

MEMORANDUM OF UNDERSTANDING
ON THE IMPLEMENTATION OF THE EEA FINANCIAL MECHANISM
2009-2014

between

THE KINGDOM OF SPAIN,
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",

EEA Financial Mechanism 2009-2014
Memorandum of Understanding - Kingdom of Spain

WHEREAS Protocol 38b 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 2009-2014, establishes a financial mechanism (hereinafter referred to as the "EEA Financial Mechanism 2009-2014") 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 2009-2014 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. 5/2010/SC of 9 December 2010 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 2009-2014;

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 2009-2014;

HAVE AGREED on the following:

Article 1
Objectives

1. The overall objectives of the EEA Financial Mechanism 2009-2014 are to contribute to the reduction of economic and social disparities in the European Economic Area and to the strengthening of bilateral relations between the Donor States and the Beneficiary States through financial contributions in the priority sectors listed in paragraph 2. Accordingly, the Parties to this Memorandum of Understanding shall endeavour to select for funding programmes that contribute to the achievement of these objectives.

2. The financial contributions shall be available in the following priority sectors:

- (a) Environmental protection and management;
- (b) Climate change and renewable energy;
- (c) Civil society;
- (d) Human and social development; and
- (e) Protecting cultural heritage.

Academic research may be eligible for funding in so far it is targeted at one or more of the priority sectors.

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 2009-2014:

- (a) Protocol 38b to the EEA Agreement on the EEA Financial Mechanism 2009-2014;
- (b) the Regulation on the implementation of the EEA Financial Mechanism 2009-2014 (hereinafter referred to as the "Regulation") issued by the Donor States in accordance with Article 8.8 of Protocol 38b;
- (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 38b, the total amount of the financial contribution is € 988.5 million in annual tranches of € 197.7 million over the period running from 1 May 2009 to 30 April 2014, inclusive.
2. In accordance with Article 5 of Protocol 38b, a total of € 45,850,000 shall be made available to the Beneficiary State for the period 1 May 2009 – 31 December 2013.
3. In accordance with Article 8.7 of Protocol 38b and Article 1.8 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 € 42,411,250.

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 priority sectors listed in Article 3.1 of Protocol 38b and the programme areas identified in Annex B of this Memorandum of Understanding. The Donor States and the Beneficiary State may consult on possible and specific programmes before a formal programme proposal is submitted to the Financial Mechanism Committee.
2. The Beneficiary State shall assure the full co-financing of programmes that benefit from support from the EEA Financial Mechanism 2009-2014 in accordance with Annex B and the programme agreements.
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.
4. The Committee shall be assisted by the Financial Mechanism Office (hereinafter referred to as the "FMO"). The FMO shall be responsible for the day-to-day operations of the EEA Financial Mechanism 2009-2014 and shall serve as a contact point.

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 2009-2014 as well as for the implementation of the EEA Financial Mechanism 2009-2014 in the Beneficiary State in accordance with the Regulation. In accordance with Article 4.2 of the Regulation, the National Focal Point, the Certifying Authority, the Audit Authority, and an appropriate national

entity responsible for the preparation and submission of irregularities reports are designated in Annex A.

Article 6
Multi-annual Programming Framework

1. In accordance with Article 2.1 of the Regulation, the Parties have agreed on an implementation framework consisting of the following financial and substantive parameters:

- (a) a list of agreed programme areas, the financial contribution from the EEA Financial Mechanism 2009-2014 by programme area;
- (b) identification of programmes, their main focus and outcomes, as appropriate, as well as any specific concerns relating to target groups, geographical areas or other issues;
- (c) identification of programme operators, if appropriate;
- (d) initiatives to strengthening the bilateral relations between the Donor States and the Beneficiary State, including the identification of programme areas in which donor partnership programmes as referred to in Article 3.2 shall be prepared, the designation of donor programme partners, the allocation of funds for such programmes, and programmes, or component thereof, that are dedicated exclusively to donor partnership projects;
- (e) in specific cases, the identification of pre-defined projects to be included in relevant programmes;
- (f) identification of small grant schemes, as appropriate.

2. The implementation framework is outlined in Annex B.

Article 7
Annual meetings

In accordance with Article 2.3 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 period and agree on any necessary measures to be taken.

Article 8
Modification of the annexes

1. Annex A may be subject to review at the annual meetings. Amendments to Annex A agreed upon at the annual meetings do not require a formal change to this Memorandum of Understanding. Such amendments shall be confirmed through an exchange of letters between the FMC and the National Focal Point.

2. Annex B may be changed through an exchange of letters between the FMC and the National Focal Point.

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.

