

154-16 (2012)

MEMORANDUM OF UNDERSTANDING

AMONG

THE MINISTRY OF NATIONAL DEFENCE OF THE REPUBLIC OF LITHUANIA,

**THE MINISTRY OF ECONOMIC AFFAIRS AND COMMUNICATIONS OF THE
REPUBLIC OF ESTONIA,**

THE MINISTER OF DEFENCE OF THE FRENCH REPUBLIC,

THE MINISTRY OF DEFENCE OF THE ITALIAN REPUBLIC

THE MINISTRY OF DEFENCE OF THE REPUBLIC OF LATVIA

AND

THE MINISTRY OF NATIONAL DEFENCE OF THE REPUBLIC OF TURKEY,

CONCERNING

THE ESTABLISHMENT, ADMINISTRATION AND OPERATION OF

**THE NATO CENTRE OF EXCELLENCE FOR ENERGY SECURITY
(NATO ENSEC COE)**



INTRODUCTION

The Ministry of National Defence of the Republic of Lithuania, the Ministry of Economic Affairs and Communications of the Republic of Estonia, the Minister of Defence of the French Republic, the Ministry of Defence of the Italian Republic, the Ministry of Defence of the Republic of Latvia and the Ministry of National Defence of the Republic of Turkey,

Hereinafter referred to as the “Participants” –

DESIRING to further enhance their co-operation in the framework of the North Atlantic Treaty, signed on 4 April 1949;

CONSIDERING that in accordance with MC 324/2 (Final), “The NATO Military Command Structure (NCS)”, dated 16 February 2010 and MCM-236-03 “MC Concept for Centres of Excellence”, dated 04 December 2003, the North Atlantic Treaty Organisation (NATO) Command Arrangements (NCA) are to be supported by a network of Centres of Excellence (COEs) which provide opportunities to enhance education and training, to improve interoperability and capabilities, to assist in doctrine development and to test and validate concepts through experimentation;

CONSIDERING that the Supreme Allied Commander Transformation (SACT), in accordance with MC 58/3 "Terms of Reference for the Supreme Allied Commander Transformation", dated 17 May 2004, has been conferred the overall responsibility for the co-ordination and employment of COEs within NATO;

NOTING the letter by the Chief of Defence of the Republic of Lithuania to SACT, dated 24 November 2011, offering the Centre of Excellence for Energy Security (The NATO ENSEC COE) as a COE to NATO;

NOTING further the response letter by SACT, dated 20 December 2011, by which SACT appreciates the offer of the ENSEC COE to NATO and its concept as providing a substantial contribution to strengthening NATO's capacity in the field of energy security;

RECOGNISING their intent to enter into the Memorandum of Understanding concerning the Functional Relationship regarding the NATO ENSEC COE with Headquarters, Supreme Allied Commander Transformation (HQ SACT) (referred to as “The NATO ENSEC COE Functional MOU”);

CONSIDERING that as detailed in MCM-236-03, COEs should provide tangible improvement to NATO capabilities and therefore be relevant to NATO's transformational efforts;

HAVING REGARD to the provisions of the Agreement between the Parties to the North Atlantic Treaty regarding the Status of their Forces (NATO SOFA), dated 19 June 1951, the Protocol on the Status of International Military Headquarters set up pursuant to the North Atlantic Treaty (Paris Protocol), dated 28 August 1952, the Agreement among the States Parties to the North Atlantic Treaty and the Other States Participating in the Partnership for Peace regarding the Status of their Forces (PfP SOFA), dated 19 June 1995, the Additional Protocol to the Agreement among the States Parties to the North Atlantic Treaty and the Other States Participating in the Partnership for Peace regarding the Status of their Forces (Additional Protocol to the PfP SOFA), dated 19 June 1995, and including the Further Additional Protocol to

the Agreement among the States Parties to the North Atlantic Treaty and the Other States participating in the Partnership for Peace regarding the Status of their Forces (Further Additional Protocol to the PfP SOFA), dated 19 December 1997;

NOTING that not all SNs are Parties to the Additional Protocol and the Further Additional Protocol to the PfP SOFA;

CONSIDERING further that with MCM-236-03, the Military Committee (MC) reminds that, once accredited as a NATO COE, the North Atlantic Council (the NAC) can grant a COE the status of a NATO Organisation under the Paris Protocol;

CONSIDERING that the Republic of Lithuania will be the Framework Nation (FN) for the NATO ENSEC COE and is responsible for providing the support in accordance with the provisions of this Memorandum of Understanding;

NOTING that the Ministry of National Defence of the Republic of Lithuania, acting on behalf of the Sponsoring Nations, and in coordination with Headquarters, Supreme Allied Commander Transformation (HQ SACT), will submit a request to the NAC for the activation of the NATO ENSEC COE, and for it to be granted international status pursuant to Article 14 of the Paris Protocol;

And

DESIRING to establish the NATO ENSEC COE for the facilitation and transformation in the field of energy security within overall NATO transformation efforts –

Have reached the following understanding:

SECTION I DEFINITIONS

- 1.1. Unless another meaning is specified within this Memorandum of Understanding (also referred to as “The NATO ENSEC COE Operational MOU” or “MOU”) and its follow-on documents, the “NATO Glossary of Terms and Definitions” (AAP-6) and “NATO Glossary of abbreviations used in NATO documents and publications” (AAP-15) will apply.
- 1.2. The following definitions apply for the purpose of this MOU and its follow-on documents:
 - a. Allied Command Operations (ACO) – As outlined in MC 324/2 (Final), Supreme Headquarters Allied Powers Europe (SHAPE) and the other organisations subordinate to SACEUR.
 - b. Allied Command Transformation (ACT) – As outlined in MC 324/2 (Final), Headquarters Supreme Allied Commander Transformation (HQ SACT) and the other organisations subordinate to SACT.

