

24 JAN. 2014

EEA Financial Mechanism 2009-2014

PROGRAMME AGREEMENT

between

The Financial Mechanism Committee
established by Iceland, Liechtenstein and Norway

and

The Ministry of European Funds,
hereinafter referred to as the "National Focal Point",
representing Romania ,
hereinafter referred to as the "Beneficiary State"

together hereinafter referred to as the "Parties"

for the financing of the Programme "Reduction of Hazardous Substances"

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 1.4

Annexes and hierarchy of documents

1. The programme decision, including the financial plan (Annex I), and the operational rules (Annex II) form an integral part of this programme agreement. Any reference to this programme agreement includes a reference to its annexes unless otherwise stated or clear from the context.

2. The provisions of the annexes shall be interpreted in a manner consistent with this programme agreement. Should the meaning of any provision of the said annexes, so interpreted, remain inconsistent with this programme agreement, the provisions of the former shall prevail, provided that these provisions are compatible with the Regulation.

3. Commitments, statements and guarantees, explicit as well as implicit, made in the programme proposal are binding for the National Focal Point and the Programme Operator unless otherwise explicitly stipulated in the annexes to this programme agreement.

Chapter 2

The Programme

Article 2.1

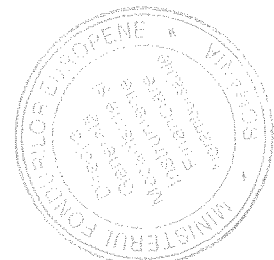
Co-operation

1. The Parties shall take all appropriate and necessary measures to ensure fulfilment of the obligations and objectives arising out of this programme agreement.

2. The Parties agree to provide all information necessary for the good functioning of this programme agreement and 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.

3. The Parties shall promptly inform each other of any circumstances that interfere or threaten to interfere with the successful implementation of the Programme.

4. In executing this programme agreement the Parties declare to counteract corrupt practices. Further, they declare not to accept, either directly or indirectly, any kind of offer, gift, payments or benefits which would or could be construed as illegal or corrupt practice. The Parties shall immediately inform each other of any indication of corruption or misuse of resources related to 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

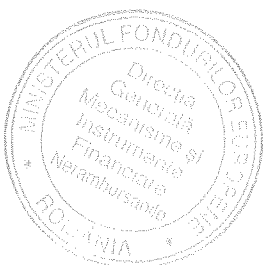
Programme implementation agreement

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

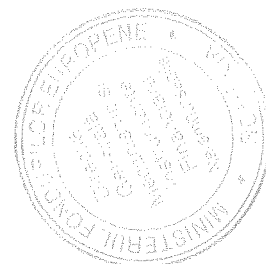
E-mail: fmo@efta.int

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.



Article 4.5

Irregularities, suspension and reimbursements

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.

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 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 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:

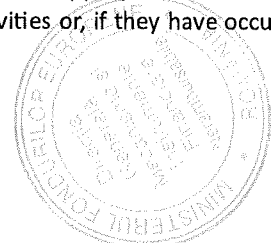
a. a general suspension decision according to Article 12.6 of the Regulation or a decision to suspend payments according to paragraph 1(h) of Article 12.1 of the Regulation has not been lifted within 6 months of such a decision;

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; or

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

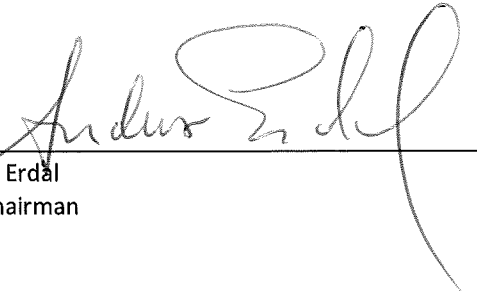
1. This programme agreement shall enter into force on the date of the last signature of the Parties.

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 Oslø on 6.12.2013



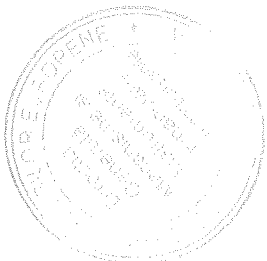
Anders Erdal
FMC Chairman

For the National Focal Point

Signed in BUCHAREST on 16.01.2014



Eugen Orlando Teodorovici
Minister of European Funds



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Annex I - Programme Decision

1. Expected Outcomes & Indicators for Outputs

Expected Outcome(s): Strengthened capacity to enforce and implement EU chemicals and hazardous waste legislation

Output

Strengthened support for the decision-making process in the field of hazardous chemicals and waste

Output indicator(s)	Baseline	Target	Source of Verification
Number of public institutions with developed decision-making supporting instruments (e.g. among others: registers, ,databases, exchange information systems, procedures, guidelines, scenarios of exposure for the environment and human health, methodologies to estimate risks associated with hazardous substances for health and environment, studies).	0	7	Projects reports. Annual reports of activity elaborated by the institutions. Interim/Final programme implementation reports. Official documents: methodologies, procedures, guidelines, studies. Acceptance report for databases. Soft licenses for operation for information systems.

