EEA Financial Mechanism 2009-2014

PROGRAMME AGREEMENT

between

The Financial Mechanism Committee
established by Iceland, Liechtenstein and Norway

and

The Ministry of Finance and Public Administrations,
hereinafter referred to as the "National Focal Point",
representing Spain,
hereinafter referred to as the "Beneficiary State"
together hereinafter referred to as the "Parties"
for the financing of the Programme "NGO Fund"
hereinafter referred to as the "Programme"
Chapter 1
Scope, Legal Framework, and Definitions

Article 1.1
Scope

This programme agreement between the Financial Mechanism Committee (hereinafter referred to as the FMC) and the National Focal Point lays down the rights and obligations of the Parties regarding the implementation of the Programme and the financial contribution from the EEA Financial Mechanism 2009-2014 to the Programme.

Article 1.2
Legal Framework

1. This programme agreement shall be read in conjunction with the following documents which, together with this programme agreement, 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 Memorandum of Understanding on the Implementation of the EEA Financial Mechanism 2009-2014 (hereinafter referred to as the "MoU"), entered into between the Donor States and the Beneficiary State; and

d. any guidelines adopted by the FMC in accordance with the Regulation

2. In case of an inconsistency between this programme agreement and the Regulation, the Regulation shall prevail.

3. The legal framework is binding for the Parties. An act or omission by a Party to this programme agreement that is incompatible with the legal framework constitutes a breach of this programme agreement by that Party.

Article 1.3
Definitions

Terms used and institutions and documents referred to in this programme agreement shall be understood in accordance with the Regulation, in particular Article 1.5 thereof, and the legal framework referred to in Article 1.2 of this programme agreement.
Article 2.2
Main responsibilities of the Parties

1. The National Focal Point is responsible and accountable for the overall management of the EEA Financial Mechanism 2009-2014 in the Beneficiary State and for the full and correct implementation of this programme agreement. In particular, the National Focal Point undertakes to:

a. comply with its obligations stipulated in the Regulation and this programme agreement;

b. ensure that the Certifying Authority, the Audit Authority, the Monitoring Committee and the Programme Operator properly perform the tasks assigned to them in the Regulation, this programme agreement and the programme implementation agreement;

c. take all necessary steps to ensure that the Programme Operator is fully committed and able to implement and manage the Programme;

d. take the necessary measures to remedy irregularities in the implementation of the Programme and ensure that the Programme Operator takes appropriate measures to remedy irregularities in Projects within the Programme, including measures to recover misspent funds;

e. make all the necessary and appropriate arrangements in order to strengthen or change the way the Programme is managed.

2. The FMC shall, subject to the rules stipulated in the legal framework referred to in Article 1.2 of this programme agreement, make available to the Beneficiary State a financial contribution (hereinafter referred to as "the programme grant") to be used exclusively to finance the eligible cost of the Programme.

Article 2.3
Objective and outcomes of the Programme

1. The programme decision sets out the objective, outcome(s), outputs, indicators and targets for the Programme.

2. The National Focal Point shall ensure that the Programme Operator implements and completes the Programme in accordance with the objective, outcome(s), outputs, indicators and targets set for the Programme.

Article 2.4
Programme grant

1. The maximum amount of the programme grant, the programme grant rate, and the estimated eligible cost of the Programme shall be as specified in the programme decision.

2. In case the Programme is also supported by the Norwegian Financial Mechanism, this programme agreement shall be interpreted in conjunction with the agreement regulating that support.

3. The financial plan shall:

a. contain a breakdown between the Programme's budget headings using the description put forward in the template for the programme proposal;

b. indicate the agreed advance payment, if any.

4. The management cost of the Programme Operator shall not exceed the amount specified in the programme decision.

Article 2.5
Special conditions and programme specific rules

1. The programme decision shall list any conditions set by the FMC with reference to paragraph 3 of Article 5.3 of the Regulation. The National Focal Point shall ensure compliance with these conditions and, in a timely manner, take the necessary steps to ensure their fulfilment.

2. The National Focal Point shall ensure compliance with any other programme specific rules laid down in the operational rules.

Article 2.6
Programme implementation agreement

1. With reference to Article 5.8 of the Regulation and without prejudice to paragraph 2 thereof, the National Focal Point shall, before any payment is made to the Programme, sign a programme implementation agreement with the Programme Operator. The National Focal Point shall notify the FMC of such signing.