- c. Centre of Excellence (COE) – As defined in MCM-236-03, a NAC-accredited nationally or multi-nationally sponsored centre supporting NATO.
- d. COE Network – The Network of all COEs supporting the NCA coordinated by HQ SACT.
- e. Director of the NATO ENSEC COE – The person directing the NATO ENSEC COE.
- f. Framework Nation (FN) – The Republic of Lithuania represented by the Ministry of National Defence of the Republic of Lithuania as the Sponsoring Nation ensuring the initial infrastructure, equipment, support personnel, administrative support and other support for the NATO ENSEC COE, in accordance with the provisions of this MOU.
- g. Headquarters, Supreme Allied Commander Transformation (HQ SACT) – As defined in MC 324/2, the Supreme Headquarters of SACT which interacts with the NATO ENSEC COE for NATO and serves as the coordinator for the interaction with all NATO entities.
- h. International Military Organisation (IMO) – A legal entity established in furtherance of the North Atlantic Treaty and granted international status pursuant to article 14 of the Paris Protocol.
- i. Military Committee (MC) – As outlined in the MC57/3 is the senior military authority in NATO.
- j. NATO Centre of Excellence for Energy Security (The NATO ENSEC COE) – The COE offered by the Participants as a NATO COE providing expertise in the energy security related field.
- k. North Atlantic Council (NAC) – The Council established pursuant to Article 9 of the North Atlantic Treaty.
- l. NATO Command Arrangements (NCA) – The arrangements and entities supporting the NCS, as defined in MC 324/2.
- m. NATO Command Structure (NCS) – NATO's structure of Command, as defined in MC 324/2.
- n. Participants – NATO Member States who are the signatories of this MOU and who are collectively proposing the NATO ENSEC COE activities.
- o. Partner – A Nation, organisation, or agency which interacts with the NATO ENSEC COE, and may be :
 - i. Contributing Partner (CP) – Any Nation, organisation or agency, in accordance with NAC agreed decisions and procedures, which is not a SN and provides a contribution to NATO ENSEC COE.

- ii. Other Partner (OP) – Any Nation, organisation or agency using the services and / or products provided by the NATO ENSEC COE, other than SNs, CPs, NATO member Nations or bodies.
- p. Programme of Work (POW) – The document setting out the NATO ENSEC COE activities for the course of a calendar year and including the long-term perspective of the NATO ENSEC COE activities.
- q. Request for Support (RFS) – A request from NATO, a Nation or any other entity requesting support from the NATO ENSEC COE.
- r. Sponsoring Nation (SN) – NATO Member State that contributes both personnel and funding to the NATO ENSEC COE.
- s. Steering Committee (SC) – The committee set up by the Participants as the main body for guidance, oversight and decisions on all matters concerning the administration, policies and operation of the NATO ENSEC COE.
- t. Subject Matter Expert (SME) – A person who is an expert in a particular area or topic, in this case an expert in energy security.
- u. Supreme Allied Commander Europe (SACEUR) – As defined in MC 324/2, the Commander of ACO.
- v. Supreme Allied Commander Transformation (SACT) - As defined in MC 324/2, the Commander of ACT.
- w. Technical Arrangements (TAs) – Follow-on arrangements concluded among Participants or between Participants and one or several Partners for the implementation of this MOU.

SECTION II PURPOSE

- 2.1. The purpose of this MOU is to establish the NATO ENSEC COE in Vilnius, Republic of Lithuania, and to establish arrangements for its operation, funding, manning, equipment and infrastructure, as well as for its administrative and logistical support.

SECTION III MISSION, AREAS OF ACTIVITIES AND TASK PRIORITIES

- 3.1. The mission of the NATO ENSEC COE is to assist NATO, Nations, Partners and other bodies by supporting NATO's capability development process, mission effectiveness, and interoperability by providing comprehensive and timely expertise on aspects of energy security.

- 3.2. While recognizing the imperative not to interfere with national economic policies, the NATO ENSEC COE will focus on, but not limit its activities to, the cooperative aspects of energy security in the following areas:
 - a. Strategic Analysis and Research;
 - b. Education, Training and Exercise;
 - c. Development of Doctrine, Standards and Procedures;
 - d. Consultations.
- 3.3. The NATO ENSEC COE will ensure the first priority of work to respond to requests made by HQ SACT on behalf of NATO entities. Within its capacity, the NATO ENSEC COE will also support the Participants and Partners in their energy security related efforts.

SECTION IV ORGANISATION AND RELATIONSHIPS

- 4.1. Within the framework of this MOU, the SC is the strategic level decision making body in the NATO ENSEC COE. The SC is responsible for the direction, guidance and supervision of the NATO ENSEC COE. It approves the POW and the operational budget as well as supervises its execution. The terms of reference (TOR) of the SC are laid down in Annex B.
- 4.2. The SC consists of one representative from each Participant. In order to avoid conflict of interests, a member of the NATO ENSEC COE personnel cannot be a representative of the Participant in the SC. The Chairman of SC is from the FN, is not identical with the representative of the FN as a Participant, neither is he with the Director. The Chairman does not have a vote in the SC.
- 4.3. The decisions of the SC will be taken by the consensus of the representatives. Consensus means that every SC member must vote yes or abstain for a decision to be approved (with a minimum of one yes vote). Should there be a negative vote, the decision is not approved.
- 4.4. The internal structure of the NATO ENSEC COE, Peacetime Establishment (also referred as "PE") manning and position allocations are outlined in Annex A.
- 4.5. The Director of the NATO ENSEC COE is responsible to the SC for the fulfilment of the mission, the tasks and the operation as well as the administration of the NATO ENSEC COE. The Director reports directly to the SC. The TOR of the Director of the NATO ENSEC COE is laid down in Annex C.
- 4.6. The NATO ENSEC COE forms a part of the wider framework supporting the NCA. Although not a part of the NCS, the NATO ENSEC COE will be a part of COE Network, as coordinated by HQ SACT.