Output

Increased knowledge and experience on hazardous substances and waste legislation

Output indicator(s)	Baseline	Target	Source of Verification
Number of staff trained in environmental and health evaluation and on hazardous chemicals and waste legislation.	0	168	Project reports. Interim/Final programme implementation reports. Certificates awarded. Attendance sheets. Curricula.
Number of awareness raising campaigns in hazardous substances and waste.	0	3	Project reports. Interim/Final programme implementation reports.

Expected Outcome(s): Improved monitoring of hazardous substances in the environment

Output

Data/information on the priority substances for surface waters obtained through a national screening of new priority substances at national level

Output indicator(s)	Baseline	Target	Source of Verification
Number of new priority substances analysed/ screened for surface waters.	88	103	Project reports. Interim/Final programme implementation reports. Reports containing relevant data for substance. Reports on sampling.
Number of new priority substances monitored in surface waters.	88	93	Project reports. Interim/Final programme implementation reports. Reports containing relevant data for substance. Reports on monitoring.



Output

Data/information on the priority substances for ground waters obtained through a national screening of interest priority substances at national level

Output indicator(s)	Baseline	Target	Source of Verification
Number of new priority substances analysed/ screened in groundwater.	67	81	Projects reports. Interim/Final programme implementation reports. Reports containing relevant data for substance. Reports on sampling.
Number of new priority substances monitored in groundwater.	67	72	Project reports. Interim/Final programme implementation reports. Reports containing relevant data for substance. Reports on monitoring.

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 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) The National Focal Point shall ensure that Article 7.16 of the Regulation, as well as national and European Union law on public procurement are complied with at any level in the implementation of the programme and the projects. The National Focal Point shall, by way of the Programme Implementation Agreement, ensure that the Programme Operator maintains written records of all assessments concerning the organization of procurement procedures and compliance with procurement rules, 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. When competitive procurement procedures are applied, the National Focal Point shall ensure that the Programme Operator ensures that Project Promoters in their tender documents do not describe the object of the contract in a manner which could restrict fair competition, e.g. by reference to trade marks, patents or origin, unless such references are specifically authorized by law.
- 3) Bilateral outcome 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 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 5 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.
- 5) A methodology on the calculation of the flat rate to be applied to indirect eligible costs (overheads) in accordance with Article 7.4.1(b) of the Regulation shall be submitted to the FMO no later than two weeks prior to the deadline for providing to the FMC the text of the call for proposals, as required by Article 6.3.4 of the Regulation.
- 6) The National Focal Point shall ensure that the Programme Operator ensures that an ex ante control of public procurement procedures and documentation carried out within projects implemented under the Programme is carried out by a competent independent entity, other than the respective project promoter.

2.2 Pre-eligibility



1) Expenditures under the pre-defined project shall only be eligible once the FMC has received a detailed description of the project proposal, a detailed budget broken down by activity with an associated timeline and a clear indication of the role of and allocation to the donor project partner and has confirmed the maximum grant to the project.

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): 01/10/2013-30/04/2017

Eligibility of programme proposal preparation costs: 24/03/2012-30/09/2013

3.2 Grant rate and co-financing

Programme estimated total cost (€)	€11,764,706
Programme estimated eligible cost (€)	€11,764,706
Programme grant rate (%)	85.0000%
Maximum amount of Programme grant (€)	€10,000,000

3.3 Maximum eligible costs (€) and Advance payment amount (€)

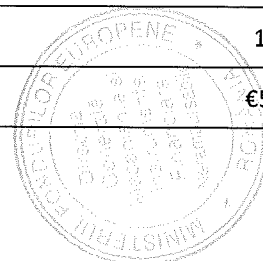
Budget heading	Eligible expenditure	Advance payment*
Programme management	€669,968	€123,206
Strengthened capacity to enforce and implement EU chemicals and hazardous waste legislation	€8,334,142	€0
Improved monitoring of hazardous substances in the environment	€2,341,039	€702,311
Fund for bilateral relations	€235,294	€100,000
Complementary action	€66,616	€5,400
Preparation of programme proposal	€0	€0
Reserve for exchange rate losses	€117,647	€0
Total	€11,764,706	€930,917

* The advance payment is composed of €791,279 in grant amount and €139,638 in co-financing.

