

13 NOV. 2013

EEA Financial Mechanism 2009-2014

PROGRAMME AGREEMENT

between

The Financial Mechanism Committee  
established by Iceland, Liechtenstein and Norway

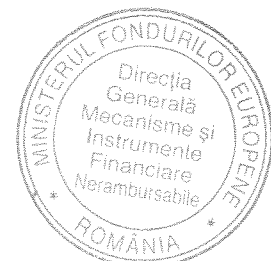
and

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 "Research within priority sectors"

hereinafter referred to as the "Programme"



R

## 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

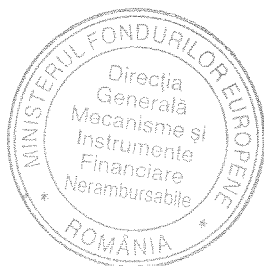
1. With reference to Article 5.8 of the Regulation and without prejudice to paragraph 2 thereof, the National Focal Point shall, before any payment is made to the Programme, sign a programme implementation agreement with the Programme Operator. The National Focal Point shall notify the FMC of such signing.

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:

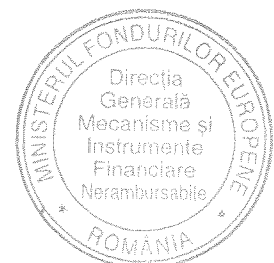
Financial Mechanism Office  
Att: Director  
EFTA Secretariat  
Rue Joseph II, 12-16  
1000 Brussels  
Telephone: +32 (0)2 286 1701  
Telefax (general): +32 (0)2 211 1889  
E-mail: fmo@efta.int

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:

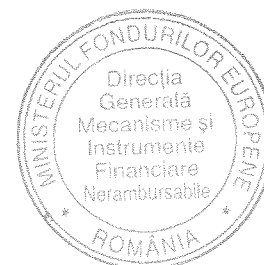
a. a general suspension decision according to Article 12.6 of the Regulation or a decision to suspend payments according to paragraph 1(h) of Article 12.1 of the Regulation has not been lifted within 6 months of such a decision;

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.

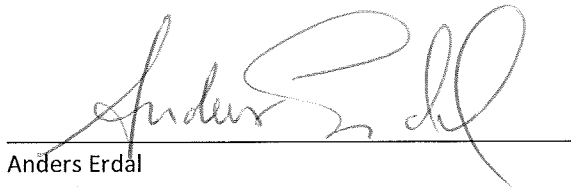
2. This programme agreement shall remain in force until five years have elapsed after the date of the acceptance of the final programme report.

\*\*\*\*\*

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

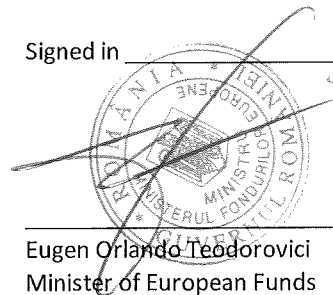
For the FMC

Signed in BRUSSELS on 25/10/13

  
Anders Erdal  
FMC Chairman

For the National Focal Point

Signed in \_\_\_\_\_ on \_\_\_\_\_

  
Eugen Orlando Teodorovici  
Minister of European Funds

Nr. 4253 / E.O.T.  
Data 01.11.2013

*R*

## Annex I - Programme Decision

### 1. Expected Outcomes & Indicators for Outputs

**Expected Outcome(s):** Increased research cooperation between the EEA EFTA and Beneficiary States

#### Output

Increasing number of research institutions

Output indicator(s)	Baseline	Target	Source of Verification
Number of research partners involved in joint research projects	0	50	Contracts

#### Output

Increasing number of researchers

Output indicator(s)	Baseline	Target	Source of Verification
Number of researchers involved in joint research projects	0	150	Periodic/final reports of joint research projects

#### Output

Better use of research results in terms of cooperation between Romania and EFTA States

Output indicator(s)	Baseline	Target	Source of Verification
Number of patent applications	0	5	Periodic/final reports of joint research projects
The number of internationally refereed scientific publications	0	60	Periodic/final reports of joint research projects

#### Output

Increased the role of postdocs and / or PhD students in R&D field

Output indicator(s)	Baseline	Target	Source of Verification
The number of postdocs and / or PhD students participating in joint research projects	0	50	Periodic/final reports of joint research projects

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

3) At least 10 % of the total eligible costs of the Programme shall target the improvement of the situation of the Roma population. The fulfilment 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.