- 4.7. The relationship between the NATO ENSEC COE and HQ SACT will be established through the NATO ENSEC COE Functional MOU, through which HQ SACT will be the coordinator for all NATO bodies RFSs for the NATO ENSEC COE.
- 4.8. In co-ordination with HQ SACT the NATO ENSEC COE will establish the necessary working relationships with NATO entities and the COE network and co-ordinate the execution of POW. The NATO ENSEC COE will further establish relationships with national and international entities.
- 4.9. The SC may decide to include Partners into the NATO ENSEC COE activities and ensures the conclusion of respective separate arrangements.

SECTION V PROGRAMME OF WORK

- 5.1. Taking into account the requests of HQ SACT, the Participants, CPs and the OPs, the Director of the NATO ENSEC COE will prepare and submit the draft of the POW to the SC for the following calendar year. Upon submission by the Director of the NATO ENSEC COE, the SC will consider all requests for services and products, including associated costs, and will then approve the POW and the required budget for the NATO ENSEC COE in accordance with Annex B.
- 5.2. Additional out-of-cycle requests from HQ SACT, Participants, CPs or OPs will be received by the Director of the NATO ENSEC COE, submitted for consideration to the SC and, if approved, handled in accordance with appropriate procedures.

SECTION VI PERSONNEL

- 6.1. Each Participant will assign at least one staff member on location to the staff of the NATO ENSEC COE.
- 6.2. The Participants will fill their positions at the NATO ENSEC COE in a timely manner by assigning suitable and qualified personnel with Annex A and the SC – approved job descriptions. The Director of the NATO ENSEC COE will be the custodian of the job descriptions.
- 6.3. The management of the NATO ENSEC COE personnel will use the principles of the ACO Directive 45-1, when possible, and unless otherwise provided in this MOU or decided by the SC.
- 6.4. Should a Participant not be able to fill an assigned position for more than 120 days, the SN will inform the Director of the NATO ENSEC COE in writing. In coordination with the concerned Participant, the Director of the NATO ENSEC COE then may approach the other Participants to fill the position temporarily.

- 6.5. The personnel of the NATO ENSEC COE will work under the supervision of the Director of the NATO ENSEC COE who - with the exception of national duties and discipline - will give directions to all personnel of the NATO ENSEC COE. National duties for the NATO ENSEC COE staff should not affect the duties to the NATO ENSEC COE. The Director of the NATO ENSEC COE will provide evaluation reports for personnel assigned to the NATO ENSEC COE, if requested by a Participant.
- 6.6. Each Participant will designate a representative of appropriate rank and authority, to the Director of the NATO ENSEC COE for all issues regarding the national responsibilities and discipline of their personnel assigned to the NATO ENSEC COE.
- 6.7. The regulations of the FN apply in the field of occupational safety and health, including the supervision of standard safety precautions.
- 6.8. The working language of the NATO ENSEC COE is English.

SECTION VII SN RESPONSIBILITIES

- 7.1. Each SN will be responsible for:
 - a. Salaries, allowances, per diem, travel costs for initial appointment and departure from the NATO ENSEC COE as well as all other costs related to the assignment of its personnel to the NATO ENSEC COE or fulfilment of national duties during the assignment to the NATO ENSEC COE unless otherwise agreed by the SC;
 - b. Equipment, services or personnel brought into the NATO ENSEC COE by that SN for national purposes in excess of that provided by the FN, as well as their operation and maintenance costs;
 - c. National training measures and education and training as specified in the job descriptions as prerequisites;
 - d. Shared costs of that SN, as described in Annex E;
 - e. Ensuring health care insurance for their personnel or other appropriate arrangement / coverage, in accordance with applicable national laws;
 - f. The costs of body repatriation to its territory, in case of death of a member of its personnel occurring in the territory of the FN.

SECTION VIII SUPPORT PROVIDED BY THE FRAMEWORK NATION

- 8.1. The FN will provide free of charge the support for the NATO ENSEC COE, as outlined in Annex D. The FN authorities will retain ownership of all facilities, lands and equipment made available by it to the NATO ENSEC COE.

SECTION IX BUDGET AND COST SHARE

- 9.1. The fiscal year begins on 1st of January and ends on 31st of December.
- 9.2. The budget of the NATO ENSEC COE will cover one fiscal year and will consist of the shared costs as outlined in Annex E. The cost-sharing formula for the budget is based on the agreed manning table in Annex A to this MOU. The share of each Participant in the budget will be calculated as follows:
$$\frac{\text{number of positions assigned to the Participant in the NATO ENSEC COE}}{\text{total number of the NATO ENSEC COE assigned positions}} \times \text{total the NATO ENSEC COE budget}$$
- 9.3. Administrative positions, as indicated in Annex A, will not be considered as counting towards the total number of the NATO ENSEC COE assigned positions and are therefore excluded from the cost-share formula set out in paragraph 9.2.
- 9.4. The budget will first be established for the fiscal year 2013. Until then, the FN will bear all the costs of the NATO ENSEC COE.
- 9.5. Each Participant will continue to be responsible for its share of costs associated with assigned but unfilled positions.