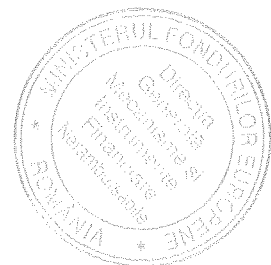
3.4 Retention of management costs

Retention of management costs - percentage of the management costs	10.00%
Retention of management costs - planned Euro value	€56,947

3.5 Small Grant Scheme



Not applicable



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Annex II - Operational Rules

1. Eligibility

1.1 Eligible measures

The Ministry for Environment and Climate Change is the designated Programme Operator for this programme. The Norwegian Environment Agency (NEA) is the Donor Programme Partner for this programme.

The programme will strengthen the capacity of public entities responsible for the implementing and enforcing EU strategies and legislations on chemicals and hazardous waste. The programme will also improve the monitoring of hazardous substances in the environment. The aim is to prevent injury and adverse health and environmental effects caused by chemicals and hazardous waste.

The Programme shall be implemented by way of two calls for proposals and one pre-defined project, as follows:

Call for proposals 1: "Decision-making supporting instruments".

Call for proposals 2: "Training and awareness campaigns".

Pre-defined project: "Towards a proper aquatic environment"

1.2 Eligible applicants:

The rules on eligibility of applicants are set in Article 6.2 of the Regulation. By way of further specification from the general rules on eligibility of applicants, only public bodies are eligible applicants under the calls for proposals.

1.3 Special rules on eligibility of costs:

Costs are eligible in accordance with Chapter 7 of the Regulation, with the following exceptions:

- a) In-kind contributions are not considered eligible expenditure.
- b) By way of exception from Article 7.3.1(c) of the Regulation, the entire purchase price of new and second hand equipment will be eligible in projects where the equipment is installed at the end of the project and the utilisation of the equipment starts after the closure of the project and/or in those cases where the equipment's use after project completion is limited to activities in line with the project's objectives.

Indirect eligible costs can be claimed by the application of a flat rate of up to 10% of total eligible direct costs. The Programme Operator shall describe a methodology that shall ensure the fair apportionment of the overall overheads in the call text. All Project Promoters or project partners must apply the methodology established by the Programme Operator when setting the precise level of this flat rate.

2. Financial parameters

2.1 Minimum and maximum grant amount per project in Open Call:

The minimum amount of grant assistance applied for under call for proposals 1 "Decision-making supporting instruments" is €1,000,000; the maximum amount is €1,500,000.

The minimum amount of grant assistance applied for under call for proposals 2 "Training and awareness campaigns" is €250,000; the maximum amount is €500,000.

2.2 Project grant rate:

The project grant rate may be up to 100% of the eligible costs of the projects and shall be set at a level that complies with the State Aid rules in force and takes into account any and all other forms of public support granted to projects and/or the project promoter or partner, where relevant. The remaining costs of the project shall be provided or obtained by the Project Promoter.

3. Selection of projects

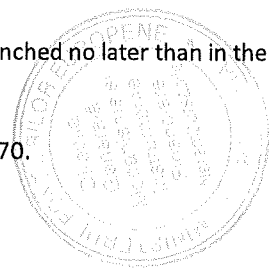
3.1 Selection procedures in the Open Call:

All selection procedures carried out under this Programme shall be in accordance with the procedures specified in 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 call for applications under the two calls for proposals. The calls shall be launched no later than in the first quarter of 2014.

Call for proposals 1 "Decision-making supporting instruments" shall make available at least €7,145,770.



Call for proposals 2 "Training and awareness campaigns" shall make available at least €1,188,372.

Should funds remain uncommitted as a result of the first call(s), a second call(s) may be launched no later than in the second quarter of 2014 and shall make available any remaining funds for re-granting.

3.3 Selection criteria:

The final project selection criteria to be applied shall be detailed in the framework of the calls for proposals in accordance with Article 6.3 of the Regulation. The criteria shall be based on the proposal of the Programme Operator, and as a minimum contain the following general principles:

- Relevance of the project;
- Relevance of bilateral partnership;
- Sustainability;
- Overall project design (timeline, realistic budget, etc.);
- Size of target groups reached;
- Use of innovative solutions;
- Environmental impact and contribution to the achievement of aims, outcomes and outputs of the Programme.

