PROGRAMME IMPLEMENTATION AGREEMENT

between

THE FINANCIAL MECHANISM OFFICE

European Free Trade Association

Rue Joseph II 12-16

B-1000 Brussels

Belgium

and

Civil Society Development Foundation

21 Nerva Traian, Bucharest, 3rd District, Municipiul Bucuresti , Romania

hereinafter referred to as the "Fund Operator"

together hereinafter referred to as the "Parties"

on the

IMPLEMENTATION

of the

ACTIVE CITIZENS FUND IN Romania

hereinafter referred to as the "Programme"

Table of contents:

Chapter 1: General provisions.....3
1.1 Scope 3
1.2 Objectives of the EEA and Norwegian Financial Mechanism 2014-2021 3
1.3 Objective of the Programme Area "Civil Society" 3
1.4 Principles of implementation.....3
1.5 Legal framework 3
1.6 Programme area specifics.....3
1.7 Status and hierarchy of documents 3
1.8 Definitions 4
1.9 Co-operation.....4
1.10 Budget 4
1.11 Management fee 4
1.12 Account for funds for regranting 4
1.13 Operational period.....4

Chapter 2: Main responsibilities of the Parties .4
2.1 Main responsibilities of the Fund Operator .4
2.2 Main responsibilities of the FMO.....5

Chapter 3: Information and communication.....6
3.1. General provision 6
3.2 Responsibilities of the Fund Operator 6

Chapter 4: Eligibility of expenditures 6
4.1 General principles on the eligibility of costs in projects 6
4.2 Direct expenditures.....6
4.3 Indirect costs.....7
4.4 Excluded costs 7
4.5 Project grant rate and co-financing.....7
4.6 First and final dates of eligibility.....8

Chapter 5: Fund for bilateral relations and regional civil society initiatives 8
5.1 Fund for bilateral relations.....8
5.2 Funds for regional civil society initiatives...8
5.3 Final date of eligibility 9

Chapter 6: Selection of projects and contracting 9
6.1 Eligible applicants and partners.....9
6.2 Open calls 9
6.3 Selection Committee.....10
6.4 Selection procedures.....10
6.5 Conflict of interest in the selection process 10
6.6 Project contract.....11
6.7 Partnership agreement 11
6.8 Reallocation of funds.....12
6.9 Pre-defined projects.....12

Chapter 7: Public procurement 12

Chapter 8: Reporting from the Fund Operator to the FMO and review meetings 12
8.1 Annual programme reports.....12
8.2 Interim financial reports 13
8.3 Forecast of likely payment applications 13
8.4 Summary reports after each call 13
8.5 Reporting on projects.....13
8.6 Final programme report.....13
8.7 Review meetings 14

Chapter 9: Reporting from project promoters, verifications, payments to projects, audits and monitoring 14
9.1 Reporting.....14
9.2 Proof of expenditure 14
9.3 Verification of projects.....14
9.4 Payments to projects.....14
9.5 Audit.....14
9.6 Monitoring.....15

Chapter 10: Irregularities.....15
10.1 Responsibilities related to irregularities ..15
10.2 Definition of irregularities 15
10.3 Irregularities register.....15
10.4 Reporting on irregularities.....15
10.5 Complaint mechanism 16

Chapter 11: Suspension of payments, financial corrections and reimbursement 16
11.1. Recovery of amounts subject to irregularities in projects 16
11.2 Suspension of payments 16
11.3 Financial corrections.....16
11.4 Criteria for financial corrections.....17
11.5 Procedure.....17
11.6 Reimbursement.....17

Chapter 12: Evaluation, external monitoring, audits and provision of information 17
12.1. Responsibilities of the Fund Operator 17
12.2 External monitoring and evaluation.....18
12.3 Audits and on-the-spot verifications arranged by the FMO.....18
12.4 EFTA Board of Auditors (/The Office of the Auditor General of Norway).....18
12.5 Access.....18
12.6 Provision of information.....18
12.7 Records.....18

Chapter 13: Code of conduct and conflict of interest 18
13.1 Ethical standards.....18
13.2 Other income 18
13.3 Professional secrecy 18
13.4 Conflict of interest.....19

Chapter 14: Assignment and sub-contracting .19
14.1 Assignment 19
14.2 Sub-contracting.....19

Chapter 15: Concluding provisions 19
15.1 Information system 19
15.2 Waiver of responsibility 19
15.3 Privileges and immunities.....19
15.4 Programme modification 19
15.5 Termination, compensation and damages 20
15.6 Indemnification.....20
15.7 Force majeure 21
15.8 Dispute resolution.....21

Chapter 1: General provisions

1.1 Scope

This Agreement between the Financial Mechanism Office (hereinafter referred to as the FMO) and the Fund Operator lays down the rights and obligations of the Parties regarding the implementation of the Programme.

1.2 Objectives of the EEA and Norwegian Financial Mechanism 2014-2021

The overall objectives of the EEA and Norwegian Financial Mechanisms 2014-2021 are to contribute to the reduction of economic and social disparities in the European Economic Area and to strengthen bilateral relations between the Donor States and the Beneficiary States.

1.3 Objective of the Programme Area "Civil Society"

The Active Citizens Fund is established under the Programme Area "Civil Society'. The objective of the Programme Area "Civil Society" is: "Civil society and active citizenship strengthened and vulnerable groups empowered".

1.4 Principles of implementation

1. The Programme shall be based on the common values of respect for human dignity, freedom, democracy, equality, the rule of law and respect for human rights, including the rights of persons belonging to minorities.

2. The Programme shall follow the principles of good governance; it shall be participatory and inclusive, accountable, transparent, responsive, effective and efficient. There shall be zero-tolerance towards corruption.

3. The Programme shall be consistent with sustainable development, long-term economic growth, social cohesion and environmental protection.

4. The Programme shall follow a results and risk management approach.

1.5 Legal framework

1. This Agreement shall be read in conjunction with the following documents which, together with this Agreement constitute the legal framework of the Programme.

a) Protocol 38c to the EEA Agreement on the EEA Financial Mechanism 2014-2021 and Agreement between the Kingdom of Norway and the European Union on the Norwegian Financial Mechanism for the period 2014-2021;
b) Memorandum of Understanding on the implementation of the EEA Financial Mechanism 2014-2021 (hereinafter referred to as the "MoU") and Memorandum of Understanding on the implementation of the Norwegian Financial Mechanism 2014-2021;
c) Manual for Fund Operators of the Active Citizens Fund.

1.6 Programme area specifics

1. At least a third of the re-granting amount (as specified in Annex I to this Agreement) shall be allocated to democracy and human rights relevant projects.

2. The Programme shall include youth inclusion.

3. Protection of the environment and climate change shall only be supported as part of measures to promote civic participation, advocacy, social innovation and active citizenship.

4. Provision of welfare and basic services shall only be supported as part of wider actions addressing awareness-raising, advocacy, empowerment and reform initiatives

5. At least 15% of the re-granting amount shall contribute to capacity development and sustainability of civil society, including non-governmental organisations (NGOs).

1.7 Status and hierarchy of documents

1. The Annexes to this Agreement form an integral part of the Agreement. Any reference to this 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 Agreement. Should the meaning of any provision of the said Annexes, so interpreted, remain inconsistent with this Agreement, the provisions of the Annexes shall prevail, provided that these provisions are compatible with the Manual for Fund Operators of the Active Citizens Fund.

1.8 Definitions

Terms used and institutions and documents referred to in this agreement shall be understood in accordance with the legal framework referred to in Article 1.5 of this Agreement, and in particular the Manual for Fund Operators of the Active Citizens Fund referred to therein.

1.9 Co-operation

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

2. The Parties agree to provide all information necessary for the good functioning of the Agreement and to apply the highest degree of transparency and accountability.

3. All communication between the Parties shall be in English.

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

1.10 Budget

The total budget of the Programme, including the management fee described in Article 1.11, is specified in Annex I to this Agreement.

1.11 Management fee

1. The FMO shall provide a management fee to the Fund Operator's account specified in Annex I to cover its costs for implementing the Programme. The Fund Operator and its Partner(s) (where applicable) in their partnership agreement shall decide the share of the Partners in the management fee.

2. Notwithstanding paragraph 1, the share of one partner shall not exceed 70% of the management fee.

3. All responsibilities of the Fund Operator listed under paragraph 1 of Article 2.1 shall be covered by the management fee.

1.12 Account for funds for regranting

1. The FMO shall establish, at a bank of its choice, an account in its name dedicated to the funds intended for regranting (the ***regranting account***). The signatories of this account shall comprise the FMO Director and/or such other FMO official(s) as the FMO Director may designate, together with up to 3 officials of the Fund Operator, to be nominated by the Fund Operator with the approval of the FMO. The FMO may at any time transfer the regranting account to a different bank and all provisions hereof shall continue to apply with respect to the new regranting account.

2. Without prejudice to the responsibility of the Fund Operator for due performance of its obligations under Article 2.1.1(r), withdrawals from the regranting account may be made only with the participation of two of the signatories referred to above and only via bank transfer to the account of a project promoter pursuant to a project contract. Until transferred, the funds on the regranting account shall be the exclusive property of the FMO. Any interest earned on the regranting account shall also belong to the FMO. Unspent funds refunded by project promoters and recoveries as a consequence of irregularities, shall be credited to the regranting account. No other moneys may be mixed with the funds intended for regranting held on the regranting account.

1.13 Operational period

The Programme shall operate from the last signature of this Agreement until 31 December 2024. Changes to this operational period can be agreed upon between the Parties, and shall be reflected in Annex I to this Agreement.

Chapter 2: Main responsibilities of the Parties

2.1 Main responsibilities of the Fund Operator

1. The Fund Operator is responsible for the development and implementation of the Programme. This includes:

a) the preparation of the Programme;

b) the setting up of appropriate management and control systems. A detailed description of the management and control systems, accompanied with an audit report and opinion shall be submitted to the FMO within three months from the last signature of this Agreement;

c) the implementation of proportionate requirements in management, reporting and control;

d) ensuring that projects contribute to the overall objectives of the EEA and Norwegian Financial Mechanisms 2014-2021 and the specific Programme outcomes and objective;

e) ensuring that the Programme implementation is in line with Article 1.4 of this Agreement;

f) the organisation of open call(s) for proposals that take into account the needs of the sector in the Beneficiary State and propose procedures and support which will cater for different needs within the sector;

g) the development of tools and procedures for the project application and selection phase;

h) the setting up of a group of impartial experts to evaluate the applications and Selection Committee(s) that shall recommend the projects to be funded within the Programme;

i) the notification of approval / rejection decisions to applicants;

j) the conclusion of project contracts with project promoters;

k) ensuring adequate technical assistance, outreach, mentoring and coaching to civil society organisations, to support project preparation and implementation;

l) preparing and submitting reports to the FMO on the implementation of the Programme and ensuring reporting from project promoters;

m) conducting regular monitoring based on risk assessment and random samples;

n) conducting audits and on-the-spot verifications of projects;

o) establishing a Complaints Committee in line with Article 10.5;

p) establishing measures to prevent, detect and nullify suspected or actual cases of irregularities;

q) implementing information and communication activities in accordance with Chapter 3 of this Agreement;

r) the transfer of funds from the regranting account to project promoters and the verifiable management of the funds, including financial accounting, verification of financial reports and documents, and payment requests;

s) ensuring financial flows and fund transfers that ensure adequate risk management and financial control;

t) the collection and review of project implementation and completion reports;

u) the archiving of all documents relevant to the implementation of the Programme;

v) facilitating and encouraging bilateral exchanges at programme and project level which will be mutually beneficial and contribute to the objective of the Programme, including defining administrative procedures and managing the funds in a way that will facilitate such exchanges;

w) the implementation of regional civil society initiatives in line with the objectives stated under Article 5.2;

x) informing the FMO within 5 working days of any change in the key personnel of the Fund Operator and the Partners and providing the FMO upon request with any relevant information concerning the new key personnel. For this purpose "key personnel" shall include without limitation all staff of the Fund Operator authorised pursuant to Article 1.12 to withdraw funds from the regranting account.

