

01 OKT. 2013

EEA Financial Mechanism 2009-2014

PROGRAMME AGREEMENT

between

The Financial Mechanism Committee
established by Iceland, Liechtenstein and Norway

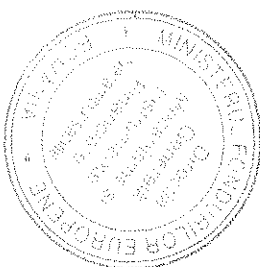
and

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 "Children and Youth at Risk and Local and Regional Initiatives to Reduce
National Inequalities and to Promote Social Inclusion"

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

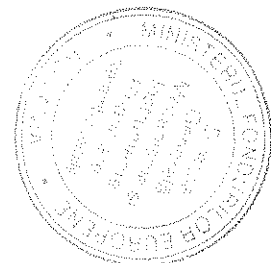
Article 2.1 Co-operation

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

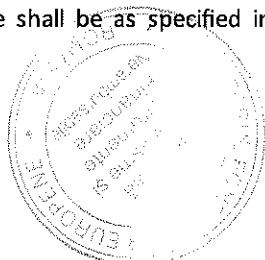
Objective and outcomes of the Programme

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.

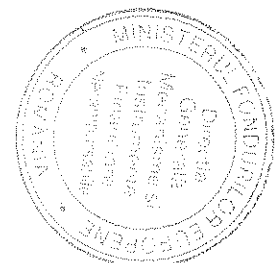
2. To the extent that original documents are not available in the English language, the documents shall be accompanied by full and accurate translations into English.
3. The National Focal Point shall bear the responsibility for the accuracy of the translation that it provides and the possible consequences 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.

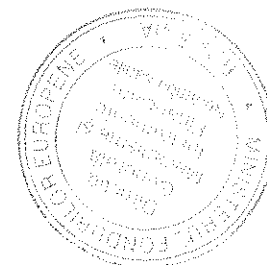
Article 3.4 Reallocation of funds

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.

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:

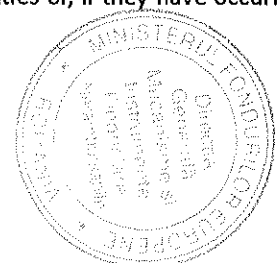
a. a general suspension decision according to Article 12.6 of the Regulation or a decision to suspend payments according to paragraph 1(h) of Article 12.1 of the Regulation has not been lifted within 6 months of such a decision;

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; 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

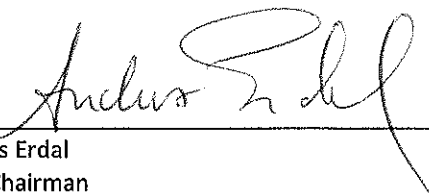
1. This programme agreement shall enter into force on the date of the last signature of the Parties.

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 Ostlo on 6.9.2013



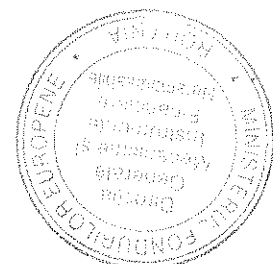
Anders Erdal
FMC Chairman

For the National Focal Point

Signed in BUCHAREST on 26.09.2013



Eugen Orlando Teodorovici
Minister of European Funds



Annex I - Programme Decision

1. Expected Outcomes & Indicators for Outputs

Expected Outcome(s):

Effective and efficient measures addressing vulnerable groups of children and youth facing particular risks implemented

Output

Parents / tutors of children or young people belonging to various vulnerable groups, who do not receive adequate support, have access to specific services (awareness raising, counselling etc.)