2. The signed programme implementation agreement shall be identical to the draft programme implementation agreement confirmed by the FMC in accordance with paragraph 5 of Article 5.8 of the Regulation with regard to the content required according to paragraph 3 thereof. The National Focal Point shall inform the FMC of any deviation from that confirmed draft which may be subject to a new confirmation according to paragraph 5 of Article 5.8 of the Regulation prior to any payment to the Programme.

Article 2.7
Reporting

The National Focal Point shall ensure that the Programme Operator provides financial reports, annual programme reports and a final programme report in accordance with Chapter 8 and Articles 5.11 and 5.12 of the Regulation as well as statistical reporting in accordance with the Programme Operator's Manual (Annex 9 to the Regulation).
Article 2.8
External monitoring

The external monitoring and audit referred to in Articles 10.1, 10.2, 10.3 and 10.4 of the Regulation shall not in any way relieve the National Focal Point or the Programme Operator of its obligations under the programme agreement regarding monitoring of the Programme and/or its projects, financial control and audit.

Article 2.9
Modification of the Programme

1. Unless otherwise explicitly stipulated in this programme agreement, any modification of the Programme is subject to prior approval by the FMC.

2. Modifications that do not affect the objective, outcomes, outputs, indicators or targets of the Programme are permitted without FMC’s prior approval provided that they are limited to the following:
   a. cumulative transfers between budget headings related to outcomes of an amount less than 10% of total eligible expenditure of the Programme or € 1,000,000, whichever is higher, and
   b. changes of internal practices of the Programme Operator that are not stipulated in the programme agreement.

3. Programme specific exceptions from paragraphs 1 and 2, if any, are set in the operational rules.

4. Expenditures incurred in breach of this article are not eligible.

5. Should there be a doubt as to whether the proposed modifications require approval by the FMC, the National Focal Point shall consult the FMC before such modifications take effect.

6. Requests for modifications shall be submitted and assessed in accordance with Article 5.9 of the Regulation.

Article 2.10
Communication

1. All communication to the FMC regarding this programme agreement shall take place in English and be directed to the Financial Mechanism Office (hereinafter referred to as the FMO), which represents the FMC towards the National Focal Point and the Programme Operator in relation to the implementation of the Programme.

2. To the extent that original documents are not available in the English language, the documents shall be accompanied by full and accurate translations into English.

3. The National Focal Point shall bear the responsibility for the accuracy of the translation that it provides and the possible consequences that might arise from any inaccurate translations.

4. The FMC shall ensure that the National Focal Point is informed about communication between the FMC and the Programme Operator that is relevant for the responsibilities of the National Focal Point under this programme agreement.

Article 2.11
Contact information

1. The contact information of the National Focal Point and the Programme Operator is as specified in the programme proposal.

2. The contact information for the FMC and the Financial Mechanism Office are:
   Financial Mechanism Office
   Att: Director
   EFTA Secretariat
   Rue Joseph II, 12-16
   1000 Brussels
   Telephone: +32 (0)2 286 1701
   Telefax (general): +32 (0)2 211 1889
   E-mail: fmo@efta.int

3. Changes of or corrections to the contact information referred to in this article shall be given in writing without undue delay by the Parties to this programme agreement.

Article 2.12
Representations and Warranties

1. This programme agreement and the awarding of the programme grant is based on information provided by, through, or on behalf of the National Focal Point to the FMC in the programme proposal or other communication prior to the signing of this programme agreement.

2. The National Focal Point represents and warrants that the information provided by, through, or on behalf of the National Focal Point in the programme proposal, in connection with the programme proposal, the implementation or conclusion of this programme agreement are authentic, accurate and complete.
Chapter 3
Projects

Article 3.1
Selection of projects

1. The National Focal Point shall ensure that the Programme Operator selects projects in accordance with Chapter 6 of the Regulation and the operational rules.

2. Eligibility of applicants is stipulated in Article 6.2 of the Regulation and, in accordance with paragraph 3 thereof, subject only to the limitations stipulated in the operational rules.

3. Pre-defined projects shall be outlined in the operational rules.

4. The National Focal Point shall take proactive steps to ensure that the Programme Operator complies fully with Article 6.6 of the Regulation.

Article 3.2
Project contract

1. For each approved project a project contract shall be concluded between the Programme Operator and the Project Promoter.