**Article 10
Governing Principles**

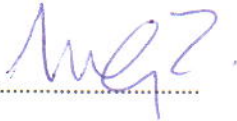
1. The implementation of this Memorandum of Understanding shall in all aspects be governed by the Regulation and subsequent amendments thereof.
2. The objectives of the EEA Financial Mechanism 2009-2014 shall be pursued in the framework of close co-operation between the Donor States and the Beneficiary State. The Parties agree to apply the highest degree of transparency, accountability and cost efficiency as well as the principles of good governance, sustainable development, gender equality and equal opportunities in all implementation phases of the EEA Financial Mechanism 2009-2014.
3. The Beneficiary State shall take proactive steps in order to ensure adherence to these principles at all levels involved in the implementation of the EEA Financial Mechanism 2009-2014.

**Article 11
Entry into Force**


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

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

Signed in Madrid on 15.11.2011
For the Kingdom of Spain


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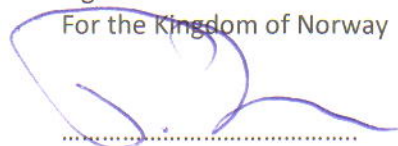
Signed in Breeseb on 18.11.2011
For Iceland


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Signed in Vaduz on 18th November 2011
For the Principality of Liechtenstein


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Signed in Madrid on 15.11.2011
For the Kingdom of Norway


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National management and control structures

1. National Focal Point

The Deputy General Directorate for the Cohesion Fund and European Territorial Cooperation shall act as the National Focal Point.

The Deputy General Directorate for the Cohesion Fund and European Territorial Cooperation is one of the seven Deputy General Directorates of the General Directorate of European Funds, functionally independent from the other six Deputy General Directorates. The General Directorate of European Funds is one of the three General Directorates that constitute the General Secretariat of Budget and Expenditure, which is a department within the State Secretariat for Finance and Budget of the Ministry of Economy and Finance.

The Deputy Director General for the Cohesion Fund and European Territorial Cooperation shall act as the head of the National Focal Point.

The roles and responsibilities of the National Focal Point are stipulated in the Regulation, in particular Article 4.3 thereof.

2. Certifying Authority

The Deputy General Directorate for Certification and Payments shall act as the Certifying Authority.

The Deputy General Directorate for Certification and Payments is one of the seven Deputy General Directorates of the General Directorate of European Funds, functionally independent from the other six Deputy General Directorates.

The Deputy Director General for Certification and Payments shall act as the head of the Certifying Authority.

The roles and responsibilities of the Certifying Authority are stipulated in the Regulation, in particular Article 4.5 thereof.

3. Audit Authority

The General Controller of the Public Administration (*Intervención General de la Administración del Estado, IGAE*) shall act as the Audit Authority.

IGAE is located within the State Secretariat for Finance and Budget of the Ministry of Economy and Finance. IGAE has the ministerial rank of an Undersecretariat, which is the same level as the General Secretariats. Therefore IGAE is organisationally and functionally independent from the General Secretariat of Budget and Expenditure, including the Deputy General Directorate for the Cohesion Fund and European Territorial Cooperation (National Focal Point) and the Deputy General Directorate for Certification and Payments (Certifying Authority) of the General Directorate of European Funds.

The head of the General Controller of the Public Administration, IGAE shall act as the head of the Audit Authority.

The roles and responsibilities of the Audit Authority are stipulated in the Regulation, in particular Article 4.6 thereof.

4. National public entity responsible for the preparation and submission of irregularities reports.

The Deputy General Directorate for the Cohesion Fund and European Territorial Cooperation (National Focal Point) shall be responsible for the preparation and submission of irregularities reports.

The roles and responsibilities of the National Focal Point in relation to the preparation and submission of irregularities reports are stipulated in the Regulation, in particular Article 11.3 thereof.