2.2 Main responsibilities of the FMO

1. The FMO shall pay the management fee to the Fund Operator's account in instalments as follows:

a) Unless otherwise agreed and specified in Annex I to this Agreement, an advance payment of 10% of the management fee fourteen days after the last signature of this Agreement;

b) In accordance with the interim financial reports referred to in Article 8.2, at the payment days referred to in Article 8.2.3, unless the report has not been approved;

c) 15% of the management fee referred to in paragraph 1 of Article 1.11 shall be retained until the FMO has approved the final programme report submitted by the Fund Operator to the FMO. The FMO shall transfer the retained amount to the Fund Operator in accordance with Article 8.6.6;

d) Notwithstanding Article 8.6.6, the transfer of the retained amount to the Fund Operator shall automatically be postponed, but not beyond 31 December 2025, if:

i. a dispute arises between the Fund Operator and the FMO; the amount referred to in subparagraph (c) shall be retained until such a dispute has been settled;

ii. the calculation of the final balance shows that the Fund Operator owes funds to the FMO; the amount referred to in subparagraph (c) shall be retained until such funds have been reimbursed to the FMO, or

iii. the approval of the final programme report is dependent upon such a postponement, for example due to unresolved irregularity in a project.

e) If the amount potentially owed to the FMO is lower than the retention amount, the latter may be reduced.

2. The FMO shall transfer all other funds besides the management fee to the regranting account:

a) In accordance with interim financial reports referred to in Article 8.2, unless the report has not been approved.

b) In exceptional and duly justified cases in the form of an advance payment, if funds

are needed before the first payment date for interim payments.

3. Prior to disbursing any payment to the regranting account, including advance payments referred in paragraph 2 b) above, the FMO shall determine whether the management and control system description has been submitted in accordance with Article 2.1. b)

4. The FMO shall determine whether the management and control system description submitted in accordance with Article 2.1 b) meets the requirements described in Chapter 6 of the Manual for Fund Operators of the Active Citizens Fund.

Chapter 3: Information and communication

3.1. General provision

The Fund Operator shall comply with the information and communication requirements in Chapter 3 of the Manual for Fund Operators of the Active Citizens Fund.

3.2 Responsibilities of the Fund Operator

1. The Fund Operator shall provide information on the Programme to the general public of the Beneficiary State, potential beneficiaries and the civil society sector on the existence, the objectives, the implementation and achievement of the Programme.

2. The Fund Operator shall as a minimum:

a) draw up and implement a communication plan for the Programme;

b) organise at least two major information activities on progress in the Programme and its projects;

c) establish a stand-alone website of the Programme in the language(s) of the Beneficiary State and in English.

3. The Fund Operator shall ensure that the project promoters and their partners fulfil their information and communication obligations in accordance with this Agreement and the information and communication requirements in Chapter 3 of the Manual for Fund Operators of the Active Citizens Fund.

Chapter 4: Eligibility of expenditures

4.1 General principles on the eligibility of costs in projects

1. The principles set forth in this Article shall apply *mutatis mutandis* to all eligible expenditures unless otherwise stated in this Agreement.

2. Eligible expenditures of projects are those actually incurred by the project promoter or the project partner, which meet the following criteria:

a) they are incurred between the first and final dates of eligibility of a project as specified in the project contract;

b) they are connected with the subject of the project contract and they are indicated in the detailed budget of the project;

c) they are proportionate and necessary for the implementation of the project;

d) they are used for the sole purpose of achieving the objective of the project and its expected outcome(s), in a manner consistent with the principles of economy, efficiency and effectiveness;

e) they are identifiable and verifiable, in particular through being recorded in the accounting records of the project promoter and determined according to the applicable accounting standards and generally accepted accounting principles; and

f) they comply with the requirements of applicable tax and social legislation.

3. Expenditures are considered to have been incurred when the cost has been invoiced, paid and the subject matter delivered (in case of goods) or performed (in case of services and works). Exceptionally, costs in respect of which an invoice has been issued in the final month of eligibility are also deemed to be incurred within the dates of eligibility if the costs are paid within 30 days of the final date of eligibility. Overheads and depreciation of equipment are considered to have been incurred when they are recorded on the accounts of the project promoter and/or project partner.

4. The project promoter's internal accounting and auditing procedures must permit direct reconciliation of the expenditures and revenue declared in respect of the project with the corresponding accounting statements and supporting documents.

4.2 Direct expenditures

1. The eligible direct expenditures for a project are those expenditures which are identified by the project promoter and/or the project partner, in accordance with their accounting principles and usual internal rules, as specific expenditures directly linked to the implementation of the project and which can therefore be booked to it directly. The following direct expenditures are eligible provided that they satisfy the criteria set out in Article 4.1:

a) the cost of personnel assigned to the project, comprising actual remuneration including social security charges and other statutory costs as applicable, provided that this corresponds to the project promoter's and project partner's usual policy on remuneration;

b) travel and subsistence allowances for personnel and volunteers taking part in the project, provided that they are in line with

the project promoter's and project partner's usual practices on travel costs;

c) cost of new or second hand equipment provided that it is depreciated in accordance with generally accepted accounting principles applicable to the project promoter and generally accepted for items of the same kind. Only the portion of the depreciation corresponding to the duration of the project and the rate of actual use for the purposes of the project may be taken into account by the Fund Operator. In case the Fund Operator determines that the equipment is an integral and necessary component for achieving the outcomes of the project, the entire purchase price of that equipment may be eligible;

d) costs of consumables and supplies, provided that they are identifiable and assigned to the project;

e) costs entailed by other contracts awarded by a project promoter for the purposes of carrying out the project, provided that the awarding complies with the applicable rules on public procurement; and

f) costs arising directly from requirements imposed by the project contract for each project.

2. Costs related to reconstruction, renovation, or refurbishment of a real estate shall not exceed 50% of the eligible direct cost of the project.

3. Where the entire purchase price of equipment is eligible in accordance with point (c) of paragraph 1, the Fund Operator shall ensure that the project promoter:

a) keeps the equipment in its ownership for a period of at least five years following the completion of the project and continues to use the equipment for the benefit of the overall objectives of the project for the same period;

b) keeps the equipment properly insured against losses such as fire, theft or other normally insurable incidents both during project implementation and for at least five years following the completion of the project; and

c) sets aside appropriate resources for the maintenance of the equipment for at least five years following the completion of the project.

The specific means for the implementation of this obligation shall be specified in the project contract. The Fund Operator may release any project promoter from the above obligations with respect to any specifically identified equipment where the Fund 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.

4. The provisions in this Article shall apply *mutatis mutandis* to all eligible expenditures unless otherwise stated in this Agreement.

4.3 Indirect costs

1. Indirect costs are all eligible costs that cannot be identified by the project promoter and/or the project partner as being directly attributed to the project but which can be identified and justified by its accounting system as being incurred in direct relationship with the eligible direct costs attributed to the project. They may not include any eligible direct costs. Indirect costs of the project shall represent a fair apportionment of the overall overheads of the project promoter or the project partner. Project promoters and project partners may apply a flat rate of up to 15% of direct eligible personnel costs (Article 4.2.1 a) to cover these costs.

2. In case of project promoters or project partners that are international organisations, or bodies or agencies thereof, indirect costs may, in line with specific provisions in Annex II to this Agreement, be identified in accordance with the relevant rules established by such organisations.

4.4 Excluded costs

1. The following costs shall not be considered eligible:

a) interest on debt, debt service charges and late payment charges;

b) charges for financial transactions and other purely financial costs, except costs related to accounts and financial services imposed by the project contract;

c) costs related to purchase of land or real estate;

d) provisions for losses or potential future liabilities;

e) exchange losses;

f) recoverable VAT;

g) costs that are covered by other sources;

h) fines, penalties and costs of litigation, except where litigation is an integral and necessary component for achieving the outcomes of the project; and

i) excessive or reckless expenditure.

2. The provisions in this Article shall apply *mutatis mutandis* to all eligible expenditure unless otherwise stated in this Agreement.

4.5 Project grant rate and co-financing

1. The Programme can provide up to 90% of the eligible expenditure of the NGO project unless

otherwise specified in annex 2. The co-financing shall be provided in the form of cash or in-kind contribution in the form of voluntary work. The in-kind contribution may constitute up to 50% of the co-financing unless otherwise specified in annex 2.

2. Notwithstanding paragraph 1, the Programme can provide up to 100% of the eligible expenditure of the pre-defined project specified in paragraph 2 of Article 6.9.

2. The in-kind contribution referred to in paragraph 1 may be provided only by the project promoter and/or any NGO acting as project partner(s). For the calculation of the in-kind contribution, the price for each [hour, half a day, day] of voluntary work shall be specified in Annex II. The Parties to this Agreement may agree to adjust these prices during the implementation of the Programme in order to take into account changes in salaries.

3. The maximum project grant rate shall be calculated as a percentage of the total eligible expenditure of the projects. When setting the project grant rate, the Fund Operator shall take into account any economic benefit, e.g. cost savings or increased profit, which is a result from receiving a financial contribution. Economic benefits shall be used in a manner which supports the long-term objectives of the projects.

4.6 First and final dates of eligibility

Costs within projects may be eligible from the date on which the grant is awarded or at a later date set in the project contract. The project contract shall set the final date of eligibility of costs which shall be no later than 30 April 2024. Costs incurred after that date are not eligible.

Chapter 5: Fund for bilateral relations and regional civil society initiatives

5.1 Fund for bilateral relations

1. The Fund Operator shall allocate funds to support bilateral cooperation activities that strengthen bilateral relations between civil society organisations and other entities in the Donor States and in the Beneficiary States, and contribute to the objective of the Programme.

2. The following categories of expenditure are eligible for the fund referred to in paragraph 1 provided that they are in line with Articles 4.1-4.4:

a) activities aiming at strengthening bilateral relations between civil society organisations and other entities in the Donors States;

b) the search for partners for donor partnership projects prior to or during the preparation of a project application, the development of such partnerships and the preparation of an application for donor partnership project;

c) networking, exchange, sharing and transfer of knowledge, technology, experience and best practice between civil society organisations and other entities in the Beneficiary States and in the Donors States and/or international organisations;

d) activities aiming at strengthening cooperation and exchanging experience and best practice between the Fund Operators and similar entities within the Beneficiary States and the Donor States as well as international organisations, provided at least one entity within the Donors States is involved in the activity.

3. The applicable rules on state aid and public procurement shall be complied with.

4. Costs and detailed activities supported by the fund for bilateral relations shall be further specified in Annex I and II to this Agreement.

5. A plan on the use of the fund for bilateral relations shall be submitted to the FMO no later than 12 months following the last signature of this Agreement.

5.2 Funds for regional civil society initiatives

1. The Fund Operator shall allocate funds to implement regional civil society initiatives.

2. Regional civil society initiatives consist of activities that are initiated and jointly planned as follows:

a) by at least two Fund Operators of Active Citizens Funds; or

b) by the Fund Operator together with another EEA and/or Norwegian Financial Mechanisms Programme Operator in the Beneficiary State; or

c) on the initiative of the FMO or the Donors,

with the aim of:

d) contributing to the Programme objective; and

e) promoting regional exchange and networking across civil society, with a view to strengthening the civil society sector across the Beneficiary States, sharing knowledge, promoting mutual learning, and adopting and using of knowledge and best practice across civil society.

3. Costs and detailed activities supported by the fund for regional civil society initiatives shall be further specified in Annex I and Annex II to this Agreement.

4. A plan on the use of the fund for regional civil society initiatives shall be submitted to the FMO no

later than 12 months following the last signature of this Agreement.

5.3 Final date of eligibility

The final date of eligibility of expenditures under the fund for bilateral relations and regional civil society initiatives shall be no later than the end of the operational period as defined in Article 1.13.

Chapter 6: Selection of projects and contracting

6.1 Eligible applicants and partners

1. Eligible applicants are NGOs that are established in the Beneficiary State and fall within the following definition: "A non-profit voluntary organisation established as a legal entity, having a non-commercial purpose, independent of local, regional and central government, public entities, political parties and commercial organisations. Religious institutions and political parties are not considered NGOs." Eligible applicants shall abide by the principles of democratic values and human rights.

2. The Fund Operator shall, for the purpose of interpreting the definition in paragraph 1, take into account the interpretation contained in section 7.1 of the Manual for Fund Operators of the Active Citizens Fund. In cases of doubt, the Fund Operator shall consult with the FMO.