2. In cases where a project contract cannot, due to provisions in the national legislation, be made between the Programme Operator and the Project Promoter, the Beneficiary State may instead issue a legislative or administrative act of similar effect and content.

3. The content and form of the project contract shall comply with Article 6.7 of the Regulation.

4. The National Focal Point shall ensure that the obligations of the Project Promoter under the project contract are valid and enforceable under the applicable law of the Beneficiary State.

Article 3.3
Project partners and partnership agreements

1. A project may be implemented in a partnership between the Project Promoter and project partners as defined in paragraph 1(w) of Article 1.5 of the Regulation. If a project is implemented in such a partnership, the Project Promoter shall sign a partnership agreement with the project partners with the content and in the form stipulated in Article 6.8 of the Regulation.

2. The partnership agreement shall be in English if one of the parties to the agreement is an entity from the Donor States.

3. The eligibility of expenditures incurred by a project partner is subject to the same limitations as would apply if the expenditures were incurred by the Project Promoter.

4. The creation and implementation of the relationship between the Project Promoter and the project partner shall comply with the applicable national and European Union law on public procurement as well as Article 7.16 of the Regulation.

5. The National Focal Point shall ensure that the Programme Operator verifies that the partnership agreement complies with this article before the signing of the project contract.

Article 3.4
Reallocation of funds

1. Reallocation of unused or cancelled financial contributions to projects shall be made in compliance with Article 6.9 of the Regulation.

2. Project grants not reallocated shall be reimbursed to the FMC in accordance with Article 6.9 of the Regulation.

Chapter 4
Finance

Article 4.1
Eligible expenditures

1. Subject to Article 7.6 of the Regulation, eligible expenditures of this Programme are:

a. management costs of the Programme Operator in accordance with the detailed budget in the financial plan;

b. payments to projects within this Programme in accordance with the Regulation, this programme agreement and the project contract;

c. expenditure of funds for bilateral relations in accordance with Article 7.7 of the Regulation;

2. Expenditure related to the categories referred to in subparagraphs (d), (e) and (f) of Article 7.1 of the Regulation are eligible in accordance with Chapter 7 thereof if such expenditures are explicitly approved by the FMC in the programme decision. The implementation of the activities under these categories shall be in compliance with the operational rules.

3. Eligible expenditures of projects are those actually incurred by the Project Promoter or project partners, meet the criteria set in Article 7.2 of the Regulation and fall within the categories and fulfil the conditions of direct eligible expenditure set in Article 7.3 of the Regulation as well as indirect costs in accordance with Article 7.4 of the Regulation.
4. The first date of eligibility of expenditures in projects shall be set in the project contract in accordance with Article 7.14 of the Regulation. The first date of eligibility of any pre-defined projects shall be no earlier than the date on which the National Focal Point notifies the FMC of a positive appraisal of the pre-defined projects by the Programme Operator in accordance with paragraph 3 of Article 5.5 of the Regulation.

5. The maximum eligible costs of the categories referred to in paragraphs 1 and 2 are set in the programme decision. Programme specific rules on the eligibility of expenditure set in the programme decision or in the operational rules shall be complied with.

Article 4.2
Proof of expenditure

Costs incurred by Programme Operators, Project Promoters and project partners shall be supported by documentary evidence as required in Article 7.13 of the Regulation.

Article 4.3
Payments

1. Payments to the Programme shall be made when all relevant conditions for payments stipulated in this programme agreement and the Regulation have been fulfilled.

2. Payments to the Programme shall take the form of an advance payment, interim payments and payment of the final balance and shall be made in accordance with Articles 8.2, 8.3 and 8.4 of the Regulation.

3. Payments of the project grant to the Project Promoters may take the form of advance payments, interim payments and payments of the final balance. The level of advance payments and their off-set mechanism is set in the operational rules.

4. The National Focal Point shall ensure that payments are transferred in accordance with paragraph 2 of Article 8.1 of the Regulation.

5. Chapter 8 of the Regulation shall apply to all aspects related to payments, including currency exchange rules and handling of interests on bank accounts.

Article 4.4
Transparency and availability of documents

The National Focal Point shall ensure an audit trail for financial contributions from the EEA Financial Mechanism 2009-2014 to the Programme in accordance with Article 8.8 of the Regulation.