SECTION X ACCOUNTING AND AUDITING

- 10.1. Funds provided by the Participants will be managed and controlled on the basis of the NATO ENSEC COE Financial Management Procedures, which are to be approved by the SC, and accounted for in accordance with NATO accounting rules and procedures taking into consideration the legislation of the Republic of Lithuania.
- 10.2. The NATO ENSEC COE will prepare an annual budget estimate for final approval by the SC. The annual budget specifies authorised expenditures and revenues. The Director of the NATO ENSEC COE is authorised to initiate commitments only for the purpose and within the limits of the approved budget. The Director of the NATO ENSEC COE will be responsible for the execution of the budget.
- 10.3. The budget of the NATO ENSEC COE will be managed in Euros.
- 10.4. Annual payments must be made no later than the 1st February each fiscal year. The Director of the NATO ENSEC COE must issue calls for funds in accordance with the approved budget no later than the 1st of December of the preceding fiscal year. These arrangements may be modified by decision of the SC.

- 10.5. Any existing credits will be balanced in the appropriate call for funds unless otherwise agreed by the SC.
- 10.6. If it emerges during the course of the fiscal year that the approved budgetary funds will be insufficient, the Director of the NATO ENSEC COE will submit a supplementary budget to the SC for approval.
- 10.7. After the conclusion of each fiscal year, the Director of the NATO ENSEC COE will submit to the SC a Budget Report. The Budget Report will consist of:
 - a. a summary of actual costs of the preceding fiscal year;
 - b. an analysis of the expenditures of the preceding fiscal year against the budget, with explanations of significant variances.
- 10.8. The Director of the NATO ENSEC COE will also submit to SC members an interim budget report by 31st of July unless decided otherwise by the SC.
- 10.9. Any Participant is entitled to request a budget report whenever it is thought necessary, which will be provided by the Director of the NATO ENSEC COE within 30 days after the request.
- 10.10. The audit functions for the budget of the NATO ENSEC COE will be performed as directed by the SC.
- 10.11. Irrespective of the audits conducted in accordance with paragraph 10.10, national audit authorities are entitled to request information from the Director of the NATO ENSEC COE and may request access to all records or copies thereof, which are required to audit their national contributions.
- 10.12. Financial responsibilities of the Participants under this MOU are subject to the authorisation and appropriation of funds in accordance with respective national laws.

SECTION XI FINANCIAL CONSIDERATIONS

- 11.1. In general, services and products included in the POW and provided to NATO bodies on request of HQ SACT and for the Participants are free of charge.
- 11.2. Reimbursement for the services and products provided to CPs and OPs will be specified by the SC. The reimbursement will be based on identifiable costs.
- 11.3. For courses provided by or through the NATO ENSEC COE, also to NATO personnel, individual course fees may be charged, provided that these are established in accordance with the principles of the applicable NATO Standardization Agreements (STANAG) and, for the purpose of the annual budget, will be reflected as income.
- 11.4. All income from NATO ENSEC COE activities will be applied directly to the shared budget.

SECTION XII CLAIMS

- 12.1. Claims arising out of or in connection with the activities of the NATO ENSEC COE will be handled in accordance with Article VIII of the NATO SOFA and after activation in accordance with Article 6 of the Paris Protocol, as applicable.
- 12.2. Any claims attributable to the NATO ENSEC COE, to include portions thereof arising out of the provisions of the Paris Protocol, will be shared by the Participants in accordance with the cost share formula as provided in paragraph 9.2 of this MOU.

SECTION XIII SECURITY

- 13.1. External security and force protection are the responsibility of the FN.
- 13.2. Security administration within the facilities of the NATO ENSEC COE, including visits, security clearances and information security is the responsibility of the Director of the NATO ENSEC COE, acting as the security authority in accordance with the applicable FN and NATO security regulations. Respecting the SNs' relevant competences, the Director of the NATO ENSEC COE may in particular take the measures necessary to ensure personnel, industrial, physical and information security.
- 13.3. Classified information stored, handled, generated, transmitted or exchanged as a result of the execution of this MOU will be treated in accordance with C-M (2002) 49 "Security within the North Atlantic Treaty Organisation", dated 17 June 2002, in the respective authorised edition, including all supplements and amendments thereto, and existing international agreements and arrangements.
- 13.4. Unclassified information stored, handled, generated, transmitted or exchanged as a result of the execution of this MOU will be treated in accordance with C-M (2002) 60 "The management of non-classified information", dated 24 July 2002, in the respective authorised edition, including all supplements and amendments thereto and existing security agreements and arrangements.
- 13.5. In NATO ENSEC COE activities where involvement of contractors is needed, the NATO ENSEC COE will conclude special non-disclosure agreements with these contractors.
- 13.6. In the event of termination or withdrawal from this MOU, the Participants will ensure that the provisions of this Section remain in effect.

