EEA Financial Mechanism 2014-2021

PROGRAMME AGREEMENT

between

The Financial Mechanism Committee

established by Iceland, Liechtenstein and Norway

and

The General Directorate for European Non-reimbursable Financial Mechanisms and Instruments (GDENFMI), 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 "Environment, Climate Change Adaptation and Ecosystems"

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 2014-2021 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 2014-2021:

(a) Protocol 38c to the EEA Agreement on the EEA Financial Mechanism 2014-2021;

(b) the Regulation on the implementation of the EEA Financial Mechanism 2014-2021 (hereinafter referred to as the "Regulation") issued by the Donor States in accordance with Article 10(5) of Protocol 38c;

(c) the Memorandum of Understanding on the Implementation of the EEA Financial Mechanism 2014-2021 (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 1.6 thereof, and the legal framework referred to in Article 1.2 of this programme agreement.

Article 1.4
Annexes and hierarchy of documents

1. Annexes attached hereto 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 annexes shall prevail, provided that these provisions are compatible with the Regulation.

3. Commitments, statements and guarantees, explicit as well as implicit, made in the preparation of the programme 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 principles of implementation as set out in the Regulation.

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 2014-2021 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 Irregularities Authority 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. This programme agreement 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 this programme agreement.

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 annexed to this programme agreement shall:

(a) contain a breakdown between the Programme's budget headings;

(b) indicate the agreed advance payment, if any.

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

Article 2.5
Special conditions and programme specific rules

1. This programme agreement shall list any conditions set by the FMC with reference to paragraph 2 of Article 6.3 of the Regulation. The National Focal Point shall ensure compliance with these conditions and 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 this programme agreement.

Article 2.6
Programme implementation agreement

With reference to Article 6.8 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.

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 9 and Articles 6.11 and 6.12 of the Regulation as well as statistical reporting in accordance with guidelines adopted by the FMC.

Article 2.8
External monitoring

The external monitoring and audit referred to in Articles 11.1, 11.2, 11.3 and 11.4 of the Regulation shall not in any way relieve the National Focal Point or the Programme Operator of their obligations under the legal framework 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. Programme specific exceptions from paragraph 1, if any, are set in the annexes to this programme agreement.

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

4. 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.

5. Requests for modifications shall be submitted and assessed in accordance with Article 6.9 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. 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.

Article 2.11
Contact information

1. The contact information of the Programme Operator is as specified in this programme agreement.

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 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 connection with the implementation or conclusion of this programme agreement are authentic, accurate and complete.

Chapter 3
Projects

Article 3.1
Selection of projects and award of grants

1. The National Focal Point shall ensure that the Programme Operator selects projects in accordance with Chapter 7 of the Regulation and this programme agreement.

2. Eligibility of project promoters and project partners is stipulated in Article 7.2 of the Regulation and, in accordance with paragraph 4 thereof, subject only to the limitations stipulated in this programme agreement.

3. Pre-defined projects shall be outlined in this programme agreement.

4. The National Focal Point shall take proactive steps to ensure that the Programme Operator complies fully with Article 7.5 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 or the project contract shall comply with Article 7.6 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 1.6 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 7.7 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 8.15 of the Regulation.

5. The National Focal Point shall ensure that the Programme Operator verifies that the partnership agreement complies with this article. A draft partnership agreement or letter of intent shall be submitted to the Programme Operator before the signing of the project contract.

Chapter 4
Finance

Article 4.1
Eligible expenditures

1. Subject to Article 8.7 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.

2. Eligible expenditures of projects are those actually incurred by the Project Promoter or project partners, meet the criteria set in Article 8.2 of the Regulation and fall within the categories and fulfil the conditions of direct eligible expenditure set in Article 8.3 of the Regulation, the conditions regarding the use of standard scales of unit costs set in Article 8.4 of the Regulation as well as indirect costs in accordance with Article 8.5 of the Regulation.

4. The first date of eligibility of expenditures in projects shall be set in the project contract in accordance with Article 8.13 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 6.5 of the Regulation.