3. Unless otherwise explicitly stipulated in Annex II, any public or private entity, commercial or non-commercial, as well as non-governmental organisations established as a legal person either in the Donor States, Beneficiary States or a country outside the European Economic Area that has a common border with the Beneficiary State, or any international organisation or body or agency thereof, actively involved in, and effectively contributing to, the implementation of a project is considered an eligible project partner. The project partner shall share with the project promoter a common economic or social goal which is to be realised through the implementation of the project.

4., Informal groups as defined in the Manual for Fund Operators of the Active Citizens Fund, which are legal residents in the Beneficiary State are considered eligible project partners, unless otherwise explicitly stipulated in Annex II.

6.2 Open calls

1. Calls for proposals shall as a minimum, comply with the following:

a) they shall be widely publicised with a view to reach a maximum number of potential applicants;
b) they shall clearly explain and distinguish between administrative criteria, eligibility criteria and evaluation criteria;
c) they shall include a clear and reasonable deadline, which shall be at least two months from the date of the publication of the announcement, and an address for submission;
d) they shall clearly specify the eligible applicants and partners and any restrictions, limitations or exclusions that they may be subject to;
e) they shall contain detailed evaluation criteria as well as a scoring chart;
f) they shall clearly state the total amount available through the call, as well as the minimum and maximum amount of project grant;
g) they shall include the programme's results framework and explicitly state which outputs and outcomes the projects are to deliver;
h) they shall clearly address what kind of activities are eligible;
i) they shall provide a clear and detailed description of eligible expenditures in line with this Agreement, in particular Articles 4.1 through 4.4;
j) they shall provide a description of the selection process and the decision-making structure;
k) they shall provide a clear reference or a link to the application form and Guide for Applicants;
l) they shall contain provisions on the payment model;
m) they shall clearly state the co-financing requirements;
n) they shall provide clear references to further information and documentation prepared by the Fund Operator that are relevant to the call; and
o) they shall provide contact information for queries and the timeframe for answering such queries.

2. The calls shall be published on the website of the Fund Operator in the national language(s) and in English.

3. The FMO and the National Focal Point shall be informed of all calls for proposals at least two weeks in advance of their announcement, and, at the same time, be provided with an English translation of the text of each call.

4. The Fund Operator shall develop a simple and user-friendly application form, complemented by a short Guide for Applicants on how to make a successful application and what type of information should be included in each section of the application form. The application form and the Guide for

Applicants shall be available no later than on the date of announcement of the call for proposals.

6.3 Selection Committee

1. The Fund Operator shall establish at least one Selection Committee. The role of the Selection Committee is to recommend to the Fund Operator which projects should be funded. The Selection Committee shall consist of at least three persons with the relevant sector expertise and experience of working on or with civil society. At least one of them shall be external to the Fund Operator [and its Partner(s)].

2. The FMO, the National Focal Point and the Royal Norwegian Embassy shall be invited to participate in the meetings of the Selection Committee as observers.

3. The Selection Committee shall keep minutes of its meetings. The Fund Operator shall provide the FMO with a copy of the minutes in English no later than two weeks after each meeting. A template for the minutes will be provided by the FMO.

4. The Selection Committee shall operate in an open, transparent and accountable manner, and its composition must ensure that due attention is paid to possible areas of conflict of interest.

6.4 Selection procedures

1. The Fund Operator shall review the project applications for compliance with administrative and eligibility criteria. Applicants whose applications are rejected at this stage shall be informed of the reasons for the rejection, and given a reasonable time to appeal that decision.

2. Each project application that meets the administrative and eligibility criteria shall be scored by two impartial experts appointed by the Fund Operator. At least one expert shall be independent of the Fund Operator. Costs related to experts shall be covered from the management fee referred to in Article 1.11.

3. The experts shall separately and independently score the project application according to the evaluation criteria published with the call for proposals. The experts shall justify in writing the scores for each criterion they evaluate. For the purposes of ranking the project applications, the average of the scores awarded by the experts shall be used.

4. If the difference between the scores given by the two experts is more than 30% of the higher score, the project application shall be scored by a third expert. This expert shall be commissioned by, and be independent of, the Fund Operator. In such cases the average score of the two closest scores shall be used for the ranking of the project applications. This paragraph shall not apply in cases where the score given by the third expert would not, in any way, result in the support of the project.

5. The Fund Operator shall provide the Selection Committee with a list of project applications ranked in accordance with paragraphs 3 and 4 without making any changes to the ranking or the scoring awarded by the experts. It shall at the same time provide the FMO with the ranked list in English upon request. The Selection Committee shall review the ranked list of project applications. It may modify the ranking of the project applications in justified cases based on transparent criteria. The justification for the modifications shall be detailed in the minutes of the meeting of the Selection Committee. The Selection Committee shall submit the list of recommended projects to the Fund Operator.

6. The Fund Operator shall verify that the selection process has been conducted in accordance with this Agreement and that the recommendations from the Selection Committee comply with the rules and objectives of the Programme. Following such verification the Fund Operator shall, based on the recommendation of the Selection Committee, make a decision on which projects shall be supported. The Fund Operator may modify the decision of the Selection Committee in justified cases. If such a modification results in a rejection of a project that would otherwise have been approved, the applicant in question and the FMO shall be informed in writing about the justification for the modification.

7. The decisions shall be documented, in particular if the decision does not fully reflect the recommendations of the Selection Committee. The Fund Operator shall notify the applicants about the results of the selection process within a reasonable time. Unsuccessful applicants shall be informed as to the reasons why their application was not selected.

8. Without prejudice to the importance of other obligations of the Fund Operator, a non-compliance with this Article constitutes a serious breach of this Agreement.

6.5 Conflict of interest in the selection process

1. Conflict of interest is deemed to be present when a person involved in the selection process (e.g. independent experts, members of the Selection Committee, members of the Board, staff involved in reviewing compliance with administrative and eligibility criteria, or decision-makers for the Fund Operator) has direct or indirect interests that are or appear to be incompatible with the impartial exercise of the functions related to the selection process. Such interests may be related to economic interests, political or national affinities, family or emotional ties, any other relevant connection or shared interests with the applicant or its partner, or

any other interests liable to influence the impartial and objective performance of the person involved in the selection of projects.

2. The Fund Operator shall take every reasonable measure to prevent a conflict of interest from occurring. This includes ensuring that any person involved in the selection process (e.g. independent experts, members of Selection Committees, members of the Board, staff involved in reviewing compliance with administrative and eligibility criteria, or decision-makers for the Fund Operator) signs a declaration of no conflict of interest and declares that if s/he later becomes aware of a risk of conflict of interest s/he will notify the Fund Operator immediately. If a conflict of interest arises, the Fund Operator shall, in consultation with the FMO, take all the necessary measures to prevent that such a situation affects the integrity of the selection process.

6.6 Project contract

1. For each approved project a project contract shall be concluded between the Fund Operator and the project promoter.

2. The project contract sets out the terms and conditions of grant assistance as well as the roles and responsibilities of the parties. It shall include provisions that ensure that the project promoter takes on any obligations that are necessary for the Fund Operator to comply with its obligations under this Agreement. The project contract shall contain, as a minimum, provisions on the following:

a) obligations regarding reporting that enable the Fund Operator to comply with its reporting obligations to the FMO and the National Focal Point;
b) the maximum amount of the project grant in euro and the maximum project grant rate;
c) the list of eligible expenditures;
d) the first and final dates of eligibility of expenditures;
e) requirements for the submission of proof of expenditure according to Article 9.2;
f) provision on modifications of the project;
g) provisions that ensure timely access for the purposes of monitoring, audits and evaluations;
h) provisions that ensure that obligations regarding information and communication as described in Chapter 3 are complied with;
i) the right of the Fund Operator to suspend payments and request reimbursement from the project promoter in case decision on such actions is taken by the FMO and/or the Fund Operator;
j) resolution of disputes and jurisdiction;
k) waiver of responsibility referred to in Article 15.2;
l) a detailed budget;
m) provisions on equipment for which the entire purchase price is eligible, in compliance with Article 4.2.3;
n) provisions giving effect to Article 15.5.5(c) in case of termination of this Agreement;
o) a reference to partnership agreements or letters of intent, if relevant; and
p) provisions that ensure that obligations regarding record keeping as described in Article 12.7 are complied with .

3. The obligations of the project promoter under the project contract shall be valid and enforceable under the applicable national law of the Beneficiary State.

4. The Fund Operator may request the FMO to provide guidance on whether the project contract template complies with the minimum standards set in paragraph 2 of this Article. The Fund Operator is responsible for the project contract.

6.7 Partnership agreement

1. A project may be implemented in partnership with project partners as defined in paragraphs 3 and 4 of Article 6.1. If a project is implemented in such a partnership, the project promoter shall sign a partnership agreement with each of the project partners.

2. The partnership agreement shall contain the following:

a) provisions on the roles and responsibilities of the parties;
b) provisions on the financial arrangements between the parties including, but not limited to, the expenditure for which project partners can be reimbursed from the project budget;
c) currency exchange rules for such expenditure and reimbursement;
d) provisions on indirect costs and their maximum percentage;
e) requirements for the submission of proof of expenditure according to Article 9.2.
f) provisions on audits of the project;
g) a detailed budget; and
h) provisions on dispute resolution.

4. The partnership agreement shall be in English if one of the parties to the agreement is an entity from the Donor States or an international organisation or body or agency thereof.

5. 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.

6. 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 Chapter 7 of this Agreement.

7. The draft partnership agreement shall be submitted to the Fund Operator before the signing of the project contract. The Fund Operator shall verify that the partnership agreement complies with this Article.

6.8 Reallocation of funds

1. Project grants that have not been fully utilized, project grants that have been cancelled due to irregularities or for other reasons, and funds uncommitted upon closure of calls for proposals, may be reallocated to future calls for proposals; to projects placed on a reserve list as a result of a previous selection process; or to additional activities of already-approved projects, provided that these additional activities contribute to the project objectives.

2. Reallocation of savings and uncommitted funds for other purposes than those described in paragraph 1 shall be consulted with the FMO.

3. Any decision of the Fund Operator to reallocate funds referred to in paragraph 1 to additional activities of already approved projects shall be based on recommendations by the Selection Committee. The Selection Committee shall base its recommendations on transparent and objective criteria. By applying these criteria, the Selection Committee shall ensure equal treatment of all project promoters.

4. The criteria shall be made available on the website of the Fund Operator no later than one month prior to any decision to reallocate funds according to paragraph 3.

5. Project promoters shall be informed in writing without delay when such criteria have been published on the website.

6.9 Pre-defined projects

1. The Fund Operator may propose pre-defined projects to be implemented within the Programme subject to approval of the FMO.

2. In exceptional and duly justified cases the FMO may propose pre-defined projects to be implemented by the Fund Operator.

2. The pre-defined project(s) shall be described in Annex II to this Agreement.

Chapter 7: Public procurement

1. National and European Union law on public procurement shall be complied with at any level in the implementation of the Programme and its projects.

2. Notwithstanding provisions of national law that exempt NGOs from public procurement, any procurement procedures related to amounts above the European Union thresholds for procurement shall be undertaken in accordance with the applicable laws on procurement without regard for such an exemption.

3. In cases where contracts concluded as part of the implementation of the Programme fall below the national or European Union thresholds set for public procurement or outside the scope of the applicable public procurement laws, the awarding of such contracts (including the procedures prior to the awarding) and the terms and conditions of such contracts shall comply with best economic practices, including accountability, allow fair competition between potential providers, for example by way of effective price comparison, and ensure the optimal use of resources from the EEA and Norwegian Financial Mechanisms 2014-2021. To this end, and in the absence of stricter national laws, in cases of purchases related to an amount of EUR 5,000 or higher but below the relevant European Union thresholds, the project promoter shall invite at least three suppliers/service providers to submit offers.

4. The highest ethical standards shall be observed during the procurement and execution of contracts. The Fund Operator shall ensure the application of adequate and effective means to prevent illegal or corrupt practices. No offer, gifts, payments or benefit of any kind, which would or could, either directly or indirectly, be construed as an illegal or corrupt practice, e.g. as an inducement or reward for the award or execution of procurement contracts, shall be accepted.