Output indicator(s)	Baseline	Target	Source of Verification
Number of parents / tutors of children or young people belonging to vulnerable groups, who do not receive adequate support, receiving specific support services (awareness raising, counselling etc.)	0	8000	MIS reports (based on the Project Promoters reports and on the field monitoring reports)
Number of parents / tutors of children or young people belonging to vulnerable groups, who do not receive adequate support, receiving specific support services (awareness raising, counselling etc.) - out of which, Roma	0	3000	MIS reports

Output

Specialists/ staff working with / providing services to children and youth of different vulnerable groups acquire new knowledge and specific skills needed to improve their results for working with children and young people

Output indicator(s)	Baseline	Target	Source of Verification
Number of specialists / staff providing services to children and youth of various vulnerable groups who acquired new knowledge and specific skills	0	300	MIS reports

Output

Local communities set up appropriate social facilities (buildings, offices etc.) for the delivery of social and educational services for vulnerable groups of children and young people

Output indicator(s)	Baseline	Target	Source of Verification
Number of appropriate social facilities (buildings, offices etc.) for the delivery of services for vulnerable groups of children and young people established	0	35	MIS reports

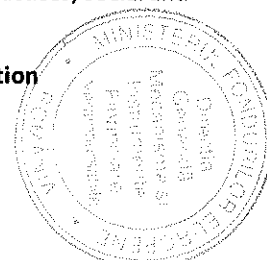
Expected Outcome(s):

Local and regional authorities, as well as private and civil society actors, are developing initiatives to strengthen anti-discriminatory measures for groups vulnerable to social and economic exclusion

Output

Local, regional and national authorities, as well as private sector and civil society actors initiate networks for exchange and transfer of good practices, partnerships, coalitions and other associations to combat discriminatory practices, social and economic exclusion of disadvantaged groups

Output indicator(s)	Baseline	Target	Source of Verification
Number of new networks aiming to combat discriminatory practices, social and economic exclusion of the disadvantaged groups jointly initiated by representatives of public sector, of civil society actors and of private sector	0	10	MIS reports



Output

Representatives of the local, county, regional or national authorities and of the private sector and civil society actors have new and specific knowledge as a result of their participation in training sessions, seminars, conferences, networking activities regarding gender equality, equal opportunities, discrimination, intercultural understanding, respect for diversity etc.

Output indicator(s)	Baseline	Target	Source of Verification
Number of representatives of the local, county, regional or national authorities and of the private sector and civil society actors with new and specific knowledge regarding gender equality, equal opportunities, discrimination, intercultural understanding, respect for diversity etc.	0	300	MIS reports
Out of which, representatives of local or county authorities from areas/localities with a high percentage of Roma	0	100	MIS reports

Output

Representatives of the local, county, regional and national authorities and of the private sector and civil society organizations are cooperating to develop methodologies, tools, projects, action plans or local development plans etc. aiming to introduce anti-discriminatory, inclusive culture and practices, based on the principle of equal opportunities etc. in working with / addressing disadvantaged groups

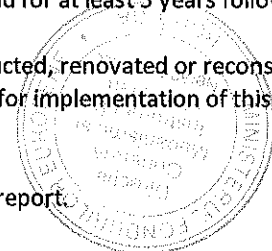
Output indicator(s)	Baseline	Target	Source of Verification
Number of methodologies, tools, procedures, projects, action plans, local development plans etc. that have included anti-discriminatory measures and inclusive culture and practices, to promote equal opportunities for disadvantaged groups	0	15	MIS reports

2. Conditions**2.1 General**

- 1) 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):
 - a. 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;
 - b. 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
 - c. 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.

- 2) The National Focal Point shall ensure that the Programme Operator ensures that Project Promoters:
 - Keep any buildings purchased, constructed, renovated or reconstructed under the project in their ownership for a period of at least 5 years following the completion of the project and continue to use such buildings for the benefit of the overall objectives of the project for the same period;
 - Keep any buildings purchased, constructed, renovated or reconstructed under the project 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 any buildings purchased, constructed, renovated or reconstructed under the project 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.

