

MINUTES

1ST ANNUAL MEETING WITH SPAIN

EEA GRANTS 2009-14

THURSDAY 15 NOVEMBER 2012, 16.00

19th floor, room 1901,
General Directorate of European Funds,
Ministry of Finance and Public Administrations,
Pº de la Castellana, 162,
28071 Madrid.

Agenda :

- 1: National Focal Point, staffing and organisation
- 2: Management and Control System description, national and programme level
- 3: Programme status, work plan
- 4: Co-financing situation in Spain
- 5: Risk assessment
- 6: Bilateral Relations
- 7: Any other business

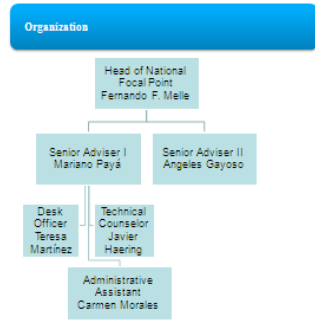
The meeting started with welcome addresses from the heads of the National Focal Point (NFP), Mr Fernández Melle, and of the Donor States delegation Ms Rysst-Jensen. The head of the NFP underlined the fact that despite the relatively limited size of the budget compared to the EU structural funds, the programmes to be funded by the EEA financial mechanism were very interesting and highlighted his will to make the programmes go ahead. The Head of the Donor States delegation explained that this annual meeting was a good stocktaking exercise on the very day of the first anniversary of the signing of the MoU. All foreseen programme proposals had been received for assessment in Brussels. The contents were of good quality in general, even if there were some issues to clarify in all of them. The programmes related to Environment and Climate-change related research and technology (ES02) and the Gender equality and work life balance programme (ES04) representing the main part of the budget enjoy a priority by both parties, although visibility and bilateral relations were also important. However, for any programme to be approved, the management and control system description needed to be approved by the Audit authority and receipt to be acknowledged by the Financial Mechanism Office (FMO).

1. National Focal Point, staffing and organisation

The Head of NFP started by a presentation of the functions of the Deputy Directorate General and the staffing of the NFP. The NFP staff has been increased to 6, all of them working part time (70% maximum) for the NFP (the rest of their time being allocated to the management of European Territorial cooperation programmes). The Head of the Donor States delegation recommended the use of the Technical Assistance (TA) budget to outsource some of the activities of the NFP (e.g. specifically, in addition to the monitoring, for the risk assessment

and the drafting of the strategic report). As for the certifying and payment authority, the staff allocated to the EEA financial mechanism has been increased by 2.

National Focal Point



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D.G.D. of Certification and Payments



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On the issue of the submitted status report the Donors requested the Focal Point to rewrite the report. The report is incomplete and not in line with the reporting obligations. The Donors underlined the need to include and strengthen the description on risk, bilateral, programming and the work plan. The Focal Point was requested to complete and resubmit the status report to FMO before 01 January 2013. The Donors asked the Focal Point to consider outsourcing the work.

Follow-up points:

- **Submission of a complete final status report by the NFP to the FMO by 1 January 2013**

2. Management and Control System description

The Donors delegation reaffirmed the fact that the submission of the description of the Management and Control System (MCS) at national level was required to approve the programme proposals. The third draft developed on the basis of examples provided by the FMO, had been submitted by the NFP to the FMO on 14 November. Two main points -relating to the existence of a separate bank account on one hand and to the payment delays on the other hand- are to be added to this description when the appropriate explanations and justifications are provided by the relevant authorities (Bank of Spain and Treasury). The FMO reminded the NFP that for both issues, the NFP needed to request exemptions to the regulations. Two separate requests including justifications for the exemptions are to be submitted as soon as possible, in parallel with the MCS description. The NFP indicated that the audit opinion on the MCS description should be provided within less than a month.

Follow-up points:

Both delegations agreed to the following tentative planning, provided a full draft can be sent in the next days to the FMO and considered by the FMO as of sufficient quality and containing all necessary elements

- **Submission of a complete final draft by NFP to FMO by 30 November 2012;**
- **Comments on the final draft by FMO by 07/12;**
- **Provision of a final draft by the NFP to the Audit authority by beginning of December 2012;**
- **Audit opinion provided by the end of December 2012/early January 2013.**

3. Programme Status, Work plan.

The Donor State delegation urged the NFP to get involved in the overarching issues that cause delays and enter into a dialogue with the POs and FMO when needed and ensure swift provisions of additional information/replies to Request for Additional Information (RAI). The Financial Mechanism relies on the Focal Point to take a strong coordinating role and assisting POs in solving technical issues.