5. The maximum eligible costs of the categories referred to in paragraph 1 are set in this programme agreement. Programme specific rules on the eligibility of expenditure set in this programme agreement 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 8.12 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 9.2, 9.3 and 9.4 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 this programme agreement.

4. The National Focal Point shall ensure that payments are transferred in accordance with paragraph 2 of Article 9.1 of the Regulation.

5. Chapter 9 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 2014-2021 to the Programme in accordance with Article 9.8 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 13 thereof. The National Focal Point has a duty to take all necessary measures to ensure that the provisions in Chapter 12 and 13 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 13.6 of the Regulation or a decision to suspend payments according to paragraph 1(h) of Article 13.1 of the Regulation has not been lifted within 6 months of such a decision;

(b) a suspension of payments according to Article 13.1 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 13.2 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 13 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.

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.

Article 5.4
Entry into force and duration

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

For the Donors

Signed in Brussels on 17/09/2019

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Niels Engelschiøn
Chairman of the EEA Financial Mechanism Committee

For the National Focal Point

Signed in Bucharest on 01/10/2019

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Minister for European Funds

Annex I to the Programme Agreement

Programme Operators and Partners	
Programme Operator:	Romanian Ministry of Environment
Donor Programme Partner:	Norwegian Environment Agency (NEA)
IPO:	-
Other Programme Partner(s):	-

Programme Objective	Improved environmental status in ecosystems and reduced adverse effects of pollution and other human activities

PA	Outcome/Output	Expected programme results	Indicator	Disaggregation	Unit of measurement	Source of verification	Frequency of reporting	Baseline values	Baseline year	Target value
PA11	Outcome 1	Improved ecological status in supported habitats	Number of habitats with improved ecological status	N/A	Cumulative number	Project Promoters' records	2021, 2023	0	N/A	40
			Local inhabitants benefiting from supported habitats	N/A	Cumulative number	Project Promoters' records	2021, 2023	0	N/A	100,000
	Output 1.1	Wetlands and peatlands restored	Number of wetlands/peatlands restored	N/A	Cumulative number	Project Promoters' records	Semi-annually (APR and September IFR)	0	N/A	45
			Area in km2 of habitats restored	N/A	Cumulative number	Project Promoters' records	Semi-annually (APR and September IFR)	0	N/A	11.22
PA11	Outcome 2	Improved capacity to manage and address the	Population benefitting from risk reduction measures	N/A	Cumulative number	Census data at national and local level	2021	0	N/A	10,000[1]

[1] The target is set to 'minimum 10,000 inhabitants per temporary landfill closed'

		risks from hazardous substances								
	Output 2.1	Measures to reduce contamination from hazardous substances in temporary municipal landfills	Number of temporary municipal landfills closed	N/A	Cumulative number	Projects final reports (PR)	Annually (APR)	0	N/A	6[2]
PA13	Outcome 3	Increased capacity at local level to mitigate and adapt to a changing climate	Number of municipalities supported to come into compliance with national or EU mitigation/adaptation strategies	N/A	Cumulative number	Local action plans, local public reports	Annually (APR)	0	N/A	3[3]
	Output 3.1	Municipalities supported to develop adaptation and mitigation plans	Number of adaptation and mitigation plans developed	N/A	Cumulative number	Copy of the developed plans	Annually (APR)	0	N/A	15
PA11	Outcome 4	Improved geographic information tools for decision-makers in place	Relevant public and private bodies actively using the tool	N/A	Binary	Website statistics from the INSPIRE geoportal	2021	No	N/A	Yes
			Percentage of Romanian surface included in the improved tool	N/A	Percentage	Project Promoters' records	Annually (APR)	25 %	N/A	50 %
	Output 4.1	Additional geographical areas included	Number of additional km2 scanned	N/A	Cumulative number	Project Promoters' records	Semi-annually (APR and	0	N/A	50,000