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

4.1 Payment flows

The Programme Operator shall ensure that funds are available for payments to the project in a timely manner.

Payments towards the project will take the form of advance payment, interim payments and final balance payment. The advance payment shall be set in the financial plan of each project and shall cover the expenditure for up to two reporting periods. The maximum advance payment shall amount up to 30% of the project grant.

Interim payments to the project are made on the basis of approved interim reports, provided that the costs for at least 70% of any previous payment have been incurred.

The Project interim reports are to be submitted to the Programme three times per year. The Project Promoter will report to the Programme Operator on incurred expenditures during the reporting period, actual progress and pre-payment forecast for the reporting period following the payment date.

The Programme Operator may withhold up to 10% of the total grant amount for the payment of the final balance. The payment of the final balance will be disbursed within 15 working days after the approval of the final report.

The procedures for payment flows will be further outlined in the description of the Programme management and control systems according to article 4.8.2 of the Regulation.

4.2 Verification of payment claims

Verification and approval of the interim and final reports of the Project Promoters will be conducted by the Programme Operator.

The Programme Operator will duly verify all expenditures declared by the Project Promoters ensuring its correctness and regularity in line with the set procedures. Verification and approval of interim and final reports will be based on information on financial status and project progress contained in the reports, and on additional information to be submitted together with the reports.

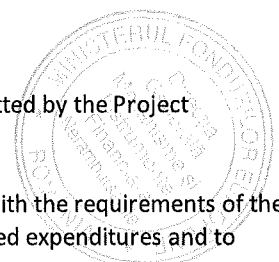
In case of verification of expenditure incurred by the donor project partner, a report by an independent and certified auditor, certifying that the claimed costs are incurred in accordance with the Regulation, the national law and accounting practices of the donor project partner's country, shall be seen as sufficient proof of costs incurred.

The verification procedures for payment claims will be further outlined in the description of the Programme management and control systems according to article 4.8.2 of the Regulation.

4.3 Monitoring and reporting

The Programme Operator shall continuously monitor the projects through the review of reports submitted by the Project Promoters, on-site monitoring visits and financial audit.

The aim of the on-site monitoring visits is to make sure that the project is implemented in accordance with the requirements of the Regulation and the project contract, to verify procurement procedures and the cost efficiency of incurred expenditures and to



assess the achievement of sectorial objectives and indicators and the impact of the results of project. This includes ordinary visits, ad-hoc visits and follow-up visits.

The projects to be visited will be chosen on a sample basis, based on risk assessment. For specific technical issues a technical evaluation from an independent expert might be required. Representatives of the Programme Partner shall be invited to participate in the on-site monitoring visits.

Project Promoters shall be required to report on project progress and outputs in interim and final reports.

Interim reports shall be submitted in a frequency up to 3 times per year and shall as a minimum describe:

- a) the technical project progress, fulfilment of project outputs, information on tender procedures, project time schedule, project modifications, fulfilment of project conditions if relevant and risk management;
- b) the financial progress of the project, including a list of claimed expenditures and requests for payments, and information on any financial audit if relevant.

The final report shall contain the same information as the interim reports. In addition, it shall describe the achievement of the overall objective of the project and contain information on cross-cutting issues relevant to the project, fulfilment of project conditions and sustainability of the project. It shall also include summary information on financial management and findings from the final financial audit (if applicable).

Irregularities will be handled in accordance with Chapter 11 of the Regulation.

Information on monitoring and 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.

5. Additional mechanisms within the programme

5.1 Fund for bilateral relations

The Programme Operator will set aside not less than 1.5% of the total programme budget to a Fund for Bilateral Cooperation.

Approximately 15% of the total Bilateral Fund financing is channeled to measure "A". This will focus on the search for partners for donor partnership projects prior to or during the preparation of a project application, the development of such partnerships, and the preparation of an application for a donor partnership project. It shall include a 'matchmaking event' to facilitate and foster possible partnerships.

One call for applications will make available the remaining financing channeled to measure "A". The call for applications will be open from the date of the launching of the Programme until the deadline for submission of applications.

The grant rate is 100% of the eligible expenditures. The maximum grant amount will be €5,000.

Approximately 85% of the total Bilateral Fund financing is channeled to measure "B". Eligible activities include networking, exchange, sharing and transfer of knowledge, technology, experience and best practice between Project Promoters and entities in the Donor States. The theme of such events must be relevant to the field of hazardous chemicals and waste.