Article 4.5
Irregularities, suspension and reimbursements

The FMC has the right to make use of the remedies provided in the Regulation, in particular Chapter 12 thereof. The National Focal Point has a duty to take all necessary measures to ensure that the provisions in Chapter 11 and 12 of the Regulation regarding irregularities, suspension of payments, financial corrections and reimbursement are complied with.

Chapter 5
Final provisions

Article 5.1
Dispute settlement

1. The Parties waive their rights to bring any dispute related to the programme agreement before any national or international court, and agree to settle such a dispute in an amicable manner.

2. If a demand for reimbursement to the FMC is not complied with by the Beneficiary State, or a dispute related to a demand for reimbursement arises that cannot be solved in accordance with paragraph 1, the Parties may bring the dispute before Oslo Tingrett.

Article 5.2
Termination

1. The FMC may, after consultation with the National Focal Point, terminate this programme agreement if:

a. a general suspension decision according to Article 12.6 of the Regulation or a decision to suspend payments according to paragraph 1(h) of Article 12.1 of the Regulation has not been lifted within 6 months of such a decision;

b. a suspension of payments according to Article 12.1 of the Regulation, other than under paragraph 1(h), has not been lifted within one year of such a decision;

c. a request for reimbursement according to Article 12.2 of the Regulation has not been complied with within one year from such a decision;

d. the Programme Operator becomes bankrupt, is deemed to be insolvent, or declares that it does not have the financial capacity to continue with the implementation of the Programme;

e. the Programme Operator has, in the opinion of the FMC, been engaged in corruption, fraud or similar activities or has not taken the appropriate measures to detect or prevent such activities or, if they have occurred, nullify their effects.
2. This programme agreement can be terminated by mutual agreement between the Parties.

3. Termination does not affect the right of the Parties to make use of the dispute settlement mechanism referred to in Article 5.1 or the right of the FMC to make use of the remedies provided in Chapter 12 of the Regulation.

Article 5.3
Waiver of responsibility

1. Any appraisal of the Programme undertaken before or after its approval by the FMC, does not in any way diminish the responsibility of the National Focal Point and the Programme Operator to verify and confirm the correctness of the documents and information forming the basis of the programme agreement.

2. Nothing contained in the programme agreement shall be construed as imposing upon the FMC or the FMO any responsibility of any kind for the supervision, execution, completion, or operation of the Programme or its projects.

3. The FMC does not assume any risk or responsibility whatsoever for any damages, injuries, or other possible adverse effects caused by the Programme or its projects including, but not limited to inconsistencies in the planning of the Programme or its projects, other project(s) that might affect it or that it might affect, or public discontent. It is the full and sole responsibility of the National Focal Point and the Programme Operator to satisfactorily address such issues.

4. Neither the National Focal Point, the Programme Operator, entities involved in the implementation of projects, nor any other party shall have recourse to the FMC for further financial support or assistance to the Programme in whatsoever form over and above what has been provided for in the programme agreement.

5. Neither the European Free Trade Association, its Secretariat, including the FMO, its officials or employees, nor the FMC, its members or alternate members, nor the EFTA States, can be held liable for any damages or injuries of whatever nature sustained by the National Focal Point or the Beneficiary State, the Programme Operator, Project Promoters or any other third person, in connection, be it direct or indirect, with this programme agreement.

6. Nothing in this programme agreement shall be construed as a waiver of diplomatic immunities and privileges awarded to the European Free Trade Association, its assets, officials or employees.

Article 5.4
Entry into force and duration

1. This programme agreement shall enter into force on the date of the last signature of the Parties.

2. This programme agreement shall remain in force until five years have elapsed after the date of the acceptance of the final programme report.

This programme agreement is drawn up in two originals in the English language.

For the FMC

Signed in Oslo on 12.8.2013

Anders Erdal
Chairman

For the National Focal Point

Signed in Madrid on 5.8.2013

Fernando Fernández Melle
Deputy Director
Annex I - Programme Decision

1. Expected Outcomes & Indicators for Outputs

Expected Outcome(s): Active citizenship fostered

Output

Awareness-raising campaigns on participation of civil society

<table>
<thead>
<tr>
<th>Output indicator(s)</th>
<th>Baseline</th>
<th>Target</th>
<th>Source of Verification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of awareness raising campaigns</td>
<td></td>
<td>10</td>
<td>Materials of the campaigns.</td>
</tr>
</tbody>
</table>

Output

Cross-cutting cooperation initiatives between NGOs of different sectors emerged at local level