**SECTION XIV
LEGAL CONSIDERATIONS**

- 14.1. By decision of the NAC, the NATO ENSEC COE may be granted the status of IMO pursuant to Article 14 of the Paris Protocol.
- 14.2. The provisions of the NATO SOFA, the Paris Protocol and related supplementary agreements will apply to the NATO ENSEC COE and its personnel, as applicable.
- 14.3. Until activation of the NATO ENSEC COE as an IMO by the NAC, pursuant to the Paris Protocol, the FN will act for the NATO ENSEC COE representing the SNs.
- 14.4. Prior to the granting of international status to the NATO ENSEC COE, the attachment of national elements to the NATO ENSEC COE will be in accordance with applicable national and international laws, including the NATO SOFA. Once the NATO ENSEC COE has been granted international status under Article 14 of the Paris Protocol by the NAC, these national and international laws will remain applicable and the provisions of the Paris Protocol and related supplementary agreements will also apply.
- 14.5. Ownership regarding the intellectual property generated by the NATO ENSEC COE will be held and administered by the NATO ENSEC COE, unless otherwise decided by the SC.
- 14.6. Without prejudice to the obligations under the North Atlantic Treaty, the NATO SOFA, and the Paris Protocol, the Participants do not intend to create any rights or obligations under international law by virtue of this MOU.
- 14.7. The Participants do not intend to cause a conflict between this MOU and the relevant laws applied within their territory or international law. Should such conflict nevertheless arise, the affected laws applied within their territory or international law shall prevail over this MOU. The Participant whose laws applied within their territory or obligations under international law are affected will notify the other Participants in writing.

**SECTION XV
ADDITION OF NEW PARTICIPANTS**

- 15.1. The addition of any new Participant to this MOU will be done through a Note of Joining (NOJ) to be signed by the new Participant and the existing ones. The mechanism for obtaining signatures will be agreed by the SC.
- 15.2. Unless otherwise provided in the NOJ, the NOJ will come into effect on the date of the last signature appended to it.

SECTION XVI WITHDRAWAL OF PARTICIPANTS

- 16.1. Any Participants may withdraw from this MOU or reduce its personnel contribution on presentation of twelve months' written notice to all other Participants, the SC and the Director. The FN will duly notify HQ SACT of the withdrawal.
- 16.2. The financial obligations of a Participant withdrawing from this MOU will be established by the SC.
- 16.3. In the case of a withdrawal of a Participant, the remaining Participants will examine all projects that are not yet completed in order to decide whether they continue, have to be cancelled or reduced in scope. In the event no other Participant assumes the shares existing prior to the withdrawal or reduced participation, the remaining Participants will endeavour to reduce operating costs as quickly as possible to adjust them to the new situation. Since the POW is normally determined for one year ahead, the transitional period should allow any projects in that period to finish.
- 16.4. Should a Participant withdraw from this MOU or reduce the scope of its participation, it will continue to support the NATO ENSEC COE until the end of the budget period, in which the notice period ends, and remain responsible for its outstanding financial liabilities resulting from its period of participation unless the share in question and the resulting financial liabilities are assumed by other Participants;
- 16.5. A withdrawal of a Participant from the NATO ENSEC COE Functional MOU will have the corresponding effect on its participation in this MOU.
- 16.6. If a Participant is not able to fulfil its obligations of providing either manpower, funds or both for more than one year as regards assignment of personnel or contributing to the budget, its voting rights in the SC will be suspended automatically until the voting SC members determines that those obligations are fulfilled. If that Participant is not able to fulfil its obligations for more than two years, this will be automatically considered as a withdrawal from this MOU by the said Participant.

SECTION XVII SETTLEMENT OF DISPUTES

- 17.1. Any dispute regarding the interpretation or implementation of this MOU will be settled only by consultation among the Participants involved and will not be referred to any national or international tribunal or any other third party for settlement.

SECTION XVIII AMENDMENT

- 18.1. In the event of one or more Participants withdrawing from this MOU the remaining Participants will consider any necessary amendments to this MOU.
- 18.2. This MOU and the Annexes may be amended only with the unanimous written consent of the Participants, unless otherwise provided in this MOU. HQ SACT will be informed in writing of any amendment to this MOU, its annexes and follow-on Agreements.
- 18.3. Provisions of paragraphs 18.1. and 18.2. do not apply to the case of Participants' changing their personnel contribution foreseen in the paragraph 16.1. Any Participant may change their personnel without influencing the scope of contribution on presentation of six months' written notice to all other Participants through the SC chairman.

SECTION XIX ENTRY INTO EFFECT

- 19.1. This MOU will enter into effect among its signatories on the day following its official signing ceremony, held in Norfolk, Virginia, on 10 July 2012. After this entry into effect, Nations that have participated to the 2nd MOU Conference held in Vilnius, Lithuania, from 2 to 4 April 2012, still have the possibility to sign this MOU as initial Sponsoring Nations within two months after the official signing ceremony. For such Participants, this MOU will come into force on the day following their signature.
- 19.2. This MOU will only be effective for a Participant if that Participant also signs the NATO ENSEC COE Functional MOU.