Chapter 8: Reporting from the Fund Operator to the FMO and review meetings

8.1 Annual programme reports

1. The Fund Operator shall submit an annual programme report to the FMO and the National Focal Point using a template provided by the FMO. The main purpose of the report is:

a) to provide key information on the implementation of the Programme compared to the plans set out in this Agreement and/or the preceding annual programme report and in achieving the expected outputs;

b) the Programme's contribution to its overall objective and outcomes, and Article 1.4, as relevant;

c) to identify any issues which affect the implementation of the Programme and the measures taken to address them, a risk assessment and planned mitigating actions.

2. The reporting periods for the annual programme reports shall be the calendar year. The report shall be submitted not later than 15 February each year.

3. The FMO shall inform the Fund Operator of its opinion on the annual programme report within two months of the date of receipt. If the FMO does not respond within the time limit laid down, the report shall be considered to have been accepted.

8.2 Interim financial reports

1. The reporting periods in each calendar year shall be as follows:

a) 1 January – 30 June for actual expenditure incurred and 1 November – 30 April for proposed expenditure;

b) 1 July – 31 December for actual expenditure incurred and 1 May-31 October for proposed expenditure.

2. Interim payments shall be paid based on an interim financial report submitted by the Fund Operator in a format provided by the FMO.

3. Interim payments from the FMO shall be made on the following payment dates: 15 April and 15 October. Should a payment date land on a weekend or an EFTA public holiday, the payment shall be made on the next EFTA working day.

4. Interim financial reports shall be received by the FMO according to the following schedule:

a) on, or before, 15 March for payments to be made by 15 April;

b) on, or before, 15 September for payments to be made by 15 October.

5. Payment based on an interim financial report received after its due date but on, or before, the following due date referred to in paragraph 4 shall be due as the report would have been received on its following due date. If an interim financial report has not been received within twelve months from the end of the reporting period in which expenditure has been incurred by the Fund Operator, the expenditure for that period shall be declared ineligible and cancelled.

6. Interim financial reports shall include:

a) a statement of actual expenditure incurred during the reporting period preceding the payment date; and

b) a statement of proposed expenditure for the reporting period immediately following the payment date;

c) information on progress towards achieving outputs and outcomes, as appropriate.

7. The actual incurred expenditure for the last reporting period shall be reported in the final programme report.

8. When the interim financial report has been provided, the FMO shall verify that it is in the correct form and that the conditions for payment have been met. If that verification is positive, interim payments shall be transferred no later than on the payment dates referred to in paragraph 3.

9. Interim payments shall in principle consist of the proposed expenditure for the respective reporting period less the expected cash balance at the start of that period for the proposed expenditure. The FMO may modify the amount of the interim payment if the proposed expenditures are considered to be unjustified. The FMO shall provide the Fund Operator with a justification of the modification without delay.

10. Should verification according to paragraph 8 be negative, the FMO and the Fund Operator shall closely cooperate to remedy the deficiencies. The FMO may provisionally hold interim payments until such deficiencies have been remedied. When the FMO, after receiving all necessary information, has positively verified an interim financial report, it shall release the payment due as soon as possible, unless the FMO decides to make use of remedies provided in Chapter 11.

8.3 Forecast of likely payment applications

At the latest by 20 February, 20 April, 20 September and 20 November each year, the Fund Operator shall send to the FMO, in a format provided by the FMO, a justified forecast of likely payment applications from the Fund Operator for the remainder of the current financial year and subsequent financial years.

8.4 Summary reports after each call

The Fund Operator shall no later than one week after the closing of each call provide the FMO with data on the applications received, using a template provided by FMO.

8.5 Reporting on projects

The Fund Operator shall provide to the FMO information about each project in accordance with the Manual for Fund Operators of the Active Citizens Fund, using a template provided by FMO.

8.6 Final programme report

1. The Fund Operator shall submit a final programme report to the FMO and the National Focal Point in a format provided by the FMO. The main purpose of the report is to provide:

a) an overall assessment of the implementation of the Programme, including comparison to the plans set out in the Programme and any lessons learned;

b) an assessment of the Programme's contribution to its overall objective and

outcomes of the Programme as well as Article 1.4, as relevant;

c) overview of irregularities and measures taken to remedy these;

d) specific details in respect of meeting and/or adapting financial plans; and

e) financial information, including a calculation of the final balance.

2. The final programme report shall include financial and statistical annexes in formats provided by the FMO.

3. The final programme report shall be submitted to the FMO no later than two months after the end of the operational period referred to in Article 1.13.

4. The FMO shall review the final programme report in order to determine whether it fulfils its formal and substantive requirements. The FMO shall approve the final programme report no later than two months following the receipt of the report and all relevant documents and necessary information.

5. The approved final programme report, including a summary for the general public shall be published on the website of the Fund Operator within one month from the approval of the report by the FMO.

6. Any final balance payable to the Fund Operator shall be transferred by the FMO no later than one month after FMO's approval of the final programme report. Any final balance payable to the FMO shall be reimbursed to the FMO within the same deadline.

8.7 Review meetings

1. The Parties to the Agreement shall meet at least once a year to review the implementation of the Programme.

2. The review meetings shall allow the FMO to examine progress achieved since the previous review meeting and instruct the Fund Operator to take any necessary measures.

3. Decisions taken at the review meetings shall be set out in the agreed minutes. The Fund Operator is responsible for the drafting of the minutes from the meeting, summarising the main points and the action points discussed at the meeting.

4. The National Focal Point and the Royal Norwegian Embassy shall be invited to participate in the review meetings as observers.

Chapter 9: Reporting from project promoters, verifications, payments to projects, audits and monitoring

9.1 Reporting

The Fund Operator shall establish a system for reporting by project promoters that provides the Fund Operator with sufficient information for its reports to the FMO, in particular in relation to progress towards the Programme objective and outcomes as well as statistical and financial information.

9.2 Proof of expenditure

1. Costs incurred by project promoters and project partners shall be supported by receipted invoices, or alternatively by accounting documents of equivalent probative value.

2. A report by an independent auditor, qualified to carry out statutory audits of accounting documents, certifying that the reported costs are incurred in accordance with this Agreement, the national law and relevant national accounting practices shall be accepted as sufficient proof of expenditure incurred for project partners whose primary location is in one of the Donor States or project partners that are international organisations or bodies or agencies thereof.

3. Upon request by the FMO or the EFTA Board of Auditors (or the Office of the Auditor General of Norway), the Project Promoter or Project Partner shall grant access to the supporting documents on the basis of which the report referred to in paragraph 2 was issued.

4. Indirect costs identified according to Article 4.3 do not need to be supported by proof of expenditure.

9.3 Verification of projects

1. Verifications to be carried out by the Fund Operator shall cover administrative, financial, technical and physical aspects of projects, as appropriate and be in accordance with the principle of proportionality.

2. Verifications shall include the following procedures:

a) administrative verification in respect of incurred expenditure reported by project promoters;

b) on- the-spot verification of projects, which may be carried out on a sample basis.

9.4 Payments to projects

Payments of the project grant to 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 shall be set in Annex II to this Agreement.

9.5 Audit

1. At least 10% of expenditures incurred by the project promoters, covering at least 15% of projects, shall be subject to an independent, external financial and compliance audit commissioned by the Fund Operator.

2. The costs incurred directly by the Fund Operator, including under predefined-projects, shall be subject to an independent, external financial and compliance audit commissioned by the Fund Operator before submission of the final programme report referred to in Article 8.6. 3. Costs related to audits shall be covered from the management fee referred to in Article 1.11.

5. Notwithstanding paragraph 2 above, costs related to audits of pre-defined projects implemented by the Fund Operator shall be covered from the budget of the pre-defined project.

9.6 Monitoring

The monitoring arrangements undertaken by the Fund Operator is described in Annex II to this Agreement.

Chapter 10: Irregularities

10.1 Responsibilities related to irregularities

1. The Fund Operator shall make every effort possible to prevent, detect, and nullify the effect of any cases of irregularities. Similarly, the Fund Operator shall investigate any suspected and actual cases of irregularities promptly and efficiently, including making any financial corrections that may be appropriate.

2. Unduly paid amounts shall be recovered and reimbursed in accordance with this Agreement.

10.2 Definition of irregularities

An irregularity shall mean an infringement of:

a) the legal framework of the EEA Financial Mechanism 2014-2021 referred to in Article 1.5
b) this Agreement;
c) the project contract;
d) any provision of European Union law; or
e) any provision of the national law of the Beneficiary State,

which affects or prejudices the implementation of the Programme, for instance by unjustified or disproportionate expenditure, by affecting the integrity of the selection process, or by reducing or losing revenue under the Programme and/or the project.

10.3 Irregularities register

The Fund Operator shall keep a register of all irregularities, and shall, upon request from the FMO, provide information on irregularities within one month.

10.4 Reporting on irregularities

1. The Fund Operator shall immediately report to the FMO all suspected and actual cases of irregularities when any of the following applies:

a) they involve allegations of an act or omission which constitutes a criminal offence under the national legislation of the Beneficiary State, such as corruption, fraud, bribery or embezzlement;
b) they indicate the presence of serious mismanagement affecting the use of the financial contribution from the EEA and Norwegian Financial Mechanisms 2014-2021; or
c) they pose an immediate threat to the successful completion of any project due to the amounts in proportion to the total project cost, their gravity or any other reason.

2. For irregularities other than those referred to in paragraphs 1 and 3, the Fund Operator shall within two months of the end of each quarter, submit to the FMO a report, describing any suspected and actual cases of irregularities discovered during that quarter. Should there be no irregularities to report on during the quarter, the Fund Operator shall inform the FMO of this fact.

3. Unless requested by the FMO, the following cases of irregularities in projects need not be reported:

a) cases, where the irregularity consists solely in the failure to implement a project, in whole or in part, owing to the bankruptcy of the project promoter;
b) cases, which are detected and corrected by the Fund Operator in the course of the verification of the expenditure declared;
c) cases, which relate to an amount below EUR 2,000 in contribution from the Programme. In the case of irregularities related to non-compliance with public procurement rules, this amount refers to the overall value of the contract which is affected by the irregularity.

4. Paragraph 3 shall apply, *mutatis mutandis,* to activities financed from the fund for bilateral relations and the fund for regional civil society initiatives.

5. Paragraph 3 does not apply to irregularities that shall be reported immediately according to paragraph 1, or irregularities preceding a bankruptcy.

6. Together with each report on new irregularities referred to in paragraph 2, the Fund Operator shall report to the FMO on the progress made in the investigation and remedy of previously reported irregularities.

7. Should there be no progress to report on under this Article, the Fund Operator shall inform the FMO of this fact within the time limit set in paragraph 2.

10.5 Complaint mechanism

1. The Fund Operator shall establish a complaint mechanism, including the setting up of a Complaints Committee, which shall be capable of effectively processing and deciding on complaints about suspected non-compliance with the principles of good governance in relation to the implementation of the Programme. The Fund Operator shall, upon request by the FMO, examine complaints received by the FMO. The Fund Operator shall inform the FMO, upon request, of the results of those examinations.

2. Information on how to submit a complaint shall be prominently placed on the website of the Fund Operator.

3. The Fund Operator shall without delay report to the FMO on any complaints involving suspected irregularities referred to in paragraph 1 of Article 10.4. Complaints involving suspicion of other irregularities shall be reported to the FMO in the reports referred to in paragraph 2 and paragraph 6 of Article 10.4. The FMO shall, when relevant, be consulted on the appropriate response.

Chapter 11: Suspension of payments, financial corrections and reimbursement

11.1. Recovery of amounts subject to irregularities in projects

1. In case of irregularities, the Fund Operator shall, taking into account the seriousness of the irregularity, determine whether to:

a) cancel the project and request reimbursement of all or part of the already paid project grant;
b) allow the project to continue but apply a proportionate financial correction; or
c) take no action.

2. Before making decisions according to paragraph 1 the Fund Operator shall consult with the FMO.

3. The Fund Operator shall, on its own initiative or based on instructions by the FMO, take all reasonable measures to recover any amount unduly paid to a project promoter, including using any available judicial or administrative remedies.