ES 02: Environmental and climate-change-related research and technology

The main open issue for this programme proposal is related to the Soft loan/grant set up. Furthermore, co-financing at programme level should be secured in such a way that loans should not foresee a reimbursement of this co-financing.

ES 03: Funds for Non-Governmental Organisations

The main issue still to tackle before this programme proposal should be considered as complete and send for approval to the Donors, is the way to address the possible conflict of interests of the programme operator and end beneficiaries. The co-financing levels to be provided at programme (10%) and project level (10%) should also be confirmed and the necessary letter(s) of intent provided.

ES 04: Mainstreaming gender equality and promoting work-life balance

A final implementation mechanism (budget reallocation, outsourcing, council of ministers approval for multi annual budgeting etc.) allowing for open calls and acceptable project duration should be proposed to the FMO by 30 November 2012. The implication of the choice of such implementation mechanism on the level of co-financing which could be provided at programme and project level should be clarified.

ES 05: Conservation and revitalization of cultural and natural heritage

Additional information on the predefined project (Centro Federico Garcia Lorca) proposed by the PO should be provided by the FMO to the Donors to allow for a proper assessment of the opportunity for such project. This additional information should specifically focus on its contents and the balance between hard and soft measures.

ES 06: Promotion of diversity in culture and arts within European cultural heritage

The programme proposal was submitted by the Embassy on 28 October 2012. The launching of this programme is linked, as it is the case for others, to the submission of the description of MCS. The programme should not have any absorption capacity since it takes place in a sector particularly touched by the current Spanish economic crisis.

ES 07: Scholarships

The lack of co-financing is the main issue to clarify before this programme, submitted long ago, could be approved. The FMO suggests co-financing to be sought at project level (institutional building activities). Confirmation of this possibility should be provided to the FMO by the PO and NFP by 30 November 2012.

Follow-up points:

The NFP should provide the FMO with the following information by 30/11.

- **ES04: identified implementation mechanism and confirmation of co-financing**
- **ES07: confirmation of co-financing**

The FMO should provide the Donors with the following information by 30/11:

- **ES05: additional information on balance soft/heard measures and content of predefined project**

4. Co-financing situation

- The Donors reiterated that if Spain cannot comply with the regulatory co-financing requirements at programme level, even for sectors where exceptions are foreseen in article 5.4 of the Regulation, official requests for deviation from the Regulation should be submitted by the NFP to the FMO.
- The FMO will provide the NFP with a table summarising the project and programme co-financing rates for each programme to assess whether a level of 15% of co-financing is provided at national level. The co-financing indicated in this table will have to be confirmed or amended by the NFP. Equal treatment of the Beneficiary States is an important feature of the cooperation and the possibility to deviate from the global level of co-financing of 15% cannot be considered by the Donors.
- The FMO recommendation is to secure additional co-financing for two programmes:
 - ES02: to secure programme level co-financing by ensuring that co-financing at programme level is not reimbursed through the reimbursement of loans. Co-financing at project level would raise issue of state aid.
 - ES07: to ensure a minimum co-financing at project level from institutional capacity projects.

Follow-up point:

The FMO will provide the NFP with a co-financing summary table by 07/12/2012.

5. Risk assessment

The risk assessment elements provided by the NFP in the Status report should be further detailed. Information and advice has been and could be further provided by the FMO in this respect. Training courses are regularly organised by the FMO and the NFP is encouraged to send its staff to these training seminars.

6. Bilateral Relations

A draft work-plan incorporating priorities agreed by the donors and by the beneficiary state was provided by the FMO to the NFP on 12/11. It will be further discussed during a separate follow-up meeting on 16/11. The donors highlighted the fact that this WP can be adapted to upcoming needs and can therefore easily be amended.