[2] Target is minimum 2
[3] Target is minimum 3

		in the digital models and capacity built					September IFR)			
			Number of additional km2 included in the Digital Terrain Model (DTM)	N/A	Cumulative number	Project Promoters' records	Semi-annually (APR and September IFR)	0	N/A	50,000
			Number of additional km2 included in the Digital Surface Model (DSM) sq.km	N/A	Cumulative number	Project Promoters' records	Semi-annually (APR and September IFR)	0	N/A	50,000
			Number of experts trained[4]	Gender	Cumulative number	Project Promoters' records, Attendance sheets	Semi-annually (APR and September IFR)	0	N/A	100
PA11	Bilateral Outcome	Enhanced collaboration between beneficiary and donor state entities involved in the programme	Level of trust between cooperating entities in Beneficiary States and Donor States	State type	Scale 1-7	Survey results	Annually (APR)	TBD[5]	TBD	4.5[6]
			Level of satisfaction with the partnership	State type	Scale 1-7	Survey results	Annually (APR)	TBD[7]	TBD	4.5[8]
			Share of cooperating organisations that apply the knowledge acquired from bilateral partnership	State type	Percentage	Survey results	Annually (APR)	0 %	N/A	70 %
	Bilateral Output 1	Increased cooperation between entities in donor states	Number of projects involving cooperation with a donor project partner	Donor State	Cumulative number	Copies of contracts concluded with Project Promoters,	Semi-annually (APR and September IFR)	0	N/A	7

[4] Includes experts in relevant institutions outside the project promoter.
[5] Survey to be carried out by the FMO
[6] Target is ≥4.5, and an increase on the baseline value
[7] Survey to be carried out by the FMO
[8] Target is ≥4.5, and an increase on the baseline value

		and beneficiary state				Partnership agreements between Project Promoters and project partners				
			Number of study trips, workshops, roundtables organised in cooperation with the donor states	N/A	Cumulative number	Project Promoters' records, Attendance sheets	Annually (APR)	0	N/A	20

Conditions

General

1. For pre-defined project 1 (numbering under Section 5.1 of Annex II to the Programme Agreement) and the appraisal foreseen in Article 6.5.3 of the Regulation, the Programme Operator ensures that in addition to the requirements of Article 6.5.3, the appraisal shall: assess the compatibility, complementarity and risk of duplication between the project and previous projects financed under the EEA Financial Mechanism 2004-2009 and 2009-2014 (LAKI I and LAKI II); assess the procurement plan for the project and highlight risks to the project's timely completion.

2. The Programme Operator shall ensure 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, in accordance with the applicable Romanian public procurement legislation.

3. The National Focal Point shall ensure that the Programme Operator ensures that synergies with the programmes Energy', 'Research' and 'Innovation' are further elaborated and opened up for in the calls for proposals.

4. 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.

5. The Programme Operator shall in the Annual and Final Programme Reports, report on the implementation of the 'Plan for enhancing of the management capacity of the Programme Operator', submitted in accordance with the Memorandum of Understanding.

6. The National Focal Point shall ensure that the Programme Operator ensures that there is no duplication between the activities of pre-defined project and previous projects financed under the EEA Financial Mechanism 2004-2009 and 2009-2014 (LAKI I and LAKI II).

Pre-eligibility

No costs shall be eligible under pre-defined project 1 (number under Section 5.1 of Annex II to the Programme Agreement) before all necessary information has been submitted by the PO and the FMC has confirmed the grant to the project as described in Annex 2 to this Programme Agreement.

Pre-payment

Not applicable

Pre-completion

Not applicable

Post-completion

Not applicable

Eligibility of costs - period	**First date**	**Final date**
Eligibility of costs	14/10/2016	30/04/2025
Grant rate and co-financing		
Programme eligible expenditure (€)		€ 18,938,235
Programme grant rate (%)		85.00 %
Maximum amount of Programme grant - EEA Financial Mechanism (€)		€ 16,097,500
Maximum amount of Programme grant - Norwegian Financial Mechanism (€)		-
Maximum amount of Programme grant - Total (€)		€ 16,097,500