4) A concise plan on the manner in which the allocation of at least 10% 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.



## 2.2 Pre-eligibility

## 2.3 Pre-payment

1) The Focal Point shall ensure that the Programme Operator reviews and submits to the FMC for approval a revised detailed budget for Programme management costs, prior to the first disbursement to this Programme. The overall allocation to Programme management costs shall not exceed € 1,219,012.

## 2.4 Pre-completion

## 2.5 Post-completion

## 2.6 Other

## 3. Eligibility of costs

### 3.1 Eligibility of costs - period

Eligibility of costs (excluding prog prep costs): 05/08/2013-30/04/2017

Eligibility of programme proposal preparation costs: 24/03/2012-04/08/2013

### 3.2 Grant rate and co-financing

Programme estimated total cost (€)	€23,529,412
Programme estimated eligible cost (€)	€23,529,412
Programme grant rate (%)	85.0000%
Maximum amount of Programme grant (€)	€20,000,000

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

Budget heading	Eligible expenditure	Advance payment*
Programme management	€1,219,012	€248,400
Increased research cooperation between the EEA EFTA and Beneficiary States	€21,681,063	€0
Fund for bilateral relations	€352,942	€225,000
Complementary action	€40,000	€17,000
Preparation of programme proposal	€48,195	€0
Reserve for exchange rate losses	€188,200	€0
Total	€23,529,412	€490,400

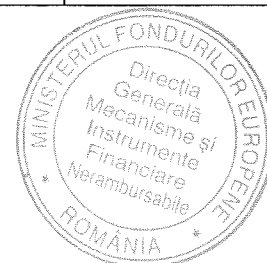
\* The advance payment is composed of €416,840 in grant amount and €73,560 in co-financing.

### 3.4 Retention of management costs

Retention of management costs - percentage of the management costs	10.00%
Retention of management costs - planned Euro value	€103,616

### 3.5 Small Grant Scheme

Not applicable



## Annex II - Operational Rules

### 1. Eligibility

#### 1.1 Eligible measures (sub-measures if any):

The programme will fund collaborative research projects in the following areas of research:

1. Social sciences and the humanities;
2. Renewable energy;
3. Health and food safety;
4. Environmental protection and management.

€ 21,681,063 is foreseen to be re-granted to research projects selected on the basis of calls for proposals (according to the timeline provided in the Programme proposal and described in point 3.2 below). At least 20% of this amount shall be earmarked for projects under the first area of research described above, "Social sciences and the humanities", including research on the bilateral relations between the Donor countries and Romania. Furthermore, up to € 3,000,000 shall be allocated to projects in the area of renewable energy.

The main criterion of evaluation will be the scientific quality of the project.

The Programme Operator shall be the Ministry of National Education (MEN). The Programme Operator may decide to delegate certain tasks related to programme implementation to Executive Agency for Higher Education, Research, Development and Innovation Funding (UEFISCDI), however this shall in no way reduce or affect the obligations and responsibilities of the Programme Operator. The Donor Programme Partners are the Research Council of Norway and the Icelandic Centre for Research.

#### 1.2 Eligible applicants:

By way of limitation of paragraph 1 of Article 6.2 of the Regulation, Research Organisations, as defined in the Community Framework for State Aid for Research and Development and Innovation (2006/C 323/01) are eligible applicants under this Programme.

In accordance with the third paragraph of point 2.3.1 of Annex 12 to the Regulation, eligible project partners may be Research Organisations, as defined in the Community Framework for State Aid for Research and Development and Innovation (2006/C 323/01) as well as small and medium sized enterprises.

#### 1.3 Eligibility of costs:

The eligibility of costs is determined by reference to Chapter 7 of the Regulation. The rules on eligibility of costs shall apply equally and without limitation to both Project Promoters and project partners.