7. Any Other Business

Information was provided on the following issues:

- *Technical Assistance (TA) Agreement*: the TA agreement has been signed by the donors and should shortly be with the NFP for signature. The advance payment will then be transferred by the FMO so that payments can be made by the NFP (Innovation Norway, Embassy of Norway).
- *Communication strategy*: A revised version of the communication strategy has been sent by the NFP to the FMO and should be analysed before it is officially submitted to the donors.
- *Memorandum of Understanding (MoU)*:
 - The Amendment to Annex A of the MoU was formally agreed by the Beneficiary State and the Donors: a revised Annex A together with a letter will soon be sent to the NFP.
 - The amendments to Annex B of the MoU have been approved by written procedure by the Donors; The Head of the Donor States delegation provided a copy of the approval letter to the Head of the NFP.

Follow-up points:

- Original TA agreement sent to the NFP for signature
- Feedback on the communication strategy to be provided by 05/12/2012
- Exchange of letters on Annex A to be initiated by PMO

ANNUAL MEETING FOLLOW- UP POINTS

Topic	Action	Actor	Deadline
Management and control system description	Final draft to be sent to FMO	NFP	30/11/2012
	Comments	FMO	07/12/2012
	Submission to Audit authority	NFP	10/12/2012
	Audit opinion	Audit authority	10/01/2013
Programme ES04	Information on the Implementation mechanism identified sent to FMO	NFP	30/11/2012
Programme ES05:	Memorandum on the contents and balance between soft and hard measures of the predefined projects sent to the Donors	FMO	30/11/2012
Programme ES07	Information on confirmed level of co-financing to be sent to FMO	NFP	30/11/2012
Co-financing	Co-financing table to be submitted to NFP for confirmation/amendment	FMO	07/12/2012
TA agreement	Signed agreement sent to NFP for signature	N/A	N/A
Communication strategy	To be commented upon before submission to the donors	Norwegian Embassy in Spain and FMO	05/12/2012
Status report	Submission of a complete final status report to the FMO	NFP	01/01/2013
Amendment to the MoU	to be confirmed by an exchange of letter	FMO	30/11/2012

8. Meeting on bilateral relations WP 16/11

Based on a working document developed by the FMO, an agreement was reached on the priorities, budget allocations and activities. Further elements related to project selection and reporting were discussed. A draft Work plan will be provided by the FMO by 30 November to the Donors and to the NFP.

Topic	Action	Actor	Deadline
Work Plan	Final draft approved by Donors to be sent to NFP	FMO	30/11/2012

Participants:

Annual meeting

Beneficiary State delegation

Mr Jose María Piñero Campos, Director General of European Funds Director General for European Funds

Mr Fernando Fernández Melle, Deputy Director General for the Cohesion Fund and European Territorial Cooperation

Ms Natalia Vítores, Deputy Director General for Certification and Payments

Ms Ángeles Gayoso, Senior Adviser, Communication matters

Mr Mariano Payá, Senior Adviser, National Focal Point

Mr Jerónimo Ríos, Assistant to the Deputy General Director for Certification and Payments

Mr Javier Haering, Technical Counselor, Strategy Report and related documents and tasks

Ms Teresa Martínez, Desk Officer, National Focal Point

Donor States delegation

Ms Vibeke Rysst-Jensen, Assistant Director General, NMFA

Ms Mette Jøranli, Senior Adviser, NMFA

Mr Anders Eide, Charge d'Affairs, Royal Norwegian Embassy

Ms Desiré Hopen Standal, Communication officer, Royal Norwegian Embassy

Ms Eva Puig Syversen, Trainee, Royal Norwegian Embassy

Ms Stine Andresen, Director, FMO

Mr. Stein Mona, Senior Country Officer, FMO

Ms Nathalie Thiberge, Country Officer, FMO

Meeting on bilateral relations WP 16/11

Beneficiary State delegation

Mr Fernando Fernández Melle, Deputy Director General for the Cohesion Fund and European Territorial Cooperation

Mr Mariano Payá, Senior Adviser, National Focal Point

Mr Javier Haering, Technical Counselor, Strategy Report and related documents and tasks

Ms Teresa Martínez, Desk Officer, National Focal Point

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Ms Stine Andresen, Director, FMO

Mr. Stein Mona, Senior Country Officer, FMO

Ms Nathalie Thiberge, Country Officer, FMO