PA	Budget Heading	EEA Grants	Total grant	Programme grant rate	Programme co-financing	Programme eligible expenditure	Advance payment
PA11	Programme management	€ 1,226,050	€ 1,226,050	85.00 %	€ 216,362	€ 1,442,412	€ 450,000
PA11	Outcome 4 (EEA Grants)	€ 1,200,000	€ 1,200,000	85.00 %	€ 211,765	€ 1,411,765	n/a
PA13	Outcome 3 (EEA Grants)	€ 1,237,772	€ 1,237,772	85.00 %	€ 218,430	€ 1,456,202	n/a
PA11	Outcome 2 (EEA Grants)	€ 9,216,428	€ 9,216,428	85.00 %	€ 1,626,428	€ 10,842,856	n/a
PA11	Outcome 1 (EEA Grants)	€ 3,217,250	€ 3,217,250	85.00 %	€ 567,750	€ 3,785,000	€ 1,500,000
Total		**€ 16,097,500**	**€ 16,097,500**	**85.00 %**	**€ 2,840,735**	**€ 18,938,235**	**€ 1,950,000**

Retention of management costs	
Retention of management costs - Percentage of the management costs	10.00 %
Retention of management costs - Planned Euro value	€ 144,241

Environment, Climate Change Adaptation and Ecosystems

Operational rules (Annex II)

1. **Programme summary**

This Annex sets out the operational rules for the programme. The programme agreement is based on the MoU, the concept note and comments made by the FMC. Commitments, statements and guarantees, explicit as well as implicit, made in the concept note, are binding for the National Focal Point and the Programme Operator unless otherwise explicitly stipulated in the annexes to this programme agreement.

The Programme Operator is the Romanian Ministry of Environment. The Norwegian Environment Agency (NEA) is the Donor Programme Partner (DPP).

The programme shall provide support within the framework of Programme Area 11 "Environment and Ecosystems" and Programme Area 13 "Climate Change Mitigation and Adaptation". The programme shall contribute to the objective "Improved environmental status in ecosystems and reduced adverse effects of pollution and other human activities" through the following outcomes:

Outcome 1 (PA 11) 'Improved ecological status of supported habitats' shall be supported by way of one call for proposals.

Outcome 2 (PA 11) 'Improved capacity to manage and address the risks from hazardous substances' shall be supported by way of one call for proposals

Outcome 3 (PA 13) 'Increased capacity at local level to mitigate and adapt to a changing climate' shall be supported by way of one small grants scheme.

Outcome 4 (PA 11) 'Improved geographic information tools for decision-makers in place' shall be supported by way of one pre-defined project.

2. Eligibility

2.1 Eligible applicants:

Outcome	**Modality**	**Eligible applicants (Project Promoters)**	**Eligible partners**
Improved ecological status of supported habitats (PA 11)	**Call 1:** Restoration of wetlands and peatlands	Any entity, public or private, commercial or non-commercial and non-governmental organisations, established as a legal person in Romania.	Any public or private entity, commercial or non-commercial and non-governmental organisations, established as a legal person in Norway, Iceland, Liechtenstein or in Romania

Improved capacity to manage and address the risks from hazardous substances (PA 11)	**Call 2:** Risk management measures to reduce contaminated temporary municipal landfills	Local/regional (municipal/county authorities)	Any public or private entity, commercial or non-commercial and non-governmental organisations, established as a legal person in Norway, Iceland, Liechtenstein or in Romania
Increased capacity at local level to mitigate and adapt to a changing climate **(PA 13)**			
	SGS-1: Development of adaptation and mitigation plans in municipalities	Local/regional (municipal/county) authorities	Any public or private entity, commercial or non-commercial and non-governmental organisations, established as a legal person in Norway, Iceland, Liechtenstein or in Romania

2.2 Special rules on eligibility of costs:

Chapter 8 of the Regulation contains the rules on eligibility of costs. The following limitations shall apply.

In accordance with Article 8.3.3 of Regulation, the cost for purchase of real estate and land shall not be eligible.

In accordance with Article 8.5.4 of the Regulation, the indirect costs of entities from Romania acting as project promoters or project partners shall be calculated in accordance with Article 8.5.1 (c) of the Regulation.

3. Bilateral relations

3.1 Bilateral relations

The Programme shall contribute to strengthening bilateral relations between Romania and the Donor States.