Indirect costs shall be eligible in line with the Regulation and in particular, Annex 12 thereto.

### 2. Financial parameters

#### 2.1 Minimum and maximum grant amount per project:

The minimum amount of grant assistance applied for is EUR 500,000; the maximum amount is EUR 1,500,000.

#### 2.2 Project grant rate:

Grants from the programme may be up to 100% of total eligible project costs, provided all applicable National and EU rules on State Aid are complied with. Any 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 shall be in accordance with Annex 12 to the Regulation.

In case, following the evaluation of proposals submitted under the call for proposals, there is an insufficient number of projects achieving the overall threshold referred to in Article 3.5.4 of Annex 12 to the Regulation within the area of research "Social sciences and the humanities" so as to comply with the minimum 20% allocation to such projects as required by part 1.1 of this Annex, the Programme Committee shall make a final decision on the allocation of the remaining funds.

In case, following the evaluation of proposals submitted under the call for proposals, there is an insufficient number of projects achieving the overall threshold referred to in Article 3.5.4 of Annex 12 to the Regulation that target the improvement of the situation of the Roma population so as to comply with the minimum 10% allocation to such projects as required by part 2.1.3 of



Annex 1 to this Programme Agreement, the Programme Committee shall make a final decision on the allocation of the remaining funds.

### 3.2 *Open calls and availability of funds:*

There shall be at least one call for proposals. The call shall be launched no later than in the fourth quarter of 2013 and make available the entire re-granting amount. A second call may be launched, no later than in the second quarter of 2014, if the total re-granting amount is not committed as a result of the first call.

### 3.3 *Selection criteria:*

All projects to be implemented under this Programme are to be based on equal partnerships between research institutions in the Donor States (Iceland, Liechtenstein and Norway) and research institutions in Romania, with the leading role of the latter. More specifically, there is to be at least one partner from a Donor State co-operating with the Project Promoter of each project. The project selection criteria shall be approved by the Programme Committee and with reference to 3.5 of Annex 12. They shall as a minimum contain the following criteria:

- scientific and/or technical excellence;
- relevance in relation to the objectives and prioritised areas of the research programme;
- quality and efficiency of the implementation and management, including quality and implementation capacity of the applicants and contribution to capacity and competence building; and
- the potential impact through the development, dissemination and use of project results.

## **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 projects in a timely manner. All relevant rules on payment flows and proof of expenditure contained in the Regulation and in particular Annex 12 thereto, shall be complied with. The PO will make payments to project promoters not later than 10 working days after the project promoter's payment claim has been verified.

Payments towards the final beneficiaries will be in the form of advance payments, interim payments and a final payment.

The Project Promoter can request an annual advance payment of up to 90% of the budget for the respective year in the first year and any interim years of the project. The balance of the annual budget shall be paid after the approval of the interim report for the year in question.

The annual advance payment to the Project Promoter in the last year of the project shall not exceed 70% of the budget for the respective year. The balance of the annual budget shall be paid after the approval of the final report.

The advance payment shall be offset against incurred expenditure reported in the interim or final reports. The Programme Operator may retain at least 30% of the Project Grant in the last year of the project until the final report is approved.

### *4.2 Verification of payment claims*

Project promoters shall submit interim reports to the Programme Operator containing information on project progress, advance payment requests and incurred expenditure.

The Programme Operator shall be responsible for the verification of payment claims (described in Article 4.7.1.c) of the Regulation. The interim financial reports of the Programme Operator are verified and approved by the Certifying Authority.

In line with Section 5 of Annex 12 to the Regulation, a certificate 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 project partner's country, shall be seen as sufficient proof of expenditure incurred by a Project Promoter or a project partner whose primary location is in Donor State or a Beneficiary State. Project Promoters and project partners may opt for a competent public officer to provide their proof of expenditure (certificate on financial statements) provided that the relevant national authorities have established the legal capacity of that competent public officer to audit and that the independence of that officer, in particular regarding the preparation of the financial statements, can be ensured.

The procedure for verification of payment claims and deadlines for reporting as outlined in the programme proposal will further be detailed in the description of the Programme Operator's management and control systems according to Article 4.8.2 of the Regulation.