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



- 4) 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.
- 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 Grant Offer is subject to any comments or observations made by the European Commission in relation to the screening process.
- 7) At least 20 % of the total eligible costs of the Programme shall target the improvement of the situation of the Roma population. The fulfillment of this condition shall be reported on, through the use of quantitative and qualitative data, inter alia, in the annual and final programme reports as well as a semi-annual report submitted six months from the submission date of the annual programme report.
- 8) The Programme Operator shall inform and coordinate its actions with the Operator of the NGO Programme in Romania in order to avoid overlap and to seek and achieve synergies.
- 9) A plan for the use of the fund for bilateral relations and the fund set-up shall be submitted to the FMC for approval, no later than one month prior to the launch of the first open call.
- 10) A concise plan on the manner in which the allocation of at least 20% of the total eligible costs of the Programme to target the improvement of the situation of the Roma population is to be achieved, shall be submitted to the FMC for approval no later than three months from the signature of the Programme Agreement.
- 11) 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.
- 12) 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.

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

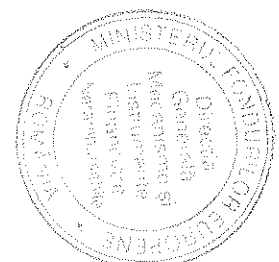
Not applicable

3. Eligibility of costs

3.1 Eligibility of costs - period

Eligibility of costs (excluding prog prep costs): 16/06/2013-30/04/2017

Eligibility of programme proposal preparation costs: 23/03/2012-15/06/2013



3.2 Grant rate and co-financing

Programme estimated total cost (€)	€26,212,353
Programme estimated eligible cost (€)	€25,882,353
Programme grant rate (%)	85.0000%
Maximum amount of Programme grant (€)	€22,000,000

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

Budget heading	Eligible expenditure	Advance payment*
Programme management	€2,164,706	€387,394
Effective and efficient measures addressing vulnerable groups of children and youth facing particular risks implemented	€17,941,176	€0
Local and regional authorities, as well as private and civil society actors, are developing initiatives to strengthen anti-discriminatory measures for groups vulnerable to social and economic exclusion	€4,858,588	€120,000
Fund for bilateral relations	€388,471	€15,000
Complementary action	€270,588	€48,800
Preparation of programme proposal	€0	€0
Reserve for exchange rate losses	€258,824	€0
Total	€25,882,353	€571,194

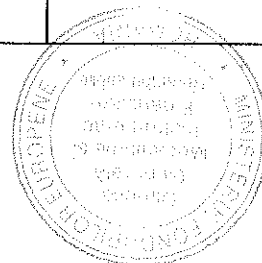
* The advance payment is composed of €485,515 in grant amount and €85,679 in co-financing.

3.4 Retention of management costs

Retention of management costs - percentage of the management costs	5.00%
Retention of management costs - planned Euro value	€92,000

3.5 Small Grant Scheme

Outcome	Effective and efficient measures addressing vulnerable groups of children and youth facing particular risks implemented
Total Amount Reserved	€5,060,000
Grant Amount at Project Level	€40,000 – 200,000
Duration of the Project	12 – 24 months
Maximum Grant Rate at Project Level	100.00%



Annex II - Operational Rules

1. Eligibility

1.1 Eligible measures (sub-measures if any):

The Programme Operator is the Romanian Social Development Fund. The Council of Europe is the Donor Programme Partner.

The programme will address the needs of children and youth at risk in Romania. The programme will have a specific focus on vulnerable groups, including Roma. The programme will see bilateral cooperation between Romania and the Council of Europe on issues related to the social inclusion of and discrimination against vulnerable groups.

The programme will be implemented by way of:

- A call for proposals "Synergies for the future – children at risk"
- A call for proposals "Synergies for the future – youth at risk"
- A call for proposals "Coherent"
- A small grants scheme "Local"
- A pre-defined project "Strengthening anti-discriminatory measures at national level through large participation of professionals and civil society"

1.2 Eligible applicants:

The rules on eligibility of applicants are set in Article 6.2 of the Regulation.

By way of derogation from Article 6.2 of the Regulation, the following entities will be eligible to apply:

- Under the call for proposals "Synergies for the future – children at risk" eligible applicants are public entities and non-governmental organisations.
- Under the call for proposals "Synergies for the future – youth at risk" eligible applicants are public entities and non-governmental organisations.
- Under the call for proposals "Coherent" eligible applicants are public entities and non-governmental organisations.
- Under the small grant scheme "Local" eligible applicants are local authorities representing communities with no more than 15,000 inhabitants.