11.2 Suspension of payments

1. The FMO may decide to suspend payments to the Programme if one or more of the following applies:

a) the conditions for payments in accordance with the provisions of this Agreement have not been met;
b) credible information indicates that the progress of the Programme is not in accordance with this Agreement;
c) reports referred to in Chapters 8 and 10 or any other information requested have not been provided or include incomplete information;
d) access required under Article 12.5 is restricted;
e) the financial management of the Programme has found to be unstable and raises serious doubts of integrity;
f) it becomes aware of suspected or actual cases of irregularities, or such cases have not been adequately reported, investigated or remedied;
g) the implementation of the Programme is deemed to be in violation of national or European Union law;
h) a fundamental change of circumstances occurs and said circumstances constitute an essential basis for the financial contribution to the Programme;
i) it becomes aware of any misrepresentation of facts in any information given by or on behalf of the Fund Operator affecting, directly or indirectly, the implementation of this Agreement;
j) the procedure under Article 11.5 has been opened;
k) any other obligation stipulated in this Agreement is not complied with by the Fund Operator.

2. Except for urgent cases, the Fund Operator shall be given an opportunity to provide its views before the FMO takes a decision to suspend payments. The decision to suspend payments shall be reasoned and immediately effective. The Fund Operator shall be notified no later than seven workings days from the date of the decision.

3. The Fund Operator can at any time present documents or other relevant evidence and request that the FMO reviews its decision to suspend payments.

4. When the FMO finds that the conditions for suspension no longer apply, it shall take a decision to continue payments.

11.3 Financial corrections

1. The FMO may make financial corrections based on the criteria in Article 11.4 consisting of cancelling all or part of the financial contribution of the EEA and Norwegian Financial Mechanisms 2014-2021 to the Programme.

2. When a financial correction is made on a project in accordance with paragraph 1, or with Article 10.1, the financial correction may not be reused for that project. The cancelled financial contribution may be reused under the Programme for projects other than those that were the subject of the correction.

3. Financial contributions cancelled in accordance with paragraph 1 or with Article 10.1 relating to the fund for bilateral relations or fund for regional civil society initiatives, may be reused within the same budget heading for costs other than those that were the subject of the correction.

4. When a financial correction is made for a systemic irregularity or an irregularity related to the management or control systems within the Programme, the financial contribution may not be reused within the Programme.

11.4 Criteria for financial corrections

1. The FMO may make financial corrections according to Article 11.3 if one or more of the following applies:

a) a serious breach of this Agreement has occurred;
b) a serious deficiency exists in the management and control system of the programme, which puts at risk the financial contribution to the programme ;
c) the Fund Operator has not complied with its obligations to investigate and/or to appropriately remedy irregularities under Article 9.1 prior to the sending of the notification according to paragraph 1 of Article 10.5

2. The FMO shall base its financial corrections on individual cases of irregularity identified, taking account of the systemic nature of the irregularity to determine whether a flat-rate or extrapolated correction should be applied, or whether the corrected amount can be based on an actual amount detected as irregular.

3. The FMO shall, when deciding the amount of a correction, take account of the nature and gravity of the irregularity and the extent and financial implications of the deficiencies found.

11.5 Procedure

1. Prior to making a decision referred to in paragraph 1 of Article 11.3, the FMO shall notify the Fund Operator of its intention to make such a decision. The notification shall outline the reasons for the decision and indicate the relevant amounts. The Fund Operator can within one month from the sending of the notification provide any comments relevant to the intended decision.

2. Where the FMO proposes a financial correction on the basis of extrapolation or a flat rate, the Fund Operator shall be given the opportunity to demonstrate, through an examination of the documentation concerned, that the actual extent of the irregularity was less than the FMO's assessment. In agreement with the FMO, the Fund Operator may limit the scope of this examination to an appropriate proportion or sample of the documentation concerned. Except in duly justified cases, the time allowed for this examination shall not exceed a further period of two months after the one-month period referred to in paragraph 1.

3. The FMO shall take account of any evidence supplied by the Fund Operator within the time limits referred to in paragraphs 1 and 2. At any time prior to the decision on financial corrections, the Fund Operator and the FMO can enter into a dialogue with a view to ensuring that the decision is based on accurate and correct facts.

4. The Fund Operator shall be notified of a decision referred to in paragraph 1 of Article 11.3 no later than seven working days from the date of the decision. The notification shall outline the reasons for the decision.

11.6 Reimbursement

1. Amounts recovered in accordance with paragraph 1 of Article 11.1 shall be reimbursed to the regranting account before the submission of the final programme report referred to in Article 8.6.

2. Financial corrections relating to the funds for bilateral relations, or the funds for regional civil society initiatives, shall be reimbursed to the regranting account before the submission of the final programme report referred in Article 8.6, unless reused within the same budget heading in line with paragraph 3 of Article 11.3.

3. Financial corrections referred to in paragraph 4 of Article 11.3 and 11.4 shall be deducted from the management fee referred to in Article 1.11. Should the remainder of the management fee to be paid to the Fund Operator not be sufficient to cover the financial correction, the Fund Operator shall reimburse the amount due to the FMO within three months of the decision referred to in Article 11.3.

4. The Fund Operator shall not be responsible for amounts that cannot be recovered in accordance with paragraph 1, if it shows that the loss of the funds and the circumstances related thereto are not due to a negligent performance or non-performance of the obligations of the Fund Operator [or its Partners] under this Agreement.

5. Notwithstanding paragraph 4, reimbursement from the Fund Operator to the FMO is not contingent upon reimbursement from the project promoter.

Chapter 12: Evaluation, external monitoring, audits and provision of information

12.1. Responsibilities of the Fund Operator

1. The Fund Operator shall carry out an evaluation or review of the Programme.

2. The Fund Operator shall ensure that the resources necessary to carry out evaluations or reviews are available, and shall ensure that procedures are in place to produce and collect necessary data.

3. Evaluation or reviews shall be carried out by experts or entities independent of the Fund Operator in accordance with the provisions specified in Chapter 8 of the Manual for Fund Operators of the Active Citizens Fund.

4. Notwithstanding paragraph 1, an evaluation or review of a Programme receiving less than EUR 5 million shall be carried out by the FMO.

5. The evaluation or review report shall be prepared in accordance with the Manual for Fund Operators

of the Active Citizens Fund. The final report and a summary for the general public shall be published.

12.2 External monitoring and evaluation

Without prejudice to the monitoring carried out by the Fund Operator, the FMO may undertake external monitoring and evaluation of the Programme. The FMO shall inform the Fund Operator about such activities at least two weeks in advance.

12.3 Audits and on-the-spot verifications arranged by the FMO

1. The FMO may arrange audits and on-the-spot verifications of the Programme and projects. The FMO shall, except in urgent cases, give two weeks' notice to the Fund Operator concerned before an audit or on-the-spot verification is carried out.

2. The Fund Operator shall be given an opportunity to provide comments to an audit report before it is finalised.

12.4 EFTA Board of Auditors (/The Office of the Auditor General of Norway)

The EFTA Board of Auditors (and The Office of the Auditor General of Norway) may conduct audits of the Programme and its projects. The FMO shall, as far as it is under its control, ensure that the Fund Operator is given at least two weeks' notice before such audit is carried out.

12.5 Access

The persons performing monitoring, audits or on-the-spot verifications according to this Agreement shall upon request be granted prompt, full, and unimpeded access to all information, documents, persons, locations and facilities, relevant to the audit or the verification.

12.6 Provision of information

The Fund Operator shall without unreasonable delay provide the FMO or any person(s) authorised by the FMO, with such information relating to the Programme as they may at any time request.

12.7 Records

1. The Fund Operator shall keep full accurate and systematic records and accounts in accordance with the laws of the Beneficiary State.

2. Such records must be kept for a 3-year period following FMO's approval of the final programme report. These documents comprise any documentation concerning the implementation of the Programme, with the exception of documents solely relevant for the use of the management fee under Article 1.11.

3. The Fund Operator shall permit the FMO, or any person(s) authorised by the FMO, to inspect or audit, at any reasonable time, the records and accounts relating to the implementation of the Agreement and to make copies thereof both during and after the period of operation of the Programme.

Chapter 13: Code of conduct and conflict of interest

13.1 Ethical standards

1. The Fund Operator shall observe the highest ethical standards during the implementation of the Programme and shall ensure the application of adequate and effective means to prevent illegal or corrupt practices.

2. If the Fund Operator, its Partners or any of their sub-contractors, personnel, agents or servants offers to give or agrees to offer or to give or gives to any person, any bribe, gift, gratuity or commission as an inducement or reward for doing or forbearing to do any act in relation to this Agreement or any other contract with the FMO, or for showing favour or disfavour to any person in relation to this Agreement or any other contract with the FMO, then the FMO may terminate this Agreement, without prejudice to any accrued rights of the Fund Operator under the Agreement.

13.2 Other income

The payments of the management fee to the Fund Operator under this Agreement shall constitute the only income or benefit the Fund Operator may derive in connection with the Agreement. Neither it, nor its personnel shall accept any commission, discount, allowance, indirect payment or other consideration in connection with, or in relation to, or in discharge of, its obligations under this Agreement.

13.3 Professional secrecy

The Fund Operator and its staff shall maintain professional secrecy for the duration of this Agreement and after completion thereof. In this connection, except with the prior written consent of the FMO, neither the Fund Operator nor the personnel employed or engaged by it shall at any time communicate to any person or entity any confidential information disclosed to them or discovered by them, or make public any information as to the recommendations formulated in the course of or as a result of implementation of this Agreement. Furthermore, they shall not make any use prejudicial to the FMO, of information supplied to them and of the results of studies, tests and research carried out in the course and for the purpose of performing this Agreement.

13.4 Conflict of interest

1. In addition to the requirement related to the selection process, the Fund Operator shall take all necessary measures to prevent or end any situation that could compromise the impartial and objective performance of the Agreement. Such conflict of interest could arise in particular as a result of economic interest, political or national affinity, family or emotional ties, or any other relevant connection or shared interest. Any conflict of interest, which could arise during performance of the Agreement, must be notified in writing to the FMO without delay.

2. The FMO has the right to verify that such measures are adequate and may require additional measures to be taken if necessary. The Fund Operator shall ensure that its staff, including its management, is not placed in a situation which could give rise to conflict of interest. Without prejudice to employees' rights under national laws, the Fund Operator shall replace, immediately and without compensation from the FMO, any member of its staff exposed to such a situation.

3. The Fund Operator shall refrain from any contract that would compromise its independence or that of its personnel. If the Fund Operator fails to maintain such independence, the FMO may, without prejudice to compensation for any damage that it may have suffered on this account, terminate this Agreement forthwith, without giving formal notice thereof.

Chapter 14: Assignment and sub-contracting

14.1 Assignment

1. An assignment is any agreement by which the Fund Operator transfers its rights under this Agreement or part thereof to a third party.

2. The Fund Operator shall not, without the prior written consent of the FMO, assign the Agreement or any part thereof, or any benefit or interest there under. Any assignment without such consent shall be null and void.

3. The approval of an assignment by the FMO shall not relieve the Fund Operator of its obligations under the Agreement.

14.2 Sub-contracting

1. Any agreement by which the Fund Operator entrusts performance of a part of the services to a third party is considered to be a sub-contract.

2. Without prejudice to the role of the Fund Operator and Partners referred to in Article 2.1, the Fund Operator must obtain a prior written authorization of the FMO before entering into a sub-contract.

3. No sub-contract can create contractual relations between any sub-contractor and the FMO. The Fund Operator shall be responsible for the acts, defaults and negligence of its sub-contractors and their experts, agents or employees, as if they were the acts, defaults or negligence of the Fund Operator, its experts, agents or employees.

4. The approval by the FMO of the sub-contracting of any part of the Agreement or of the engagement by the Fund Operator of sub-contractors to perform any part of the services shall not relieve the Fund Operator of any of its obligations under the Agreement. Those services entrusted to a sub-contractor by the Fund Operator cannot be entrusted to third parties by the sub-contractor.

Chapter 15: Concluding provisions

15.1 Information system

1. The Fund Operator shall provide the reports referred to in Chapters 8 and 10 through FMO's information system. The FMO shall give the Fund Operator access to the system and provide the necessary guidance to enable the Fund Operator to use the system correctly.

2. Should the system referred to in paragraph 1 become unavailable or be discontinued, the FMO may require the Fund Operator to provide these reports in another format provided by the FMO, whether electronic or hard copies.

15.2 Waiver of responsibility

1. Nothing contained in this Agreement shall be construed as imposing upon the FMO any responsibility of any kind for the supervision, execution, completion or operation of the Programme or its projects.