#### 4.3 *Monitoring and reporting*

Project Promoters shall be required to report on project implementation in annual reports and at the end of the project in a final report.

The Programme Operator shall be responsible for the monitoring and control functions as described in Article 4.7.1.e) and f) of the Regulation.

On-the-spot verifications will be conducted by the Programme Operator on projects selected at least on a sample basis. The PO will conduct annual monitoring of a sample of projects, selected based on risk assessment and including random samples. The detailed monitoring plan for the projects will be presented in the Annual Programme Report.

Information on Reporting and Monitoring, and periodicity of reporting, will further be outlined in the description of the Programme's management and control systems according to article 4.8.2 of the regulation.

The Programme Operator may arrange for audits on projects selected on the basis of an appropriate sample to verify expenditure declared.

### 5. Additional mechanisms within the programme

#### 5.1 *Funds for bilateral relations*

The details on the use of the bilateral fund, the detailed procedures and criteria for awarding support from the fund, and any other relevant details will be developed by the Programme Operator in cooperation with the Donor Programme Partners and will be subject to the approval of the Programme Committee.

The following activities will be supported under the fund for bilateral relations:

1. Support for the identification of potential partners in the Donor States and assistance for applicants in preparing and developing project applications. To establish partnerships, two events introducing the Programme and offering the opportunity to find project partners from the Donor States will be organised before launching the call for proposals. At this matchmaking event the objectives of the Programme will be introduced and researchers will have the opportunity to present themselves and their work and to network with other researchers.

In addition, financing of the costs of project promoters and project partners related to the search for partners from the Donor States 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, shall be eligible. Project promoters will apply for the reimbursement of costs actually incurred by project promoters and project partners while applying for a project to be funded under the call for proposals. Up to EUR 5,000 will be reimbursed in the case of proposals recommended for financing. Up to EUR 2,500 will be reimbursed for proposals that are not selected for financing but receiving a score above a certain threshold (number of points received in the evaluation procedure). This threshold is to be agreed by the Programme Committee.

The financial resources earmarked for the above mentioned costs will be accounted for and reported on separately to those for project financing.

Approximately EUR 264,705 will be allocated to such activities.

2. Capacity building activities, networking and the sharing of best practice between Project Promoters and entities in the Donor States where such activities increase the added value of the Programme and provide the Romanian research community and the research and development institutions with the opportunity to establish international best practice standards.

Approximately EUR 88,237 will be allocated to such activities.

The allocations to the two categories of activity referred to above is indicative and the Programme Operator may, with the approval of the Programme Committee, reallocate funds between the two categories.

#### 5.2 *Complementary action*

Complementary action under this programme shall be further defined by the Programme Operator in accordance with Article 7.11 of the Regulation and decided by the Programme Committee, in agreement with the Donor Programme Partners. In particular, complementary actions shall facilitate the participation of relevant stakeholders in events/seminars/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 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**

Not Applicable

**7. Modification of the programme**

Not Applicable

**8. Programme proposal version**

Any reference to the programme proposal in this programme agreement shall be interpreted as version signed by the Programme Operator on 29 August 2012 and shall include all subsequent correspondence and communication between the Donors, the Financial Mechanism Office, the National Focal Point and the Programme Operator.

**9. Miscellaneous**

1) The Programme proposal was developed and drafted by the National Authority for Scientific Research, which was designated Programme Operator in the Memorandum of Understanding concluded between the Financial Mechanism Committee and the Government of Romania on 23 March 2012. During the appraisal process, the National Focal Point, by letter of Minister Teodorovici of 21 March 2013, proposed to change the designated Programme Operator to the Ministry of National Education. This Programme Agreement constitutes approval of this proposal on the part of the Financial Mechanism Committee. The Programme Operator is the Ministry of National Education and the National Focal Point warrants that the Programme Operator is committed to implement the Programme in accordance with the Legal Framework governing the Norwegian Financial Mechanism 2009-2014 and this Programme Agreement.

2) Relevant stakeholders should be consulted during the implementation of the programme.

3) The Donor Programme Partners shall follow-up and monitor the implementation of the specific 10% Roma target in this Programme Agreement.