1.3 Special rules on eligibility of costs:

The rules on eligibility of costs shall apply equally and without limitation to both Project Promoters and project partners.

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

a) In-kind contributions made in accordance with Article 5.4.5 of the Regulation may be made for projects implemented by NGOs, as defined in Article 1.5.1(m) of the Regulation. Such contributions shall not amount to more than 50% of the co-financing provided by Project Promoters. The basis for the calculation of the unit prices for voluntary work required by Article 5.4.5 of the Regulation will be official data on minimum and average salary in the economy at national level, as established by the National Commission for Prognosis, in force when the call for proposal is launched. Depending on the type of work, two different levels of prices shall be used:

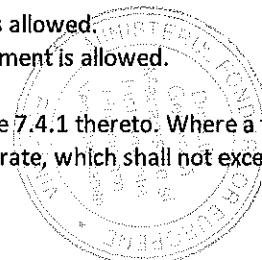
- In the case of administrative work/unskilled labour, the gross minimum wage in the economy at national level (including the required social security contributions required by the national legislation) will be taken into consideration;
- In the case of complex/specialised work, the gross average wage in the economy at national level (including the required social security contributions required by the national legislation) will be taken into consideration.

b) By way of exception from Article 7.3.1(c) of the Regulation, the entire purchase price of new 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.

c) By way of exception from Article 7.5 of the Regulation, no purchase of land and/or real estate is allowed.

d) By way of exception from Article 7.3.1 (c) of the Regulation, no purchase of second hand equipment is allowed.

Indirect costs in projects shall be claimed in accordance with the Regulation and in particular, Article 7.4.1 thereto. Where a flat-rate is applied, this shall be set in line with Article 7.4.1(b) of the Regulation and the level of the flat rate, which shall not exceed 10%, shall be set in accordance with a methodology provided by the Programme Operator.



2. Financial parameters

2.1 Minimum and maximum grant amount per project:

- The minimum amount of grant assistance applied for under the calls for proposals "Synergies for the future – children at risk" and "Synergies for the future – youth at risk" is €200,000; the maximum amount is €600,000.
- The minimum amount of grant assistance applied for under the call for proposal "Coherent" is €100,000; the maximum amount is €300,000.
- The minimum amount of grant assistance applied for under the small grants scheme "Local" is €40,000; the maximum amount is €200,000.

2.2 Project grant rate:

Grants from the programme may amount to 100% of total eligible project costs, except in cases where the project promoter is a NGOs, as defined in Article 1.5.1(m) of the Regulation, where the grant from the programme will not exceed 90% of total eligible project costs.

When setting the project grant rate, all applicable National and EU rules on State Aid shall be complied with. The remaining costs of the project shall be provided or obtained by the Project Promoter.

3. Selection of projects

3.1 Selection procedures:

The selection procedures for projects shall in all cases be in accordance with Chapter 6 of the Regulation. The experts referred to in Article 6.5.2 of the Regulation shall be impartial and independent of the Programme Operator and the Selection Committee.

3.2 Open calls and availability of funds (including number of calls, duration of calls, and estimated size):

There shall be at least one call for applications under each of the calls for proposals and the small grant scheme as follows:

- The call for proposals "Synergies for the future – children at risk" shall make available €7,058,823.
The call shall be launched no later than in the fourth quarter of 2013 and make available the total re-granting amount. A second call may be launched in case there are funds uncommitted as a result of the first call(s) no later than in the second quarter of 2014.
- The call for proposals "Synergies for the future – youth at risk" shall make available €5,705,882.
The call shall be launched no later than in the fourth quarter of 2013 and make available the total re-granting amount. A second call may be launched in case there are funds uncommitted as a result of the first call(s) no later than in the second quarter of 2014.
- The call for proposals "Coherent" shall make available €4,458,598.
The call shall be launched no later than in the first quarter of 2014 and make available the total re-granting amount. A second call may be launched in case there are funds uncommitted as a result of the first call(s) no later than in the third quarter of 2014.
- The small grant scheme "Local" shall make available €5,176,471.
The call shall be launched no later than in the fourth quarter of 2013 and make available the total re-granting amount. A second call may be launched in case there are funds uncommitted as a result of the first call(s) no later than in the second quarter of 2014.