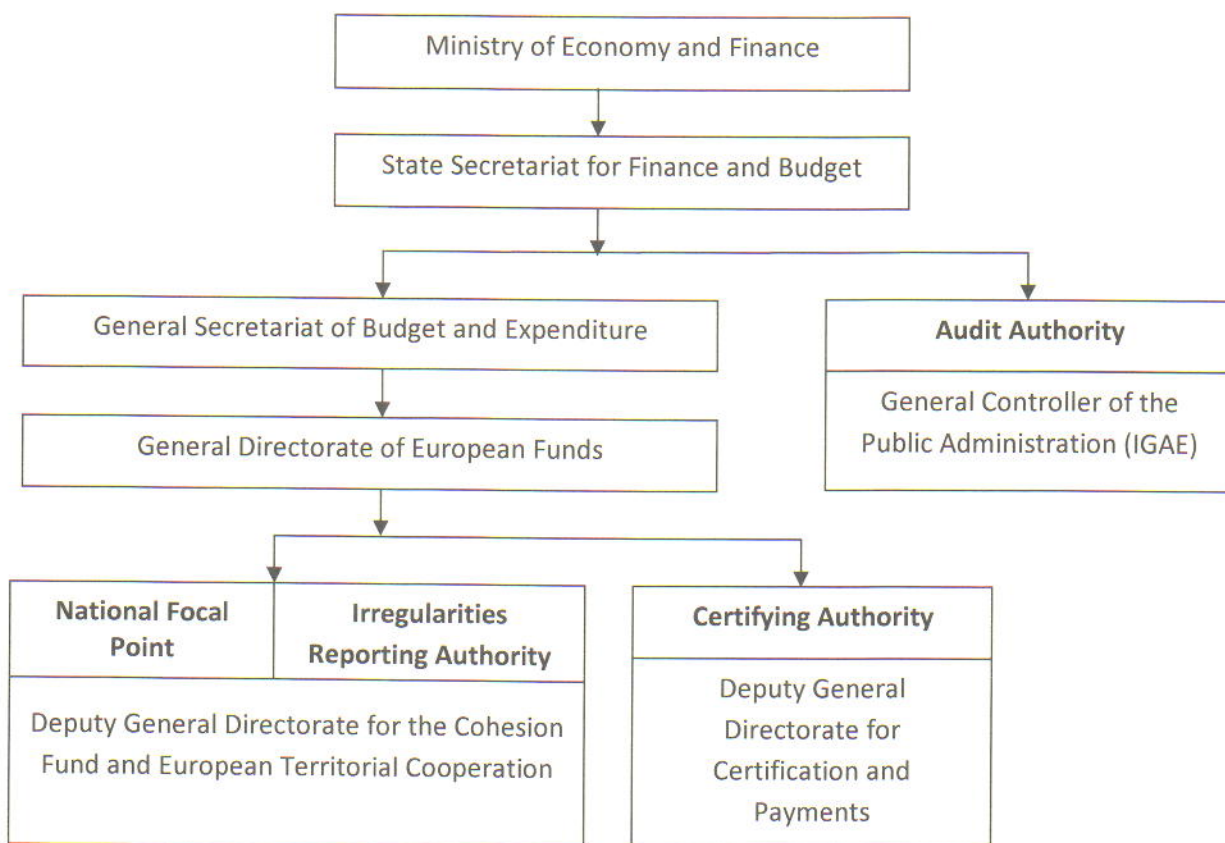
5. Monitoring Committee

The Monitoring Committee shall be established within six months of the signing of the Memorandum of Understanding. Its role is stipulated in the Regulation, in particular Article 4.4 thereof.

6. Strategic Report and annual meetings

In accordance with Article 2.2 of the Regulation, the National Focal Point shall annually submit to the FMC a Strategic Report on the implementation of the EEA Financial Mechanism 2009-2014 in the Beneficiary State. The Parties shall endeavour to hold the annual meeting in the month of November every year.

7. Organigram



Implementation framework

In accordance with Article 2.1 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

Spain	EEA FM contribution
Programme area	
Environmental and Climate Change-related Research and Technology	€ 18,215,000
Funds for Non-Governmental Organisations	€ 4,585,000
Mainstreaming Gender Equality and Promoting Work-Life Balance	€ 10,191,250
Conservation and Revitalisation of Cultural and Natural Heritage	€ 4,085,000
Promotion of Diversity in Culture and Arts within European Cultural Heritage	€ 500,000
Scholarships	€ 3,918,000
Other allocations	
Technical assistance to the Beneficiary State (Art. 1.9)	€ 687,750
Fund for bilateral relations at national level (Art. 3.5.1)	€ 229,250
Net allocation to Spain	€ 42,411,250

2. Specific concerns

Bilateral relations between the Donor States and Spain shall be strengthened with the aim of stimulating long-term cooperation, in particular in the programme areas listed below.

The appraisal of Programme Proposals will take due account of relevant human rights- and governance-related standards of the Council of Europe (such as those monitored by CPT, GRECO, GRETA, ECRI etc.), including the Convention for the Protection of Human Rights and Fundamental Freedoms.

3. Substantive parameters of the implementation framework

The programmes described below are to be prepared and, subject to FMC approval, implemented in the Beneficiary State.