2. Neither the European Free Trade Association, its Secretariat, including the FMO, its officials or employees can be held liable for any damage or injuries of whatever nature sustained by the Fund Operator or a project promoter, recipient of funds, or any other third person in connection, be it direct or indirect, with this Agreement.

3. This waiver of responsibility shall also bind the project promoters. Each project contract shall contain a provision to that effect.

15.3 Privileges and immunities

Nothing contained in this Agreement shall be deemed a waiver expressed or implied of any privileges and immunities of the European Free Trade Association, its assets, officials or employees.

15.4 Programme modification

1. This Agreement may not be modified by the Fund Operator. The latter does not apply to the Annexes to this Agreement.
2. Any modification to the Annexes is subject to prior approval by the FMO.

3. The Fund Operator shall describe and justify the modification, as well as the likely impact on the financial figure, risk assessment, outputs and outcomes of the Programme.
4. The FMO shall assess the proposed modification and provide a formal response no later than one month following the receipt of all relevant documents and necessary information.
5. The modification shall be formalised through an amendment of this Agreement, where necessary.

15.5 Termination, compensation and damages

1. Either party may terminate this Agreement in the event of a serious breach by the other party which remains unremedied for 30 days following written notice thereof making specific reference to the breach and to this Article. The requirement of written notice shall not apply where it is clear from the circumstances, or the party in breach has clearly indicated, that it is unable or has no intention to remedy the breach.
2. In addition, the FMO shall be entitled to terminate this Agreement where the Fund Operator:

a) becomes insolvent or bankrupt;
b) has a receiving order or administration order made against it or compounds with its creditors;
c) being a legal person commences to be wound up; or
d) carries on its activities under an administrator or administrative receiver for the benefit of its creditors or any of them.

Any of the above events shall be deemed a breach by the Fund Operator.

3. Should this Agreement be terminated pursuant to either of the preceding paragraphs 1 or 2, the party whose breach has occasioned the termination shall (without prejudice to the following provisions) compensate the other party for all losses, costs and wasted expenditure incurred by the other party in consequence of the termination.

4. The FMO may terminate this Agreement if changes in the political environment put into doubt the feasibility of the Programme.

5. In all cases where this Agreement is terminated prior to its entire performance:

a) the FMO shall (without prejudice to the payment obligations provided in the preceding paragraphs) pay the Fund Operator for the work already performed and (unless the termination arises by reason of a breach by the Fund Operator) commitments already undertaken which cannot reasonably be cancelled and reasonable costs for closing down the Fund Operator's role in the operation, provided that the total amount paid to the Fund Operator shall not exceed the amount of the management fee provided in Article 1.11;
b) the Fund Operator and its officials shall cease to operate the regranting account and the FMO shall be entitled to terminate the signature rights of those officials accordingly;
c) any rights and obligations of the Fund Operator vis-à-vis project promoters shall automatically be transferred to the FMO which shall be entitled to retransfer them to any replacement Fund Operator whom it may appoint;
d) the Fund Operator shall provide to the FMO or to any replacement Fund Operator such reasonable assistance as the latter may require to ensure the continuing good administration of the Programme and in particular shall provide the FMO or replacement Fund Operator with all contact details and copies of all its files concerning each of the project promoters and project contracts. The Fund Operator shall also cooperate with the FMO or replacement Fund Operator in notifying the project promoters of the change of Fund Operator and in ensuring the smooth continuation of the Programme.

6. Where the FMO is entitled to damages or compensation from the Fund Operator, it may deduct such amounts from any sums due to the Fund Operator and/or call on the appropriate guarantee.

7. The FMO shall be entitled to compensation from the Fund Operator for any damage which comes to light after the completion of the Programme.

15.6 Indemnification

1. At its own expense, the Fund Operator shall indemnify, protect and defend the FMO, its agents and employees, from and against all actions, claims, losses or damage arising from any act or omission by the Fund Operator in the performance of the Agreement provided that:

a) the Fund Operator is notified of such actions, claims, losses or damages not later than 30 days after the FMO becomes aware of them;
b) the ceiling on the Fund Operator's liability to the FMO shall be limited to an amount equal to the management fee referred to in Article 1.11, but such ceiling shall not apply to any losses or damages caused to third parties by the Fund Operator or by the Fund Operator's wilful misconduct;
c) the Fund Operator's liability shall be limited to actions, claims, losses or

damages directly caused by such failure to perform its obligations under the Agreement and shall not include liability arising from unforeseeable occurrences incidental or indirectly consequential to such failure.

2. At its own expense, the Fund Operator shall, upon request of the FMO, remedy any defect in the performance of the services in the event of the Fund Operator's failure to perform its obligations under the Agreement.

3. The Fund Operator shall have no liability whatsoever for actions, claims, losses or damages occasioned by:

a) the FMO omitting to act on any recommendation, or overriding any act, decision or recommendation, of the Fund Operator, or requiring the Fund Operator to implement a decision or recommendation with which the Fund Operator disagrees or on which it expresses a serious reservation; or

b) the improper execution of the Fund Operator's instructions by agents, employees or independent contractors of the FMO.

4. The Fund Operator shall remain responsible for any breach of its obligations under the Agreement for three years after the approval of the final programme report.

15.7 Force majeure

1. Neither Party shall be considered to be in breach of its obligations under the Agreement if the performance of such obligations is prevented by any circumstances of force majeure which arise after the date of the last signature of this Agreement.

2. The term "force majeure", as used herein shall include without limitation acts of God as strikes, lock-outs or other industrial disturbances, acts of the public enemy, wars, whether declared or not, blockades, insurrection, riots, epidemics, landslides, earthquakes, storms, lightning, floods, washouts, civil disturbances, explosions, and any other similar unforeseeable events, beyond the control of either Party and which by the exercise of due diligence neither Party is able to overcome. For the avoidance of doubt, inability to pay any sum of money shall not be considered force majeure.

3. A Party affected by an event of force majeure shall take all reasonable measures to remove such Party's inability to fulfil its obligations hereunder with a minimum of delay.

4. The Fund Operator shall not be liable for contract damages or termination for default if, and to the extent that, its delay in performance or other failure to perform its obligations under the Agreement is the result of an event of force majeure. The FMO shall similarly not be liable for delayed performance, for non-performance or for termination by the Fund Operator for default, if, and to the extent that, the FMO's delay or other failure to perform its obligations is the result of force majeure.

5. If either Party considers that any circumstances of force majeure have occurred which may affect performance of its obligations it shall notify the other Party immediately giving details of the nature, the probable duration and likely effect of the circumstances. Unless otherwise directed by the FMO in writing, the Fund Operator shall continue to perform its obligations under the Agreement as far as is reasonably practicable, and shall seek all reasonable alternative means for performance of its obligations, which are not prevented by the force majeure event. The Fund Operator shall not put into effect such alternative means unless directed so to do by the FMO.

6. If circumstances of force majeure have occurred and persist for a period of 180 days then, notwithstanding any extension of the period of execution that the Fund Operator may by reason thereof have been granted, either Party shall be entitled to serve upon the other 30 days' notice to terminate the Agreement. If at the expiry of the period of 30 days the situation of force majeure persists, the Agreement shall be terminated and in consequence thereof, the Parties shall be released from further performance of the Agreement.

15.8 Dispute resolution

1. Any dispute relating to the conclusion, validity, interpretation or performance of this Agreement shall be resolved amicably through consultation between the Parties.

2. Without prejudice to the privileges and immunities granted to the European Free Trade Association, its assets, premises and officials, any dispute arising out of or in relation with this Agreement not settled within two months of the initiation of the consultation referred to in paragraph 1, shall be finally settled under the CEPANI Rules of Arbitration by one or more arbitrators appointed in accordance with these Rules.

3. The arbitral tribunal shall normally be composed of one arbitrator. However, if the disputed amount is EUR 1,000,000 or higher the arbitral tribunal shall be composed of three arbitrators.

4. The seat of the arbitration shall be Brussels. The arbitration shall be conducted in English. The arbitration shall apply the laws of the Kingdom of Norway.

****

This Agreement is drawn up in two originals in the English language.

For the Financial Mechanism Office	For the Fund Operator
Signed in Brussels on 16/05/2019	Signed in Brussels on 16/05/2019
.....	.....
Arni Pall Arnason Acting Director of the FMO	Ionut Sibian Director

ACTIVE CITIZEN FUND - Romania

EEA Financial Mechanism 2014-2021
Results Framework and Budget (Annex I)

Fund Operator and Partners	
Fund Operator:	Civil Society Development Foundation
Programme Partner(s):	Romanian Environmental Partnership Foundation Resource Center for Roma Communities PACT Foundation Frivillighet Norge (FN)

Programme Objective	Civil society and active citizenship strengthened and vulnerable groups empowered

PA	Outcome/Output	Expected programme results	Indicator	Disaggregation	Unit of measurement	Source of verification	Frequency of reporting	Baseline values	Baseline year	Target value
	Objective	Civil society and active citizenship strengthened and vulnerable groups empowered	Number of people engaged in civil society organisation activities	Age, Gender, Roma	Number	Project Promoters' records, Attendance sheets, Petition signatures	Annually (APR)	0	N/A	50,000
			Number of CSO directly funded	N/A	Number	Contracts concluded with Project Promoters	Annually (APR)	0	N/A	800
PA15	Outcome 1	Strengthened democratic culture and civic awareness	Share of target group showing civic awareness	Age, Gender, Roma	Percentage	Survey results	2021 and then annually	62.8 %	2021	78.5 %[1]
			Number of people participating in consultations with a public decision-making body	Age, Gender, Roma	Number	Project Promoters' records	2021 and then annualy	0	N/A	550
	Output 1.1	Civic and human rights education supported	Number of people (students) educated in civic and human rights	Age, Gender	Number	Project Promoters' records	Semi-annually (APR and September IFR)	0	N/A	9,000

[1] Target is +25% from baseline.

			Number of CSO initiatives on media literacy carried out	N/A	Number	Project Promoters' records	Semi-annually (APR and September IFR)	0	N/A	14
			Number of civic and human rights-related partnerships between established/strong and less established/weaker/smaller CSOs	N/A	Number	Project Promoters' records, Partnership/Co-operation agreements	Semi-annually (APR and September IFR)	0	N/A	15
	Output 1.2	Citizens' participation in civic activities promoted	Number of awareness raising campaigns carried out	N/A	Number	Project Promoters' records, Audio/video/print material produced as part of the campaign	Semi-annually (APR and September IFR)	0	N/A	30
			Number of citizens involved in civic activities	Age, Gender, Roma	Number	Project Promoters' records	Semi-annually (APR and September IFR)	0	N/A	10,000
			Number of cases litigated	N/A	Number	Project Promoters' records, official records	Semi-annually (APR and September IFR)	0	N/A	7
			Number of CSO and public/private partnerships forged to promote citizens participation	N/A	Number	Project promoters´ records, Partnership/Co-operation agreements signed	Semi-annually (APR and September IFR)	0	N/A	20
	Output 1.3	Youth engagement in civic and human right activities supported	Number of youth trained in CSO leadership	Age, Gender, Roma	Cumulative number	Project Promoters' records	Semi-annually (APR and September IFR)	0	N/A	143

	Output 1.4	Educational activities related to environmental protection and climate change carried out by CSOs supported	Number of people educated in environment protection /climate change	Age, Gender	Number	Project Promoters' records	Semi-annually (APR and September IFR)	0	N/A	15,000
	Output 1.5	Policy monitoring and advocacy in relation to environmental protection/climate change supported	Number of CSOs engaged in policy monitoring and advocacy in relation to environmental protection/climate change	N/A	Number	Project Promoters' records	Semi-annually (APR and September IFR)	0	N/A	20
			Number of environment/climate change-related cases litigated	N/A	Number	Project Promoters' records, official records	Semi-annually (APR and September IFR)	0	N/A	5
	Output 1.6	CSOs watchdog/monitoring/advocacy role supported	Number of CSO platforms and networks supported	N/A	Number	Project Promoters' records	Semi-annually (APR and September IFR)	0	N/A	16
			Number of CSOs advocating for improvements to the legal/policy environment for civil society	N/A	Number	Project Promoters' records	Semi-annually (APR and September IFR)	0	N/A	50
			Number of CSO watchdog role-related cases litigated	N/A	Number	Project Promoters' records, official records	Semi-annually (APR and September IFR)	0	N/A	7
			Number of initiatives (including Freedom of Information requests) to promote transparency in public/private decision making	N/A	Number	Project Promoters' records	Semi-annually (APR and September IFR)	0	N/A	15
PA15	Outcome 2	CSOs actively defend human rights and promote equal treatment	Share of target group favourable to human rights	Age, Gender, Roma	Percentage	Survey results	2021 and then annually	60.8 %	2021	76 %[2]

[2] Target is +25% from baseline.