SECTION XX TERMINATION

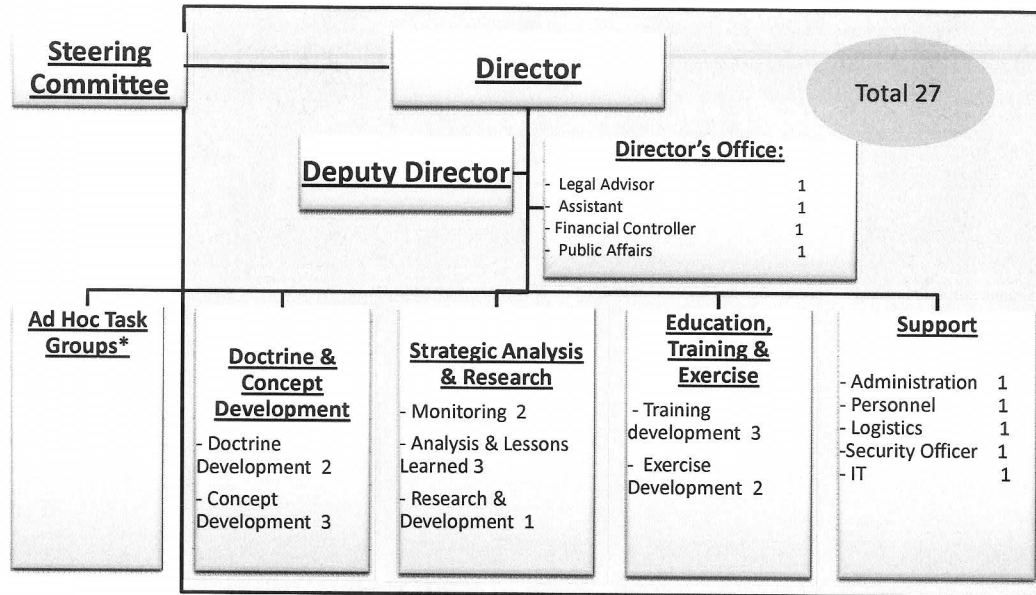
- 20.1. This MOU may be terminated at any time upon written decision by all Participants.
- 20.2. Notwithstanding the termination of this MOU, the relevant financial and security provisions in this MOU will remain in effect, as required. In the event that this MOU is terminated, or a Participant makes formal notification of its withdrawal from the MOU, the provisions of this MOU will continue to be applied until any outstanding matters have been resolved.
- 20.3. In the event that this MOU is terminated, the residual value of the equipment and other capital goods, which have been commonly funded by the Participants, will be distributed among the Participants in accordance with their cost share established in accordance with paragraph 9.2.

SECTION XXI
FINAL CONSIDERATIONS

- 21.1. The annexes are integral parts of this MOU.
- 21.2. References to NATO policy documents will encapsulate any amendment thereof, or, as the case may be, refer to such policy documents as may replace them.
- 21.3. Without prejudice to Section X and after application of the cost sharing formula (as elaborated in paragraph 9.2.), the maximum share of each Participant, per person, in the initial budget for the fiscal year 2013 is agreed to be twenty thousand Euros.
- 21.4. One original of this MOU, written in English and French languages, each text being equally authentic, is signed. The original of this MOU will be deposited with the FN, which will provide certified copies to each of the Participants, the NATO ENSEC COE and HQ SACT.

ANNEX A to the NATO ENSEC COE Operational MOU

INITIAL ORGANISATIONAL STRUCTURE OF THE NATO ENSEC COE



The Initial PE of the NATO ENSEC COE

| No. | Division | Position | Rank / Civilian Equivalent | Nation |
|-----|---|--|----------------------------|-------------|
| 1. | | Director | OF-6 / OF-5 | Lithuania |
| 2. | | Deputy Director/Chief of Staff | OF-5 / OF-4 | France |
| 3. | Director's Office | Legal Advisor | OF-4 | Lithuania** |
| 4. | | Assistant | OR-8 | Lithuania** |
| 5. | | Public Affairs | OF-3 | Lithuania** |
| 6. | | Financial Controller | OF-3 | Lithuania** |
| 7. | Doctrine and Concept Development Division | Head of Division | OF-4 / OF-3 | Italy |
| 8. | | Chief Executive Officer (Doctrine Development) | OF-3 | Lithuania |
| 9. | | Chief Executive Officer (Doctrine Development) | OF-3 | Unassigned |
| 10. | | Chief Executive Officer (Concept Development) | OF-3 | Unassigned |

| | | | | |
|-----|---|---|-------------|---|
| 11. | | Chief Executive Officer (Concept Development) | OF-3 | Unassigned |
| 12. | Strategic Analysis And Research Division | Head of Division | OF-4 / OF-3 | Lithuania |
| 13. | | Chief Executive Officer (Monitoring) | OF-3 | Unassigned |
| 14. | | Chief Executive Officer (Monitoring) | OF-3 | Latvia |
| 15. | | Chief Executive Officer (Analysis and LL) | OF-3 | Estonia |
| 16. | | Chief Executive Officer (Analysis and LL) | OF-3 | Lithuania |
| 17. | | Chief Executive Officer (R&D) | OF-3 | Unassigned |
| 18. | Education, Training And Exercise Division | Head of Division | OF-4 / OF-3 | USA (possible future bid after accreditation) |
| 19. | | Chief Executive Officer (Training) | N/A | Lithuania |
| 20. | | Chief Executive Officer (Training) | N/A | Unassigned |
| 21. | | Chief Executive Officer (Exercise) | OF-3 | Unassigned |
| 22. | | Chief Executive Officer (Exercise) | OF-3 | Unassigned |
| 23. | Support Branch | Security Officer | OR-8 | Lithuania** |
| 24. | | Senior Executive Officer (Administrator) | N/A | Lithuania** |
| 25. | | Senior Executive Officer (Personnel) | N/A | Lithuania** |
| 26. | | Executive Officer (Logistics) | OR-8 | Lithuania** |
| 27. | | Executive Officer (IT) | OR-8 | Lithuania** |

* The permanent NATO ENSEC COE structure may be augmented by ad hoc project – related task groups. The NATO ENSEC COE may also be augmented by liaison officers from other COEs or institutions.