A. Programme Area: Environmental and Climate Change-related Research and Technology

<i>Programme:</i>	Environmental and Climate Change-related Research and Technology
<i>Objective:</i>	Strengthened knowledge base on the environment and climate change and increased application of environmental technology
<i>Programme grant:</i>	€ 18,215,000
<i>Expected outcome:</i>	Increased development and application of technology that benefits the environment

<i>Specific concerns:</i>	The programme should include measures related to the hydroelectric, solar, wind, and marine energy sectors.
<i>Programme Operator:</i>	Center for Technological Industrial Development (CDTI)
<i>Donor programme partner:</i>	Innovation Norway

B. Programme Area: Funds for Non-Governmental Organisations

<i>Programme:</i>	NGO Fund
<i>Objective:</i>	Strengthened civil society development and enhanced contribution to social justice, democracy and sustainable development
<i>Programme grant:</i>	€ 4,585,000
<i>Programme Operator:</i>	The NGO Platform of Social Action
<i>Main focus:</i>	At least one third of the total eligible expenditure of the programme shall be dedicated to core areas of support. Minimum 10% of the total eligible expenditure of the programme shall address children and youth at risk.
<i>Specific concern:</i>	The programme shall address the specific needs of vulnerable groups, including migrants.

C. Programme Area: Mainstreaming gender equality and promoting work-life balance

<i>Programme:</i>	Gender equality and work-life balance
<i>Objective:</i>	Gender equality and work-life balance promoted
<i>Programme grant:</i>	€ 10,191,250
<i>Programme Operator:</i>	State Secretariat for Equality (Ministry of Health, Social Policy and Equality)
<i>Donor programme partner:</i>	The Equality and Anti-Discrimination Ombud (LDO)
<i>Main focus:</i>	<p>The Programme shall consist of pre-defined projects and an open call for proposals.</p> <p>The Programme shall include the exchange of policies and best practice on gender equality between Spain and Norway, with a focus on (but not limited to) gender equality in the labour market, including female entrepreneurship, gender balance on company boards, improved work-life balance, and the inclusion of migrant and Roma women.</p> <p>Measures to tackle gender-based violence may be supported under the Programme.</p>

D. Programme Area: Conservation and Revitalisation of Cultural and Natural Heritage

<i>Programme:</i>	Conservation and Revitalisation of Cultural and Natural Heritage
<i>Objective:</i>	Cultural and natural heritage for future generations safeguarded and conserved and made publicly accessible
<i>Project grant:</i>	€ 4,085,000
<i>Programme Operator:</i>	Ministry of Culture
<i>Pre-defined project:</i>	The Programme Operator shall identify a visible pre-defined project of European cultural heritage value. The pre-defined project shall be approved jointly by the FMC and the National Focal Point prior to the signing of the project contract.

E. Programme Area: Promotion of Diversity in Culture and Arts within European Cultural Heritage

<i>Programme:</i>	Cultural diversity and Cultural exchange
<i>Objective:</i>	Cultural dialogue increased and European identity fostered through understanding of cultural diversity
<i>Project grant:</i>	€ 500,000
<i>Programme Operator:</i>	Norwegian Embassy to Spain
<i>Main focus:</i>	Diversity of contemporary art and culture presented, and cultural exchange with the Donor States in the field of live arts.

F. Programme Area: Scholarships

<i>Programme:</i>	EEA Scholarship Programme
<i>Objective:</i>	Enhanced human capital and knowledge base in the Beneficiary States
<i>Programme grant:</i>	€ 3,918,000
<i>Programme Operator:</i>	Complutense University of Madrid (UCM)
<i>Donor programme partners:</i>	The Icelandic Centre for Research – RANNIS (Iceland), the National Agency for International Education Affairs – AIBA (Liechtenstein), and the Norwegian Centre for International Cooperation in Higher Education – SIU (Norway). SIU will function as lead Donor Programme Partner.
<i>Main focus:</i>	Mobility of higher education students and researchers, cooperation between research groups and institutions in Spain and the Donor States in strategic fields.

**JOINT DECLARATION TO THE
MEMORANDUM OF UNDERSTANDING**

With reference to the advisory tasks mentioned in Article 3.2.3, Article 3.3.3 a) and b) and Article 6.4.2 of the Regulation on the implementation of the European Economic Area (EEA) Financial Mechanism 2009-2014, as referred to in the Memorandum of Understanding signed on 15 November 2011, the Parties agree that the said provisions shall be interpreted as an exchange of views and information, be applied in full accordance with the Spanish national legislation and shall take due account of the rights and responsibilities of the Programme Operators concerned.

So as to assure full compliance with the Spanish legislation, the information will be exchanged in the ad hoc structures established in accordance with the Regulation and outside the decision making bodies of the affected organizations.