All calls shall be open at least for 2 months.

3.3 Selection criteria:

Detailed selection criteria for the calls for proposals and the small grants schemes will be adopted by the Selection Committee following consultation with the Cooperation Committee.

They shall, as a minimum, reflect the following main principles:

The selection criteria in respect of the small grants scheme "Local" shall ensure that at all projects selected target the improvement of the situation of the Roma population. Furthermore, all project promoters shall support and ensure the establishment of an Initiative Group consisting of representatives of the local Roma population. Such Initiative Groups will be proactively consulted in all stages of project design, implementation and where relevant, sustainability period, with a view to ensuring that the views of the local Roma population are reflected in the project. Extra points will be awarded in the project selection process to projects proposed to be implemented in partnership with non-governmental organisations familiar with local conditions, that have

experience and/or expertise relevant to working with Roma communities.

In case of projects including the construction, renovation or reconstruction of buildings, applicants that are non-governmental organisations shall conclude a Partnership Agreement with a relevant local public body, with a view to ensuring the sustainability of such investments.

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 projects in a timely manner.

Payments towards the projects 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 for projects receiving a grant up to €200,000 and
- 20% of the project grant for projects receiving a grant above €200,000.

Interim payments to the project are made on the basis of approved interim reports.

The Project interim reports are to be submitted to the Programme Operator three times a year: on, or before 15th January, 15th May and 15th September for the periods September-December, January-April and May-August respectively. 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.

Notwithstanding the above description of the financial flows, the Programme Operator shall ensure that, in the case of projects implemented in partnership with the Council of Europe, advance payments and all subsequent payments to the project from the Programme are sufficient to ensure that the Council of Europe's pre-financing requirements can be met and that all payments due from the project promoter to the Council of Europe are made without delay.

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. This will consist of two step validations:

- First check will include the verification of the projects' progress, the reported indicators values, eligibility and correspondence of the expenditures with the activities' progress;
- Second check will include the verification of the eligibility, correctness, regularity and legality of the submitted claims, previously certified by the project auditor.

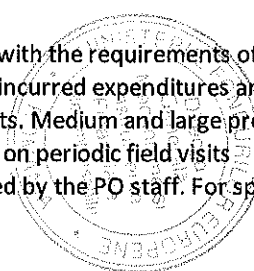
In case of verification of expenditure incurred by the donor project partner, a report by an independent and certified auditor, certifying that the claimed costs are incurred in accordance with the Regulation, the national law and accounting practices of the donor project partner's country, shall be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

The aim of the on-the-spot checks is to make sure that the projects are implemented in accordance with the requirements of the Regulation and the projects' contracts, 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 projects. Medium and large projects shall be visited at least twice by monitors. Within the small grant scheme the supervisors shall carry on periodic field visits providing guidance and supervision. At least 10% of all the projects randomly selected shall be visited by the PO staff. For specific technical issues a technical evaluation from an independent expert might be required.



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

Interim reports shall be submitted every 4 months and shall as a minimum describe:

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

The final reports shall contain the same information as the interim reports. In addition, they shall describe the achievement of the overall objectives of the projects, contain information on crosscutting issues relevant to the projects, fulfilment of projects' conditions, and sustainability of the projects. It shall also include summary information on financial management and findings from the final financial audit.

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

Information on Reporting and Monitoring shall be further outlined in the description of the Programme's Management and Control System according to Article 4.8.2 of the Regulation.

5. Additional mechanisms within the programme

5.1 Funds for bilateral relations

The Programme Operator will set aside funds for a fund for bilateral relations.