** Support personnel, not counted in the cost sharing formula

ANNEX B to the NATO ENSEC COE Operational MOU

Terms of Reference of the Steering Committee

1. The SC is responsible for guidance and supervision of all the NATO ENSEC COE activities and administration, taking into consideration Participants' interests regarding all matters pertaining to the NATO ENSEC COE.
2. The responsibilities and tasks of the SC will include, but will not be limited, to:
 - a. approving the budget and POW for the coming fiscal year no later than 31st of May of the preceding year or as determined by the SC;
 - b. approving financial management procedures and directives for the operation of the NATO ENSEC COE;
 - c. directing auditing functions and reviewing audit reports;
 - d. reviewing and approving the mid-term financial plan and the budget report of the Director of the NATO ENSEC COE;
 - e. establishing the financial obligations associated with the withdrawal of a Participant from this MOU;
 - f. providing the long term strategic perspective and reviewing and approving the Development Plan for the NATO ENSEC COE;
 - g. considering and approving additional in-year requests for the POW and possible amendments to the budget;
 - h. reviewing and amending the Concept of the NATO ENSEC COE;
 - i. providing guidance on the functional relationships of the NATO ENSEC COE with Partners in accordance with NATO agreed procedures;
 - j. approving the mechanism for obtaining signatures regarding the addition of new Participant to this MOU;
 - k. proposing changes to the MOU and its Annexes to the Participants;
 - l. recommending the terms of participation of the Partners in the NATO ENSEC COE activities and ensuring corresponding separate arrangements;
 - m. approving Job Descriptions of the NATO ENSEC COE personnel;
 - n. addressing other principal personnel, legal and administrative issues;
 - o. amending and approving changes to both the NATO ENSEC COE PE and structure (Annex A).
3. Initially the routine meetings of the SC will take place twice a year. Subsequently the SC will determine the frequency and duration of the meetings.
4. Additional meetings may be called by the Chairman. Requests by any Participant or the Director of the NATO ENSEC COE shall be considered by the Chairman.

5. The agendas of SC meetings will be drawn up in advance and distributed at least 30 days prior to each meeting. Agreed minutes will be distributed to the members of the SC.
6. The decisions of the SC will be consensus based. Consensus means that every SC member must vote yes or abstain for a decision to be approved (with a minimum of one yes vote). Should there be a negative vote, the decision is not approved.
7. The decisions can also be taken by other means of communication than a meeting, as agreed by SC. Decisions can be taken under silence procedure with confirmation of receipt of the proposed decision unless otherwise decided by the SC.
8. Each Participant may provide any other required experts in an advisory capacity to support its SC representative.
9. HQ SACT will be invited to participate, without any voting rights, in the relevant SC meetings to advise the SC on NATO entities' requirements and priorities. The SC may invite other Participants as required.
10. The SC will be chaired by an appropriately ranked official provided by FN (OF-6/ equivalent or higher).
11. The chairman of the SC is to:
 - a. be responsible for conduct of the meetings of the SC;
 - b. oversee the execution of the decisions taken by the SC;
 - c. if necessary, arrange for decisions to be taken by the SC between meetings;
 - d. in matters of this MOU maintain liaison between the NATO ENSEC COE Director and Participants as well as HQ SACT;
 - e. consider out of committee requests as appropriate and necessary from NATO, Partners, other Recipients beyond the approved POW, provided these requests will not exceed the approved budget;
 - f. represent the SC in external relations.

ANNEX C to the NATO ENSEC COE Operational MOU

Terms of Reference of the Director of the NATO ENSEC COE

1. The Director of the NATO ENSEC COE will be appointed by the FN.
2. The Director of the NATO ENSEC COE is responsible for:
 - a. overall day-to-day management of the NATO ENSEC COE;
 - b. preparing and submitting the drafts of the development plan, the midterm financial plan, the budget and the POW to the SC for approval no later than 30th of April of the preceding year unless decided otherwise by the SC;
 - c. submitting the budget report of the preceding fiscal year to the SC no later than 30th of April unless decided otherwise by the SC;
 - d. reporting to and informing the SC of all matters that need SC's attention or when so requested by the SC, providing information and assistance to the SC;
 - e. forwarding additional out-of-cycle POW requests as well as the budgetary implications to the SC for consideration and approval;
 - f. ensuring the execution of the POW and implementation of the budget;
 - g. forming working groups for efficient implementation of the POW and optimizing implementation of other tasks of the NATO ENSEC COE;
 - h. processing any requests for the POW from HQ SACT, the other SNs and Partners;
 - i. performing the continuous coordination regarding the POW with HQ SACT, to include providing HQ SACT with regular reports;
 - j. exercising leadership (excluding disciplinary issues and national duties) inside the NATO ENSEC COE with regard to personnel;
 - k. ensuring internal security as the security authority for the NATO ENSEC COE.
3. The Director of the NATO ENSEC COE is granted authority to:
 - a. engage HQ SACT in the development and execution of the POW and establish, in coordination with HQ SACT, interrelationships and bilateral functional arrangements with the NCS;
 - b. consult with NATO, national authorities and other relevant organisations to facilitate the accomplishment of his mission;
 - c. make recommendations to HQ SACT or other NATO entities on energy security related issues;
 - d. conclude cooperation arrangements with the other SNs not affecting the execution of the POW nor budget;
 - e. conclude contracts for the NATO ENSEC COE on the basis of the approved budget;
 - f. propose additional meetings of the SC;

- g. temporarily (for a period not exceeding 90 days) reassign personnel to another position within the NATO ENSEC COE, provided that the SC has been notified and the concerned SN's representative in the SC has not objected to it.