			Number of beneficiaries of services provided or improved	Age, Gender, Roma	Number	Project Promoters' records	Semi-annually (APR and September IFR)	0	N/A	2,000
	Output 2.1	Advocacy and awareness raising on human rights/equal treatment supported	Number of awareness raising campaigns carried out on human rights	N/A	Number	Project Promoters' records, Audio/video/print material produced as part of the campaign	Semi-annually (APR and September IFR)	0	N/A	30
			Number of human rights/equal treatment cases litigated	N/A	Number	Project promoters' records, official records	Semi-annually (APR and September IFR)	0	N/A	20
			Number of partnerships between CSOs and public/private entities on human rights	N/A	Number	Project promoters´ records, Partnership/Co-operation agreements signed	Semi-annually (APR and September IFR)	0	N/A	20
	Output 2.2	Research on human rights-related issues conducted	Number of research reports on human rights issues produced	N/A	Number	Research reports submitted by Project Promoters	Semi-annually (APR and September IFR)	0	N/A	8
	Output 2.3	Services provided to victims of discrimination and human rights violations	Number of CSOs providing services to victims of discrimination and human rights violations	N/A	Number	Project Promoter's records	Semi-annually (APR and September IFR)	0	N/A	35
	Output 2.4	Monitoring and watchdog activities on the implementation of policies in relation to gender equality and gender-based violence supported	Number of monitoring /watchdog initiatives on gender equality or GBV	N/A	Number	Project Promoter's records	Semi-annually (APR and September IFR)	0	N/A	15

PA15	Outcome 3	Vulnerable groups are empowered	Number of vulnerable individuals reached by empowerment measures	Age, Gender, Roma	Number	Project Promoter's records	2021 and then annualy	0	N/A	10,000
			Number of beneficiaries of services provided or improved	Age, Gender, Roma	Number	Project Promoters' records	Semi-annually (APR and September IFR)	0	N/A	18,250
	Output 3.1	CSOs advocating at local/national level for social justice and inclusion of vulnerable groups supported	Number of litigations supported	N/A	Number	Project promoters' records, official records	Semi-annually (APR and September IFR)	0	N/A	20
	Output 3.2	Members of vulnerable groups mobilised to advocate for their needs	Number of members of vulnerable groups mobilised to advocate for their needs	Age, Gender, Roma	Number	Project Promoter's records	Semi-annually (APR and September IFR)	0	N/A	750
			Number of members of vulnerable groups consulted	Age, Gender, Roma	Number	Project Promoter's records	Semi-annually (APR and September IFR)	0	N/A	7,500
	Output 3.3	Integrated and new models of service delivery developed to address the needs of vulnerable groups	Number of new and improved models implemented to address the needs of vulnerable groups	N/A	Number	Project Promoter's records	Semi-annually (APR and September IFR)	0	N/A	70
PA15	Outcome 4	Enhanced capacity and sustainability of civil society (organisations and the sector)	Number of CSOs with transparent and accountable governance procedures	N/A	Cumulative number	Results of self-assessment tool (survey) administered to the project promoters (at start and end of each project)	2021 and then annually	149	2021	194[3]
			Number of CSOs with effective management procedures	N/A	Cumulative number	Results of self-assessment tool (survey)	2021 and then annually	83	2021	108[4]

[3] Target is +30% from baseline.
[4] Target is +30% from baseline.

						administered to the project promoters (at start and end of each project)				
			Number of CSOs that regularly disseminate information on their activities and results to the public	N/A	Cumulative number	Results of self-assessment tool (survey) administered to the project promoters (at start and end of each project)	2021 and then annually	296	2021	385[5]
			Number of CSOs with at least two funding sources, each comprising at least 20% of their total annual budget	N/A	Cumulative number	Results of self-assessment tool (survey) administered to the project promoters (at start and end of each project)	2021 and then annually	60	2021	78[6]
	Output 4.1	Capacity building provided to CSOs	Number of CSOs participating in learning initiatives funded by the programme	Type of learning initiative	Number	Project Promoter's records, FO' records	Semi-annually (APR and September IFR)	0	N/A	800
			Number of CSOs that implemented fundraising campaigns	N/A	Cumulative number	Project Promoter's records	2021 and then annually	0	N/A	75
	Output 4.2	Citizens awareness about the role of the CSOs in society supported	Number of people reached by awareness campaigns about the role of CSOs	Age, Gender	Cumulative number	Project Promoter's records	Semi-annually (APR and September IFR)	0	N/A	2,020,000
PA15	Bilateral Outcome	Enhanced collaboration between Beneficiary State and	Level of trust between cooperating entities in	N/A	Scale 1-7	Survey results	Annually (APR)	6.82[7]	2022	4.5[8]

[5] Target is +30% from baseline.
[6] Target is +30% from baseline.
[7] Survey to be carried out by the FMO
[8] Target is ≥4.5, and an increase on the baseline value

		Donor State entities involved in the programme	Beneficiary States and Donor States							
			Level of satisfaction with the partnership	N/A	Scale 1-7	Survey results	Annually (APR)	6.7[9]	2022	4.5[10]
			Share of cooperating organisations that apply knowledge acquired from bilateral partnership	N/A	Percentage	Survey results	Annually (APR)	N/A	N/A	50 %[11]
			Share of participants in bilateral initiatives funded by the ACF bilateral fund reporting improved knowledge/methods/approaches	N/A	Percentage	Survey results	Annually (APR)	N/A	N/A	75 %
	Bilateral Output 1	Partnerships between beneficiary and donor state entities supported	Number of projects involving cooperation with a donor project partner	N/A	Cumulative number	Copies of contracts concluded with Project Promoters, Partnership agreements between Project Promoters and project partners	Semi-annually (APR and September IFR)	0	N/A	50
	Bilateral Output 2	Cooperation between beneficiary and donor state entities facilitated through the ACF bilateral fund	Number of bilateral cooperation initiatives funded by the ACF bilateral fund	N/A	Number	Copies of grant contracts concluded within ACF bilateral Fund	Semi-annually (APR and September IFR)	0	N/A	40
			Number of individuals participating in bilateral activities funded by the ACF bilateral fund	Age, Gender, Roma	Number	FO's records, Records of grant beneficiaries within ACF bilateral fund	Semi-annually (APR and September IFR)	0	N/A	250
PA15	Regional civil society initiatives	Strengthened regional (cross-border) cooperation in the civil society sector	Share of CSOs with improved knowledge from regional cooperation	N/A	Percentage	Survey results	Annually (APR)	N/A	N/A	70 %

[9] Survey to be carried out by the FMO
[10] Target is ≥4.5, and an increase on the baseline value
[11] Target is minimum 50%

	Output 1	Regional cooperation between civil society organisations facilitated	Number of CSOs participating in regional cooperation	N/A	Number	FO's Records	Semi-annually (APR and September IFR)	0	N/A	250
			Number of participants in events funded by the regional civil society initiatives fund	Age, Gender, Roma	Number	FO's Records	Semi-annually (APR and September IFR)	0	N/A	500

Conditions

General

1) An additional management fee amounting to EUR 300,000 representing an increase of 8.5% to the regular fee of EUR 3,520,000 shall be used by the Fund Operator. The activities implemented under the increased management fee are detailed in Annex II of this Agreement, which shall be reported on in the annual and final programme reports.

2) For Outcome 1 indicator "Share of target group showing civic awareness", where the baseline value is "to be determined" (TBD), the Fund Operator shall submit to the FMO the baseline value, together with a description of the data collection methods used, no later than 6 months after the finalisation of the selection of the relevant projects. The updated baseline value shall be agreed upon through a modification of the programme implementation agreement.

For Outcome 2 indicator "Share of target group favourable to human rights", where the baseline value is "to be determined" (TBD), the Fund Operator shall submit to the FMO the baseline value, together with a description of the data collection methods used, no later than 6 months after the finalisation of the selection of the relevant projects. The updated baseline value shall be agreed upon through a modification of the programme implementation agreement.

For the following Outcome 3 indicators, where the baseline value is "to be determined" (TBD), the Fund Operator shall submit to the FMO the baseline value, together with a description of the data collection methods used, no later than 6 months after the finalisation of the selection of the relevant projects. The updated baseline value shall be agreed upon through a modification of the programme implementation agreement:

- Number of CSOs with transparent and accountable governance procedures
- Number of CSOs with effective management procedures
- Number of CSOs that regularly disseminate information on their activities and results to the public
- Number of CSOs with at least two funding sources, each comprising at least 20% of their total annual budget

Pre-eligibility

1) No costs shall be eligible under PDP1 until a positive appraisal of the project has been made by the Financial Mechanism Office (FMO). The first date of eligibility of expenditure shall be no earlier than the date the FMO notifies the Fund Operator of the positive appraisal of the PDP.

2) The Fund Operator shall, before the end of 2020, submit to the FMO for approval a detailed description and budget for PDP2, as referred to in section 4.4 of Annex II. If approved, the FMO shall appraise the project. No costs shall be eligible under PDP2 until the FMO has confirmed support to the PDP by way of an amendment to the Programme Implementation Agreement, and notified the Fund Operator of its positive appraisal of the PDP.

Pre-payment

Not applicable

Pre-completion

Not applicable

Post-completion

Not applicable

Operational period of the programme

End of the operational period of the programme	31/12/2024
Grant rate and co-financing	
Programme total budget (€)	€ 48,000,000
Re-granting amount (€)	€ 43,036,000
Programme grant rate (%)	100.00 %
Maximum amount of Programme grant - EEA Financial Mechanism (€)	€ 48,000,000
Maximum amount of Programme grant - Norwegian Financial Mechanism (€)	-
Maximum amount of Programme grant - Total (€)	€ 48,000,000

PA	Budget Heading	EEA Grants	Total grant	Programme grant rate	Programme co-financing	Programme eligible expenditure	Advance payment	Exceptional advance
PA15	Management fee	€ 4,002,000	€ 4,002,000	100.00 %	€ 0	€ 4,002,000	€ 382,000	n/a
PA15	Outcome 1 (EEA Grants)	€ 14,498,000	€ 14,498,000	100.00 %	€ 0	€ 14,498,000	n/a	€ 0
PA15	Outcome 2 (EEA Grants)	€ 8,316,307	€ 8,316,307	100.00 %	€ 0	€ 8,316,307	n/a	€ 0
PA15	Outcome 3 (EEA Grants)	€ 15,058,000	€ 15,058,000	100.00 %	€ 0	€ 15,058,000	n/a	€ 0
PA15	Outcome 4 (EEA Grants)	€ 5,163,693	€ 5,163,693	100.00 %	€ 0	€ 5,163,693	n/a	€ 0
PA15	Fund for bilateral relations	€ 610,000	€ 610,000	100.00 %	€ 0	€ 610,000	n/a	€ 132,600
PA15	Fund for regional civil society initiatives	€ 352,000	€ 352,000	100.00 %	€ 0	€ 352,000	n/a	€ 111,200
Total		**€ 48,000,000**	**€ 48,000,000**	**100.00 %**	**€ 0**	**€ 48,000,000**	**€ 382,000**	**€ 243,800**

Retention of management fee(Art. 2.2.1 c)	
Retention of management fee - percentage of the management fee	15.00 %
Retention of management fee - planned Euro value	€ 600,300

The amount of the management fee is without VAT. The FMO will provide a certificate proving that the European Free Trade Association (of which the FMO is administratively a part) is exempt from paying VAT. All remaining funds shall be transferred to the re-granting account.