<table>
<thead>
<tr>
<th>Output indicator(s)</th>
<th>Baseline</th>
<th>Target</th>
<th>Source of Verification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of initiatives developed through the programme</td>
<td></td>
<td>10</td>
<td>Reports from the project promoters.</td>
</tr>
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</table>

Expected Outcome(s):

Increased involvement of NGOs in policy and decision-making processes with local, regional and national governments

Output

Existing cross-cutting networks influence decision making process

<table>
<thead>
<tr>
<th>Output indicator(s)</th>
<th>Baseline</th>
<th>Target</th>
<th>Source of Verification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase in the number of policies, plans and legal initiatives assessed by the networks</td>
<td></td>
<td>1</td>
<td>reports from platforms</td>
</tr>
</tbody>
</table>

Output

New cross-cutting coalitions created

<table>
<thead>
<tr>
<th>Output indicator(s)</th>
<th>Baseline</th>
<th>Target</th>
<th>Source of Verification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of cross-cutting coalitions created</td>
<td></td>
<td>4</td>
<td>Reports from platforms.</td>
</tr>
</tbody>
</table>

Expected Outcome(s):

Cross-sectoral partnerships developed, particularly with government organisations at local, regional and / or national level

Output

New initiatives emerge of cooperation between NGOs public bodies and other actors

<table>
<thead>
<tr>
<th>Output indicator(s)</th>
<th>Baseline</th>
<th>Target</th>
<th>Source of Verification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of initiatives</td>
<td></td>
<td>4</td>
<td>Signed agreements.</td>
</tr>
</tbody>
</table>

Output

Pre-defined project: Research on the composition, aims, links, challenges and strategic options of the Third Sector in Spain.

<table>
<thead>
<tr>
<th>Output indicator(s)</th>
<th>Baseline</th>
<th>Target</th>
<th>Source of Verification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Publication of the research</td>
<td></td>
<td>1</td>
<td>Publication.</td>
</tr>
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</table>
Cross-sectoral institutional consultative bodies at regional and local level

<table>
<thead>
<tr>
<th>Output indicator(s)</th>
<th>Baseline</th>
<th>Target</th>
<th>Source of Verification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of bodies created</td>
<td>0</td>
<td>5</td>
<td>Reports from project promoters. Official documents.</td>
</tr>
<tr>
<td>Number of Cooperation Agreements</td>
<td>0</td>
<td>4</td>
<td>Reports from project promoters. Official documents.</td>
</tr>
</tbody>
</table>

**Expected Outcome(s):** Developed networks and coalitions of NGOs working in partnership

**Output**

Coalition mechanisms created and competitiveness gained

<table>
<thead>
<tr>
<th>Output indicator(s)</th>
<th>Baseline</th>
<th>Target</th>
<th>Source of Verification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of mechanisms</td>
<td>0</td>
<td>5</td>
<td>Official documents and reports.</td>
</tr>
</tbody>
</table>

**Output**

Mergers of NGOs working in the same field

<table>
<thead>
<tr>
<th>Output indicator(s)</th>
<th>Baseline</th>
<th>Target</th>
<th>Source of Verification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of mergers initiated</td>
<td>0</td>
<td>4</td>
<td>Contracts.</td>
</tr>
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</table>

**2. Conditions**

**2.1 General**

1. The National Focal Point shall ensure that any public support under this Programme complies with the procedural and substantive state aid rules applicable at the time when the public support is granted. The National Focal Point shall, by way of the programme implementation agreement, ensure that the Programme Operator maintains written records of all assessments concerning compliance with state aid rules, particularly decisions to award grants and set grant rates, and provides such records to the FMC upon request. The approval of the Programme by the FMC does not imply a positive assessment of such compliance.

2. Together with the Strategic Report, the National Focal Point shall provide the FMO with a statement of all co-financing provided by project promoters to their projects during the previous calendar year. The National Focal Point shall ensure that it obtains the necessary information in a timely manner from the Programme Operator by way of appropriate provisions in the programme implementation agreement.

3. Bilateral, output and outcome indicators shall be reported on in the annual programme report.

4. The National Focal Point shall ensure that the Programme Operator ensures that the Programme addresses horizontal concerns including hate speech, extremism and hate crime, racism and xenophobia, homophobia, anti-Semitism, tolerance and multicultural understanding, Roma, sexual harassment, violence against women and trafficking. The horizontal concerns shall be reported on in the annual programme report and in the Strategic Report.