The Programme shall as appropriate facilitate donor partnership projects by carrying out, inter alia, match-making events and activities in conjunction with launching calls for proposals, as well as by encouraging donor partnership projects in call texts.

The further use of the funds for bilateral relations allocated to the programme shall be agreed in the Cooperation Committee.

4. Selection of projects and financial parameters

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

Outcome	Modality	Indicative timing	Total available amount (€)	Maximum / Minimum grant applied for (€)
Improved ecological status of supported habitats	**Call 1:** Restoration of wetlands and peatlands	3rd Quarter 2020	€3,785,000	€900,000/ €500,000
Improved capacity to manage and address the risks from hazardous substances	**Call 2:** Risk management measures to reduce contaminated temporary municipal landfills	1st Quarter 2021	€12,195,798	€1,300,000/ €2,500,000
Increased capacity at local level to mitigate and adapt to a changing climate'	**SGS-1:** Development of adaptation and mitigation plans in municipalities	4th Quarter 2020	€1,456,202	€125,000/ €100,000

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4.2 Selection procedures:

Project applications involving partnerships between the Project promoters and civil society organisations/NGOs shall be prioritised under the Small Grants Scheme.

The project evaluation and award of grants shall be in accordance with Article 7.4 of the Regulation.

The Programme Operator shall assess applications received for compliance with the administrative and eligibility criteria. Applicants whose applications are rejected at this stage shall be notified and given a time limited opportunity to appeal that decision.

All applications that pass the administrative and eligibility verification shall be subject to a technical and financial evaluation independent experts contracted by the Programme Operator.

The experts shall evaluate the projects against the selection criteria announced within the call for proposals. The result of the expert evaluation shall be a ranking list that constitutes the basis of the Selection Committee's (SC) discussion.

[9] A number of up to 5 project proposals might be contracted under the Call No.1

The SC shall consist of three persons with relevant expertise with at least one member external to the PO. The DPP shall be invited to attend the meetings of the SC in advisory capacity. The SC shall recommend the projects to be funded and may modify the ranking of the projects in justified cases. The justification for the modifications shall be detailed in the minutes of the meetings and all affected applicants shall be informed in writing about the justification for the modification.

Grants shall be awarded by the PO to projects on the basis of a ranking list (including reserve list) recommended by the Selection Committee. In case the PO modifies the final ranking list recommended by the Selection Committee, it shall inform all applicants affected, the Selection Committee, the DPP and the Donors and shall provide a justification for the modifications.

4.3 Project grant rate:

Grants from the programme may be up to 100% of total eligible expenditure of the project. In the case of projects where the Project Promoter is an NGO or a social partner, as defined in Article 1.6 of the Regulation, the project grant rate may be up to 90% of eligible expenditure of the project. The project grant rate shall in all cases be set at a level that complies with the State Aid rules in force and takes into account any and all other forms of public support granted to projects. Any remaining costs of the project shall be provided or obtained by the Project Promoter.

5. Additional mechanisms within the Programme

5.1 Pre-defined projects

There will be one pre-defined project implemented under the programme:

1) "Geographic information for Environment, Climate Change and EU integration'

Project Promoter:	The Romanian National Agency of Cadastre and Land Registration (NACRL)
Donor project partner(s):	The Norwegian Mapping Authority
	National Land survey of Iceland
Total maximum eligible project costs:	€4,650,000
Project grant rate:	100%
Maximum project grant amount:	€4,650,000
Programme outcome the project contributes to:	*Improved geographic information tools for decision-makers in place*

The overall objective of the project is to enhance the capacity of the project promoter to produce accurate and updated geographic information as needed for Romanian stakeholders that are dealing with environmental monitoring and reporting, climate related disaster preparedness and mitigation, climate change effects adaptation, integrated planning and implementation of the EU Directive on harmonization and exchange of geographic information domestically and across national borders. The project shall build upon and be complementary to the results of the LAKI I and LAKI II projects, financed under EEA Financial Mechanism 2004-2009 and 2009-2014.

