFTA States in so far as they involve financing on budgetary lines in respect of which the EFTA States are participating.

### *Article 4*

#### *Regularisation of EFTA contribution in the light of implementation*

1. The contribution of the EFTA States, determined for each budgetary line concerned, in accordance with the provisions of Article 82 of the Agreement, shall remain unchanged during the financial year (n) in question.
2. Following the closure of the accounts relating to each financial year, the European Commission shall, within the framework of the establishment of the annual accounts in the year (n+1), calculate the budget outturn of the EFTA States, taking into account:
  - (a) the amount of the contributions paid by the EFTA States in accordance with Article 2,
  - (b) the amount of the EFTA States' share in the total implementation figures of budget appropriations on the budget lines for which the participation of the EFTA States was agreed, and
  - (c) any sums covering Community-related expenditure which the EFTA States cover individually or payments made by EFTA States in kind (e.g. administrative support).
3. All sums recovered from third parties under each budget line for which the participation of the EFTA States was agreed shall be treated as assigned revenues within the same budget line in accordance with Article 18(1)(f) of the Financial Regulation.
4. The regularisation of the contribution of the EFTA States for the financial year (n), based on the budget outturn, shall be made within the framework of the call for funds for the financial year (n+2) and be based on the final breakdown between the EFTA States in the year (n).
5. Complementary rules for the implementation of paragraphs 1 and 4 shall be adopted as necessary by the EEA Joint Committee. This shall apply in particular for Community expenditure to be borne by each EFTA State individually or for their in kind contributions.

### *Article 5*

#### *Information*

1. The European Commission shall provide the Standing Committee of the EFTA States, at the end of each quarter, with an extract from its accounts showing, with regard both to receipts and expenditure, the situation concerning the implementation of the programmes and other actions in which the EFTA States participate financially.

2. Following the closure of the financial year (n), the European Commission shall communicate to the Standing Committee of the EFTA States the data concerning the programmes and other actions in which the EFTA States participate financially, which appear in the relevant volume of the annual accounts drawn up in accordance with the provisions of Articles 126 and 127 of the Financial Regulation.
3. The European Commission shall provide the Standing Committee of the EFTA States with such other financial information as the latter may reasonably request as regards the programmes and other actions in which they participate financially.

*Article 6*

*Control*

1. The control of the determination and of the availability of all income as well as the control of the commitment and of the scheduling of all expenditure corresponding to the participation of the EFTA States shall take place in accordance with the provisions of the Treaty establishing the European Community, of the Financial Regulation and of the applicable regulations in the fields referred to in Articles 76 and 78 of the Agreement.
2. Appropriate arrangements shall be established between the auditing authorities of the European Commission and of the EFTA States with a view to facilitating the control of income and expenditure corresponding to the participation of EFTA States in Community activities in accordance with paragraph 1.

*Article 7*

*GDP figure to be taken into consideration to  
calculate the proportionality factor*

The GDP data at market prices referred to in Article 82 of the Agreement shall be those published as a result of the implementation of Article 76 of the Agreement.

*Article 8 {<sup>4</sup>}*

*Specific rules for participation in budgetary guarantees*

Specific financial modalities for contributions of EFTA States related to participation in budgetary guarantees, including the procedure for the determination of the financial participation therein, shall be set in specific contribution agreements that may complement the modalities set in this Protocol. The contribution shall consist of a contribution for the partial provisioning of the budgetary guarantee and the assumption of the respective contingent liability, or shall alternatively be a cash contribution to the full provisioning of the budgetary guarantee, based on the conditions set out in the specific contribution agreements.

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<sup>{4}</sup> Article added by Decision No 320/2021 (OJ L [to be published] and EEA Supplement No [to be published]), e.i.f. 27.11.2021.