5. The details of use of the bilateral fund, the detailed procedures and criteria for awarding support from the fund, and any other relevant details will be developed by the Programme Operator.

6. The Focal Point shall ensure that the staff recruited by Programme Operator for the implementation of the Programme warrants re-granting experience within the programme management team.

7. The National Focal Point shall ensure that the Programme Operator ensures that Project Promoters who have, in line with this Agreement, received an exception from the general rule in Article 7.3.1(c) of the Regulation with respect to any equipment (the excepted equipment):

* Keep the excepted equipment in their ownership for a period of at least five years following the completion of the project and continue to use that equipment for the benefit of the overall objectives of the project for the same period;
• Keep the excepted equipment properly insured against losses such as fire, theft and other normally insurable incidents both during project implementation and for at least 5 years following the completion of the project; and
• Set aside appropriate resources for the maintenance of the excepted equipment for at least 5 years following the completion of the project. The specific means for implementation of this obligation shall be specified in the project contract; provided however that the Programme Operator may release any Project Promoter from the above obligations with respect to any specifically identified excepted equipment where the Programme Operator is satisfied that, having regard to all relevant circumstances, continued use of that equipment for the overall objectives of the project would serve no useful economic purpose. The National Focal Point shall furthermore ensure that the Programme Operator keeps a list of the excepted equipment for each project.

8. The National Focal Point shall provide to the FMC a revised detailed description of the pre-defined project for approval before any payment to the pre-defined project can be made. The revised description shall be based on the discussions held at the meeting of NGO Programme Operators of 20 March 2013 and take into account the need to obtain data comparable to data from similar studies in other Beneficiary States.

2.2 Pre-eligibility
Not applicable.

2.3 Pre-payment
Not applicable.

2.4 Pre-completion
Not applicable.

2.5 Post-completion
Not applicable.

2.6 Other
Not applicable.

3. Eligibility of costs

3.1 Eligibility of costs - period

Eligibility of costs (excluding prog prep costs): 24/04/2013-30/04/2017

3.2 Grant rate and co-financing

| Programme estimated total cost (€) | €4,666,322 |
| Programme estimated eligible cost (€) | €4,666,322 |
| Programme grant rate (%) | 98.2500% |
| Maximum amount of Programme grant (€) | €4,585,000 |

3.3 Maximum eligible costs (€) and Advance payment amount (€)
<table>
<thead>
<tr>
<th>Budget heading</th>
<th>Eligible expenditure</th>
<th>Advance payment*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Programme management</td>
<td>€611,333</td>
<td>€218,682</td>
</tr>
<tr>
<td>Active citizenship fostered</td>
<td>€951,050</td>
<td>€0</td>
</tr>
<tr>
<td>Increased involvement of NGOs in policy and decision-making processes with local, regional and national governments</td>
<td>€967,350</td>
<td>€0</td>
</tr>
<tr>
<td>Cross-sectoral partnerships developed, particularly with government organisations at local, regional and / or national level</td>
<td>€967,350</td>
<td>€0</td>
</tr>
<tr>
<td>Developed networks and coalitions of NGOs working in partnership</td>
<td>€967,350</td>
<td>€0</td>
</tr>
<tr>
<td>Fund for bilateral relations</td>
<td>€76,417</td>
<td>€0</td>
</tr>
<tr>
<td>Complementary action</td>
<td>€100,000</td>
<td>€0</td>
</tr>
<tr>
<td>Preparation of programme proposal</td>
<td>€25,472</td>
<td>€25,472</td>
</tr>
<tr>
<td>Reserve for exchange rate losses</td>
<td>€0</td>
<td>€0</td>
</tr>
<tr>
<td>Total</td>
<td>€4,666,322</td>
<td>€244,154</td>
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</tbody>
</table>

* The advance payment is composed of €239,881 in grant amount and €4,273 in co-financing.

3.4 Retention of management costs

| Retention of management costs - percentage of the management costs          | 8.33%                |
| Retention of management costs - planned Euro value                         | €50,033              |

3.5 Small Grant Scheme

Not applicable
Annex II - Operational Rules

1. Eligibility

1.1 Eligible measures:
The Programme Operator is the Platform of NGOs for Social Action (POAS).

The Programme shall contribute to strengthening civil society development and enhance its contribution to social justice, democracy and sustainable development in Spain.