This objective will be achieved specifically by the following main activities:

- Production of detailed Digital Terrain Model (DTM) and Digital Surface Model (DSM) through LIDAR scanning technology for approx. 50,000 square kilometres;

- Solution for secure storage and efficient distribution of terrain data;
- Capacity building, knowledge transfer and training;
- Project publicity and information dissemination

The Digital Terrain Model will be a complex 3D output with appropriate precision that includes ground relief as well as derived data (slope, visibility, etc.), contour lines and other geomorphological elements such as: rivers, valleys, ridges, etc. The Digital Surface Model including all elements on the earth's surface (e.g. buildings, roads, vegetation, etc.) will be used to generate the accurate orthophoto maps and vector data of the project area.

The project outputs shall be available for use in estimating surface elevation for infrastructure development, cartographic modelling for environment and agriculture, photo interpretation and 3D thematic mapping, detecting land cover/ land use types, territorial statistics, as well as providing a base map for tracking hazards for better preparedness, mitigation and adaptation as well as efficient response and recovery.

5.2 Financial Instruments

Not applicable.

6. Programme Management

6.1 Payment flows

The Programme Operator shall ensure that payments to projects are made in a timely manner. Interim and final payments to the projects shall be based on approved project reports.

Payments of the project grant shall take the form of advance payments, interim payments and a final payment. The level of advance payment to projects shall be set out in the project contract. The maximum level of advance payment shall be linked to the project implementation duration as follows:

Project implementation duration	Advance payment	Maximum value of interim payments	Final payment
Public entities			
≤ 12 Months	Up to 70%	30 %	*N/A*
12-18 Months	Up to 60%	40%	*N/A*
≥18 Months	Up to 30%	70%	*N/A*
Private entities			
≤ 12 Months	Up to 60%	30 %	10%
12-18 Months	Up to 40%	50%	10%
≥18 Months	Up to 30%	60%	10%

An advance payment of a percentage of the total grant amount shall be paid within 1 month from the submission of a request after signature of the project contract. The interim payments shall be paid within 1 month after the approval of project interim reports. Upon approval of the final project report a final balance payment, if applicable, shall be made within 1 month.

The approval of project interim and final reports shall take place within 2 months from the submission of the required information.

The periodicity of reporting periods, and deadlines for reporting will be further detailed in the description of the Programme Operator's management and control systems.

6.2 Verification of payment claims

Project promoters shall submit interim and final project reports containing information on project progress and incurred expenditure.

In line with point i) of Article 5.6.2 of the Regulation incurred expenditure reported shall be subject to administrative verifications before the report is approved. Verifications to be carried out shall cover administrative, financial, technical and physical aspects of projects, as appropriate and be in accordance with the principle of proportionality.

Additionally, in line with point ii) of Article 5.6.2 of the Regulation on-the-spot verifications of projects, which may be carried out on a sample basis, shall be carried out.

The detailed procedure for verification will be further explained in the description of the Programme Operator's management and control systems.

6.3 Monitoring and reporting

The Programme Operator shall monitor, record and report on progress towards the programme's outcomes in accordance with the provisions contained in the legal framework. The Programme Operator shall ensure that suitable and sufficient monitoring and reporting arrangements are made with the project promoters in order to enable the Programme Operator and the National Focal Point to meet its obligations to the Donors.

The Programme Operator shall in the Annual and Final Programme Reports, report on the implementation of the 'Plan for enhancing of the management capacity of the Programme Operator', submitted in accordance with the Memorandum of Understanding.

When reporting on progress achieved in Annual and Final Programme Reports, the Programme Operator shall disaggregate results achieved as appropriate and in accordance with instructions and templates received from the FMO.

6.4 Programme administrative structures

Not applicable.

7. Communication

The Programme Operator shall comply with Chapter 3 of the main text of this Agreement, the Information and Communication Requirements in Annex 3 of the Regulation on the implementation of the EEA Financial Mechanism 2014-2021 and the Communication plan for the programme.

The Programme Operator shall actively communicate and encourage the submission of project applications involving partnerships between Project promoters and civil society organisations/NGOs under the Small Grants Scheme.

8. Miscellaneous

Not applicable.