ANNEX D to the NATO ENSEC COE Operational MOU

Support provided by the Framework Nation

1. The FN will make the necessary administrative and infrastructure arrangements to provide for the initial establishment of the NATO ENSEC COE. Requirements in subsequent years will be funded from the common budget. This will include, but not limited to:
 - a. Administrative Support:
 - initial office supplies;
 - copying and printing.
 - b. The NATO ENSEC COE Office and Lab Rooms:
 - office and lab rooms;
 - office and lab rooms' administrative support;
 - initial office rooms furnishing, fittings and basic CIS equipment.
2. The FN is responsible for the provision and payment of:
 - a. heating;
 - b. electricity;
 - a. water and sewerage;
 - b. physical security and INFOSEC infrastructure and services;
 - c. repairs and maintenance related to the infrastructure provided by the FN;
 - d. use of conference rooms and classrooms (on a space-availability basis);
 - e. access to local dining facilities.
3. Medical Support.

In accordance with paragraph 7.1. of this MOU, health care insurance of personnel is the responsibility of SNs. However all the NATO ENSEC COE personnel will be afforded access to Lithuanian Armed Forces medical facilities for emergency medical care under the conditions applicable to the personnel of the Lithuanian Armed Forces.

4. Recreational Facilities.

The NATO ENSEC COE personnel will be granted the use of the recreational, sports and welfare facilities and services on a space-availability basis under the conditions applicable to the personnel of the Lithuanian Armed Forces.

5. Parking.

The FN will provide a designated parking area for NATO ENSEC COE personnel.

6. Other Assistance.

On request, administrative personnel of the FN will assist the NATO ENSEC COE personnel in finding accommodation, establishing bank accounts and providing other practical support at the beginning of their assignment to the NATO ENSEC COE.

ANNEX E to the NATO ENSEC COE Operational MOU

Shared Costs

Participants will bear the costs listed below (shared costs) in accordance with Section IX of this MOU based on their cost share and within the limits of the budget for the relevant fiscal year and the corresponding POW:

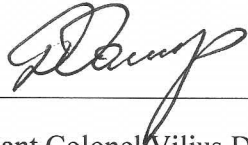
1. Administrative costs:
 - a. translation costs;
 - b. communication costs;
 - c. bank services;
 - d. reception and expense accounts;
 - e. gifts and rewards;
 - f. external legal services;
 - g. auditing services;
 - h. publication costs of NATO ENSEC COE products.

2. Travel costs:
 - a. POW related travel expenses (transportation);
 - b. education and training related to the execution of the POW:
 - Transportation costs;
 - Course and seminar fees;
 - c. per-diem as decided by the SC, except for those referred to in Section 7.
 - d. POW related project-specific expenses:
 - publication costs;
 - temporary contractors,
 - research and consultations.

3. Social events hosted by the NATO ENSEC COE:
 - a. food and catering;
 - b. room rental;
 - c. transportation costs;
 - d. other organisational costs related to NATO ENSEC COE hosted events.

4. Information and Public Relations services:
 - a. development and maintenance of the NATO ENSEC COE website;
 - b. flags;
 - c. costs related to the development and application of official symbols of the NATO ENSEC COE;
 - d. audiovisual equipment and associated processing costs;
 - e. other information and related costs.

For the Ministry of National Defence of the Republic of Lithuania

A handwritten signature in black ink, appearing to read 'V. Danys', written over a horizontal line.

Lieutenant Colonel Vilius Danys, LTU A
National Liaison Representative to SACT

Norfolk, 10 July 2012

**For the Ministry of Economic Affairs and Communications of the
Republic of Estonia**


Signature

MR. JUHAN PARTS

Name

MINISTER

Appointment

TALLINN 27/08/12

Place/Date

For the Minister of Defence of the French Republic

The provisions of this Memorandum of Understanding are not aimed at questioning the denunciation of the Protocol on the Status of International Military Headquarters Set Up Pursuant to the North Atlantic Treaty, dated 28th August 1952, decided by France on 30th March 1966.

The NATO Strategic Commands and their subordinate commands are not entitled to use their legal capacity on behalf of France. Thus, international commitments taken by the Strategic Commands do not legally bind the French Republic, unless provided otherwise by this Party.

Eric Mongnot

Signature

ERIC MONGNOT

Name

National Liaison Representative

Appointment

Norfolk 7 sept 2012

Place/Date

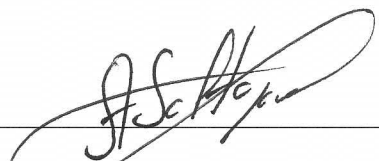
For the Ministry of Defence of the Italian Republic

CAPT Giorgio Gomma

Captain Giorgio Gomma, ITA N
National Liaison Representative to SACT

Norfolk, 10 July 2012

For the Ministry of Defence of the Republic of Latvia

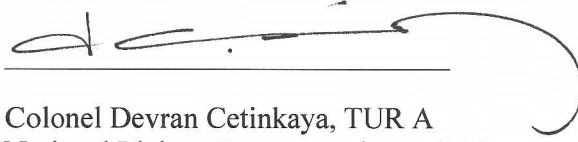
A handwritten signature in black ink, appearing to read 'A. Saltups', is written over a horizontal line.

Colonel Armanos Saltups, LVA A
National Liaison Representative to SACT

Norfolk, 10 July 2012

For the Ministry of National Defence of the Republic of Turkey
(Acting on behalf of the Government of the Republic of Turkey)

This MOU/NOJ and any subsequent amendments will enter into effect upon notification that the necessary national measures or procedures for the MOU/NOJ and any subsequent amendments to enter into effect have been completed.



A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke, positioned above a solid horizontal line.

Colonel Devran Cetinkaya, TUR A
National Liaison Representative to SACT

Norfolk, 10 July 2012