This strengthening of civil society will be achieved through four outcomes:

Outcome 1: Active citizenship fostered
Outcome 2: Increased involvement of NGOs in policy and decision making processes with local, regional and national governments
Outcome 3: Cross sectorial partnerships developed, particularly with government organisations at local, regional and/or national level
Outcome 4: Developed networks and coalitions of NGOs working in partnership

The following activities shall be eligible under this Programme:

a) Fostering active citizenship and participatory democracy, including grassroots / local level
b) Advocacy, watchdog and monitoring activities
c) Awareness raising activities
d) Multicultural dialogue activities
e) Participation in policy and decision making processes
f) Capacity building and organisational support to NGOs
g) Strengthening governance in membership based NGOs
h) Network and coalition building
i) Mutual learning and dissemination
j) Education and training activities

Specific activities under the focus areas shall include:
a) Democracy, good governance and transparency: supporting the role of NGOs, activating citizens, participation in developing public policies, monitoring their implementation and advocacy.
b) Human rights, including minorities rights: improving professionalism, education and sensitivity of members of public administration institutions, developing dialogue between state institutions and civil society.
c) Gender equality and Gender-based violence: supporting NGO platforms and/or coalitions, engaging in policy and decision-making processes, adopting and applying Council of Europe quality standards of services for women victims of violence.
d) Anti-discrimination, combat racism and xenophobia: strengthening NGO capacity and cooperation in the fight against discrimination.

The Programme will be implemented by way of an open call covering all four outcomes and one predefined project.

1.2 Eligible applicants:
1. Eligible applicants are NGOs that are established in Spain and fall within the following definition: “A non-profit voluntary organisation established as a legal entity, having a non-commercial purpose, independent of local, regional and central government, public entities, political parties and commercial organisations. Religious institutions, political parties and social partners (trade unions and employers’ organisations according to the EU definition) are not considered NGOs.”
2. The Programme Operator shall, for the purpose of interpreting the definition in paragraph 1, duly take into account the interpretation guidance contained in section 2.3 of the Guideline for NGO Programmes. In cases of doubt, the Programme Operator shall consult with the FMC.
3. The member organisations of the Platform of NGOs for Social Action will not be eligible for funding under this Programme.

1.3 Special rules on eligibility of costs:
Costs are eligible in accordance with Chapter 7 of the Regulation with the following exceptions:
• By way of exception from Article 7.3.1(c) of the Regulation, the entire purchase price of new equipment will be eligible if the equipment is an integral and necessary component for the implementation or development of a technology that is essential for achieving the outcome of the project. The Programme Operator will check and verify compliance with this provision.
2. Financial parameters

2.1 Minimum and maximum grant amount per project:
The minimum amount of grant assistance applied for is €30,000; the maximum amount is €200,000.

2.2 Project grant rate:
Grants from the Programme will not exceed 90% of total eligible project costs. The applicant shall provide or obtain the remaining co-financing in the form of cash or in-kind contribution as voluntary work. The in-kind contribution may constitute up to 50% of the co-financing required by the Programme for the project.

For the calculation of the in-kind contribution, the price for each hour, half day or day of voluntary work shall be in accordance with salary normally paid for such work in Spain, calculated according to Collective Agreement For Persons Employed by the General Government Administration.

3. Selection of projects

3.1 Selection procedures:
The selection procedure will be carried out in accordance with Article 6.5. of the Regulation. The independent and impartial experts required by Article 6.5.2 of the Regulation shall be independent of and impartial to both project applicants and the Selection Committee.

3.2 Open calls and availability of funds:
There shall be at least one open call for applications for the total re-granting amount of €3,715,550.
The call shall be launched no later than in the third quarter of 2013. It shall make available €951,050 for outcome 1, €921,500 for outcome 2, €921,500 for outcome 3 and €921,500 for outcome 4.

In case of funds uncommitted as a result of the call, the Programme Operator may reallocate the uncommitted funds to an additional open call for proposals. Project grants that have upon project closure not been fully utilised, as well as project grants that have been cancelled due to irregularities or for other reasons, may be reallocated in line with Article 6.9 of the Regulation.
The calls shall be open at least for 2 months.

At least one third of the total eligible expenditure of the Programme shall be dedicated to core areas of support. At least 10% of the total programme allocation will be allocated to children- and youth-driven organisations and/or activities targeting children and youth.