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 procedures and criteria for awarding support from the fund, and any other relevant details will be developed by the PO and outlined in a plan for the use of the fund for bilateral relations.

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

5.2 Complementary action

The Programme Operator will set aside funds for complementary action.

Complementary action under this programme shall be further defined by the Programme Operator in accordance with Article 7.11 of the Regulation. As a minimum, the following activities will be implemented:

- Study visits with an aim to seek synergies and exchange experiences with Programme Operators in other Beneficiary states and entities in the Donor States;
- Networking meetings to enable project promoters to share experiences and best practices during the programme implementation; and
- Meetings to share experiences and to seek synergies with other Programme Operators in Romania.

In addition, complementary actions shall also facilitate the participation of all relevant stakeholders in events, seminars and activities agreed with the FMC.

5.3 Reserve for exchange rate losses

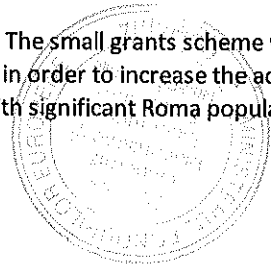
The reserve for exchange rate losses will be used to cover exchange rate losses arising from fluctuations of the RON against the Euro, incurred during the implementation of the Programme and the projects.

The amounts granted from the reserve to the projects will be calculated at the final settlement of the projects costs and a pro-rata approach between all projects will be applied.

5.4 Small Grant Schemes

One small grant scheme, "Local", shall be implemented in the framework of the Programme. The small grants scheme will provide small scale funding to local authorities to establish new services or develop the existing ones in order to increase the access of children and youth to formal and non-formal education (e.g. educational centres) in areas with significant Roma populations.

The Programme Operator shall operate the small grant scheme.



The eligible applicants, timing, budget, minimum and maximum grant amount, grant rate, the payment flows, verification of payment claims, monitoring and reporting rules related to the small grant schemes are set in the relevant parts of this Annex and Annex I.

6. Pre-defined projects

1. "Strengthening anti-discriminatory measures at national level through large participation of professionals and civil society"

Project Promoter: National Council for Combating Discrimination

Donor Project Partner: Council of Europe

Maximum grant amount: € 399,990

Project grant rate: 100%

Estimated total project cost: € 399,990

This project shall contribute to the programme outcome "Local and regional authorities, as well as private and civil society actors, are developing initiatives to strengthen anti-discriminatory measures for groups vulnerable to social and economic exclusion".

The project shall contribute to the development of the national strategy to prevent and combat discrimination for the period 2014-2020 in line with relevant European standards, and to increase the level of awareness regarding the new challenges in the dynamics of the discrimination phenomenon in the Romanian society, at both national and local levels.

The pre-defined project will include the following activities:

1. Research for identifying European good practices and development of relevant information materials
2. Carrying out a survey regarding perceptions, attitudes, and expectations of the population regarding the discrimination phenomenon and the methods to combat it
3. Consultations with the institutions involved in the implementation of the Strategy (ministries, other central and local authorities) and NGOs active in the field and representatives of vulnerable groups and of the professional categories
4. Organization of roundtables at regional level with representatives of local authorities, NGOs active at local/regional level, professional associations in order to identify current issues and optimal solutions to manage them
5. Establishment of a working group and development of a Strategy proposal
6. Specialized courses for the representatives of professional categories directly involved in judicial and educational activities having an impact on the issue of discrimination (school inspectors, teachers, magistrates, and policemen)
7. Organizing a study visit at the European Court of Human Rights and the Council of Europe for a group of experts and magistrates
8. Developing a promotion campaign (including social media) regarding the issue of discrimination in Romania
9. Creation of a web platform/portal to make known the specific activities to prevent and combat discrimination and the new national strategy in the field

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 PO on 22 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

1. Relevant stakeholders should be consulted during the implementation of the programme.
2. The Donor Programme Partner shall, through the Cooperation Committee, follow-up and monitor the implementation of the specific 20% Roma target set in point 7 of section 2.1 of Annex 1 to this Programme Agreement.