The funds allocated under measure "B" will be accessible on a continuous basis through calls for proposals open to project promoters.

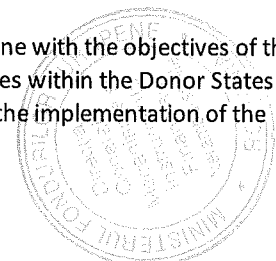
The grant rate is 100% of the eligible expenditure. The maximum grant amount will be €10,000.

The details of the use of the bilateral fund, the indicative split between measures "A" and "B" of the bilateral fund as per paragraph 1 of Article 3.6 of the Regulation, the detailed procedures and criteria for awarding support from the fund, and any other relevant details will be developed by the Programme Operator in cooperation with the Donor Programme Partner and will be subject to the approval of the Cooperation Committee.

Costs under the bilateral fund are eligible in accordance with Chapter 7.7 of the Regulation.

5.2 Complementary action

Complementary action in line with the Regulation shall be organised by the Programme Operator, in line with the objectives of the Programme, in order to strengthen co-operation between the Programme Operator and similar entities within the Donor States and the Beneficiary States. These will include the exchange of experience and best practice related to the implementation of the Programme.



The plan for the use of the fund for Complementary action will be discussed and decided upon in the Cooperation Committee. In addition, funds for complementary actions shall facilitate the participation of relevant stakeholders in events, seminars and activities agreed with the Donors.

5.3 Reserve for exchange rate losses

The reserve for exchange rate losses will be used to cover exchange rate losses arising from fluctuations of the RON against the Euro, incurred during the implementation of the Programme and the projects. The amounts that will be granted from the reserve shall be calculated at the final settlement of the projects.

The Programme Operator shall, in the detailed description of the Management and Control System for the Programme, provide a clear and transparent method of calculating the exchange rate losses and of their settlement.

5.4 Small Grant Schemes

Not applicable.

6. Pre-defined projects

Pre-defined project: Towards a proper aquatic environment.

Project Promoter: National Administration "Romanian Waters" (NARW).

Project partners: The Norwegian Environment Agency (NEA).

Maximum grant amount: €2,341,039

Grant rate: 100%

Estimated total eligible project cost: €2,341,039

The objective of the project is to increase the knowledge of and awareness in the field of water policy by expanding the monitoring of surface water and groundwater. This is based on new requirements stemming from the EU Water Framework Directive and EU Directives on chemical evaluation, analysis and monitoring of surface water and groundwater.

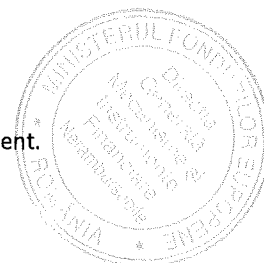
The project will provide outputs for the programme outcome: "Improved monitoring of hazardous substances in the environment", and it includes activities such as:

- Documentation, including:
 - o Evaluation of the available analysis methods,
 - o Technical and financial documentation of the necessary equipment,
 - o National monitoring network analysis for both surface water and groundwater;
- Extending of the actual technical capacity through the acquisition and/or development of necessary standard methods, equipment and consumables;
- Implementation of the appropriate analysis methods within the National Laboratory;
- Training of technical staff;
- National monitoring network analysis in order to establish the representative monitoring sections and wells to be included in screening program;
- National screening for the new priority substances for surface water and groundwater in order to implement European requirements, including:
 - o Sampling, conservation and transport of samples,
 - o Samples treatment using the specific equipment,
 - o Samples Analysis in the National Laboratory;
- Analysis of the screening results:
 - o Establish the relevance of the identified priority substances for both surface water and groundwater
 - o The analysis of the screening results in order to design the future monitoring program.
- Monitoring:
 - o Setting the monitoring network for the substances identified as relevant through the screening
 - o Implementation of the surface water and groundwater monitoring program according to the EU requirements including:
 - Sampling, conservation and transport of samples,
 - Samples treatment using the specific equipment
 - Samples Analysis in the National Laboratory

7. Modification of the programme

Any modifications of the programme will follow the rules in Article 2.9 of the programme agreement.

8. Programme proposal version



RS

Any reference to the programme proposal in this programme agreement shall be interpreted as version signed by the Programme Operator on 20 November 2012 and shall include all subsequent correspondence and communication between the FMC, the Financial Mechanism Office, the National Focal Point and the Programme Operator.

9. Miscellaneous

Not applicable.