3.3 Selection criteria:
Detailed selection criteria for the calls for proposals shall be developed by the Programme Operator and included in the text of the calls for proposals.

4. Payment flows, verification of payment claims, monitoring and reporting

4.1 Payment flows:
Payments towards the projects are carried out by the Programme Operator. Payments will take the form of advance payment, interim payments and final balance payment.
Payments to projects are made on the basis of approved project interim reports which are to be submitted by the Project Promoters to the Programme Operator.
Advance payments and interim payments in the form of advances shall be offset against incurred expenditure reported in the interim reports. The advance shall be deducted from the reported incurred expenditure until the total advance payment has been offset.
Payments shall be transferred to the Project Promoters no later than one month after approval of an interim report.
Information on payment flows to Project Promoters will further be outlined in the description of the Programme's management and control systems according to Article 4.8.2 of the Regulation.

4.2 Verification of payment claims:
Verification and approval of quarterly reports will be conducted by the Programme Operator.
Verification and approval of project interim and final reports will be based on information on incurred expenditure, financial status and project progress contained in the reports.
The procedure for verification of informative and final reports and deadlines for reporting as outlined in the programme proposal will further be detailed in the description of the Programme Operator's management and control systems according to Article 4.8.2 of the Regulation.
4.3 Monitoring and reporting:
Project Promoters shall be required to report on project progress and outputs and financial status in quarterly reports. The Programme Operator shall continuously monitor projects during their implementation. The scope of project monitoring shall be determined by the Programme Operator in an annual monitoring plan which shall be based on a risk assessment including, among other things, the material and financial progress of the projects, the time remaining to project completion, the quality of reporting documentation and reported irregularities. On-the-spot monitoring visits can also be conducted on an ad-hoc basis when considered necessary. The detailed monitoring plan for the projects will be presented in the Annual Programme Report. Information on Reporting and Monitoring, and periodicity of reporting, will further be outlined in the description of the Programme’s management and control systems according to Article 4.8.2 of the regulation.

5. Additional mechanisms within the programme

5.1 Fund for bilateral relations:
The Programme Operator will set aside minimum 1.5 % of the total programme budget for a fund for bilateral relations. The fund will be used for networking events, as well as the exchange of knowledge and experience between Project Promoters and entities in the Donor States (measure b). The details of use of the bilateral fund, the detailed procedures and criteria for awarding support from the fund, revised bilateral indicators and any other relevant details will be further developed by the Programme Operator and will be published together with the calls for proposals.

5.2 Complementary action:
The Programme Operator will set aside €100,000 for a fund for complementary action. The Programme Operator will as a minimum undertake the following activities:
- Participation in horizontal initiatives under the EEA Grants targeting cross-cutting issues and concerns, and facilitating the participation of relevant stakeholders in these initiatives;
- Participation in thematic workshops and conferences, including the Gender and Hate speech conferences;
- Exchange of experience activities between the Programme Operator and NGO Programme Operators from other Beneficiary States as well as relevant institutions from the Donor States;
- Cooperation with the Council of Europe and participation in thematic workshops and other events organised by the Council of Europe, including taking relevant follow-up measures;
- Cooperation with the European Union Agency for Fundamental Rights and other international organisations agreed with the Donors, including taking relevant follow-up measures.

Complementary action under this Programme shall be further defined by the Programme Operator in accordance with Article 7.11 of the Regulation.

5.3 Reserve for exchange rate losses:
Not applicable.

5.4 Small Grant Schemes:
Not applicable.

6. Pre-defined projects
Project Title: “Research on the NGO Sector in Spain”
Project Promoter: to be selected through competitive tendering procedure
Estimated total project cost: €152,833
Project grant rate: 90%
Maximum grant amount: €137,550
Expected outcomes: The project shall contribute to the programme outcomes 2, 3 and 4 referred to in section 1.1.

The project will focus on qualitative and quantitative research on the NGO sector in Spain.

7. Modification of the programme
Any modifications of the Programme will follow the rules set forth in the Regulation and in Article 2.9 of the Programme Agreement.
8. Programme proposal version

Any reference to the Programme proposal in this Programme Agreement shall be interpreted as version signed by the Programme Operator on 12 December 2012, including any subsequent correspondence and communication between the Donors, the Financial Mechanism Office, the National Focal Point and the Programme Operator.

9. Miscellaneous

Not applicable.