ACTIVE CITIZENS FUND – Romania
EEA Financial Mechanism 2014-2021

Operational rules (Annex II)

This Annex sets out the operational rules for the programme. The Programme Implementation Agreement is based on the Memorandum of Understanding and the Terms of Reference for the Active Citizens Fund (ACF) in Romania, published on 3 January 2018. Commitments, statements and guarantees, explicit as well as implicit, made in the concept note, are binding for the Fund Operator (FO) unless otherwise explicitly stipulated in the annexes to this Programme Implementation Agreement.

1. Programme summary

The FO is Civil Society Development Foundation (CSDF) in consortium with Romanian Environmental Partnership Foundation (REPF), Resource Center for Roma Communities (RCRC), PACT Foundation - Partnership for Community Action and Transformation (PACT) and Frivillighet Norge (FN).

The programme shall support the objective "civil society and active citizenship strengthened and vulnerable groups empowered" through eleven open calls and two pre-defined projects (PDP). These programme modalities are detailed further below and in section 4 of this Annex.

The programme shall cover the following five areas of support:

- Democracy, active citizenship, good governance and transparency
- Human rights and equal treatment through combating any discrimination on the grounds of racial or ethnic origin, religion or belief, gender, disability, age, sexual orientation or gender identity
- Social justice and inclusion of vulnerable groups
- Gender equality and gender-based violence
- Environment and climate change

The programme shall address the country-specific concerns:

- **Strengthen the capacity and sustainability of the civil society sector** shall be supported through the allocation of €5,163,693 (12% of the re-granting funds) to Outcome 4, 'enhanced capacity and sustainability of civil society (organizations and the sector)', for which three specific capacity building calls will be launched. For projects funded under the three thematic outcomes, project promoters may allocate up to 20% of the project budget to capacity building measures. In addition, a specific call under Outcome 1 will be launched for projects on policy monitoring, advocacy and watchdog activities. Strategic partnerships between CSOs will also be encouraged.

Further, PDP1 'Developing NGO Youth Leadership' indirectly supports this concern, even if it is budgeted under Outcome 1. PDP2 (to be developed at a later stage) will further support this concern.

- **Improve outreach to under-served geographic areas and target groups** shall be ensured through three separate ongoing calls for small grants (€5,000-50,000 reserved for projects in under-served areas and for small CSOs. For these calls a simplified application procedure will apply and during the pre-contracting phase the FO will assist with the full development of the application for selected applicants. It is expected that an estimated 200 projects will fall into this category. Small grants for rapid responses to emerging needs (such as threats to human

rights, rule of law, refugee/migrant crises, civil society sector functioning etc.) will be made available under Outcomes 1 and 2.

In addition, a total of 35% of the re-granting funds are allocated to Outcome 3, 'vulnerable groups are empowered'. The inclusion of actions in or targeting of under-served rural and small urban areas will strengthen applications under this outcome.

- **Minimum 10% re-granting funds for Roma inclusion and empowerment** shall be ensured through the earmarking of approximately €6,000,000 (14% of the total re-granting amount) for Roma-relevant projects under Outcome 2 'CSOs actively defend human rights and promote equal treatment' and Outcome 3 'vulnerable groups are empowered'.

Programme re-granting funds shall be provided through four outcomes:

Outcome 1 "Strengthened democratic culture and civic awareness", shall be reached through three open calls; one separate ongoing call for small grants which includes an allocation for rapid responses to emerging needs, one call for medium grants, and one call for medium, large and institutional grants, the details of which are specified in section 4. An additional call for rapid response grants, directed at existing project promoters and partners that fulfill the eligibility conditions, for projects dedicated to addressing the needs of Ukrainian refugees shall be launched. PDP1 shall be undertaken by CSDF as project promoter, and RCRC and FN as project partner and donor project partner respectively;

Outcome 2 "CSOs actively defend human rights and promote equal treatment" shall be reached through two open calls; one separate ongoing call for small grants which includes an allocation for rapid responses to emerging needs and one call for medium, large and institutional grants, the details of which are specified in in section 4.1; An additional call for rapid response grants, directed at existing project promoters and partners that fulfill the eligibility conditions, for projects dedicated to addressing the needs of Ukrainian refugees shall be launched

Outcome 3 "Vulnerable groups are empowered" shall be reached through three open calls; one separate ongoing call for small grants and two calls for medium and large grants, the details of which are specified in section 4.1; An additional call for rapid response grants, directed at existing project promoters and partners that fulfill the eligibility conditions, for projects dedicated to addressing the needs of Ukrainian refugees shall be launched.

Outcome 4 "Enhanced capacity and sustainability of civil society (organisations and the sector)" shall be reached through three open calls; one call for projects helping CSOs to diversify their funding sources, one call to provide strategic support mainly to underserved CSOs in their efforts to develop their sustainability and increase their efficiency (in areas such as transparent and accountable governance, effective management, strategic communication, fund development, etc.), and one call for projects aiming at increasing the awareness and visibility of the Romanian civil society sector, the details of which are specified in section 4.1.

Pre-defined project "Developing Youth NGO Leadership" (PDP1) shall contribute to Outcome 1, in particular Output 1.3 ("youth engagement in civic and human rights activities supported"), and indirectly to Outcome 4. The project aims at educating and equipping future leaders of the Romanian civil society sector and addressing the current deficiency of young leadership. Four cohorts of 25 participants each will take part in a one-year training programme, after the completion of which their acquired skills and knowledge will be transferred to others in local networks. Participants will be selected on a competitive basis, but with a strategic preference for applicants from certain under-served regions. The specifics of this project are stipulated in section 4.4.

Pre-defined project "Building Capacity for collective impact and knowledge on CSOs ecosystem" (PDPII) shall contribute to Outcome 4, in particular Output 4.1 (Capacity building provided to CSOs). The project aims to improve the evidence based knowledge on CSO ecosystem in Romania and to build awareness, expertise and practical skills for CSOs on impact measurement. The specifics of this project are stipulated in section 4.4.

2. Eligibility

2.1 Eligible applicants:

The rules on eligibility of applicants are set in Article 6.1 of the Programme Implementation Agreement and section 7.1 of the Manual for Fund Operators of the Active Citizens Fund.

The following limitations shall apply:

- Eligible applicants or partners cannot receive more than €550,000 in total support from the ACF or be involved in more than 4 projects during the course of the programme, excluding any grants in rapid response to emerging needs and any support received through the Fund for Bilateral Relations and the Regional Civil Society Initiatives.
- With reference to Article 6.1.3 of the Programme Implementation Agreement, only the following entities are eligible to receive funding as project partners under the programme:
    - entities who fall within the definition of NGOs, as set in Article 6.1.1 of the Programme Implementation Agreement, and comply with the principles set in section 7.1 of the Manual for Fund Operators of the Active Citizens Fund;
    - international organisations or agencies or bodies thereof; and
    - public entities
- Organisations from which the amount due was not recovered, following a final court decision in connection with the NGO Programme 2009-2014 in Romania, shall not be considered as eligible applicants and/or partners.

2.2 Special rules on eligibility of costs:

With reference to the FO organisation of the following Regional Civil Society Initiatives:

- Workshop on European Civil Society Priorities in the face of increasing populism and closing civic space, Brussels 15 April 2019
- RO 2019 Civil Society Forum under Romanian Presidency of the Council, Bucharest 4 June 2019

the related expenditures can be, by a way of exception, incurred before the start date of the programme operational period as defined in PIA Art 1.13.

With reference to Article 4.2.2 of the Programme Implementation Agreement, costs related to construction, reconstruction, renovation, or refurbishment of real estate shall not exceed 50% of the eligible direct cost of the project.

In accordance with Article 4.3.2 of the Programme Implementation Agreement, in case of project promoters or project partners that are international organisations, or bodies or agencies thereof, indirect costs may be identified in accordance with the relevant rules established by the respective organisation.

By way of exception, the reference to project partners whose primary location is in one of the Donor States in Article 9.2.2 is replaced by project partners whose primary location is outside the Beneficiary State.

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 use of the Bilateral Fund shall be described in the Bilateral Cooperation Plan, of which the final version will be submitted to the Financial Mechanism Office (FMO) at the latest 12 months after the date of Programme Implementation Agreement signature.

The FO shall work in close cooperation with the Norwegian Helsinki Committee and the Icelandic Centre for Human Rights.

The grant amount for bilateral initiatives shall be up to 100% of the eligible expenditure.

As a derogation from the limit set in the letter from the FMO of 31 October 2022 regarding reallocations between outcomes, the maximum total amount that may be allocated to the Fund for Bilateral Relations is € 910,000.

3.2 *Regional civil society initiatives*

Regional Civil Society Initiatives shall take place within the framework of the Regional Civil Society Initiatives Plan, of which the final version will be submitted to the FMO at the latest 12 months after the date of Programme Implementation Agreement signature.

The funds set aside for Regional Civil Society Initiatives shall also facilitate the participation of relevant stakeholders in events/seminars/activities agreed with the Donors.

The FO shall ensure the visibility of the ACF in the Regional Civil Society Initiatives.

The grant amount for Regional Civil Society Initiatives shall be up to 100% of the eligible expenditure.

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):

The FO shall launch 11 open calls launched in two main rounds, including three separate calls for small grants (two of which include rapid response components), which will be ongoing with assessment maximum twice per year; three calls for medium projects, five calls for large projects; three calls for bilateral initiatives, one of which will be ongoing; and two PDPs, one of which will be agreed on following Programme Implementation Agreement signature.

The table below provides further information on the total planned available amounts per call, the planned duration, planned project grant amounts and estimated timing of calls, and the Outcome to which the calls are linked.

By way of derrogation from Article 6.2.1(c) of the main text of this agreement, the deadline for submitting applications under the rapid response calls for projects dedicated to addressing the needs of Ukrainian refugees shall be 45 days.

Call / SGS number	Outcome(s)	Total amount reserved for the Call (€) including co-financing	Maximum grant rate (%)	Maximum grant amount per project	Minimum grant amount per project	Max and Min duration of project (where relevant)	Eligible applicants	Eligible partners	Estimated date (MM/YYYY)
Call#1	*Outcome 1 (small grants)*	*€1 400 000*	*100%*	*€50 000*	*€5 000*	*minimum 3 months, maximum 18 months*	*NGOs, as defined in the section Eligible applicants**	*As defined in the section Eligible Partners*	*quarter 2, 2019*
	Outcome 1 (rapid response)	*€100 000*	*100%*	*€15 000*	*€5 000*	*minimum 3 months maximum 12 month*			
	Outcome 1 (rapid response for Ukrainian crisis)	*€110 000 plus any amounts unspent further to the general rapid response call under this outcome*	*100%*	*€50 000*	*€5 000*		*For the rapid response for Ukrainian crisis the Call is restricted to ACF project promoters and partners from Romania*	*As defined in the section Eligible Partners*	*quarter 3, 2022*
Call#2	*Outcome 1*	*€1 873 322.16*	*100%*	*€100 000 (round 1) € 75 000 (round 2)*	*€50 001*	*minimum 6 months, maximum 2 years*	*NGOs, as defined in the section Eligible applicants*	*As defined in the section Eligible Partners*	*Round 1: quarter 3, 2019 (60% of the allocated amount) Round 2: Quarter 1, 2021*
Call#3	*Outcome 1*	*€10 449 677.84*	*100%*	*€250 000 (round 1) € 150,000 (round 2)*	*€50 001*	*minimum 6 months, maximum 3 years (Round 2: maximum 24 months)*	*NGOs, as defined in the section Eligible applicants*	*As defined in the section Eligible Partners*	*Round 1: quarter 3, 2019 (70% of the allocated amount) Round 2: Quarter 1 2021*
Call#4	*Outcome 2 (small grants)*	*€800 000*	*100%*	*€50 000*	*€5 000*	*minimum 3 months, maximum 18 months*	*NGOs, as defined in the section Eligible applicants**	*As defined in the section Eligible Partners*	*quarter 2, 2019*
	Outcome 2 (rapid response)	*€200 000*	*100%*	*€15 000*	*€5 000*	*minimum 3 months*			

						maximum 12 month			
	Outcome 2 (rapid response for Ukrainian crisis)	*€650 000 plus any amounts unspent further to the general rapid response call under this outcome*	*100%*	*€250 000*	*€50 000*		*For the rapid response for Ukrainian crisis the Call is restricted to ACF project promoters and partners from Romania*	*As defined in the section Eligible Partners*	*quarter 3, 2022*
Call#5	*Outcome 2*	*€6 666 307*	*100%*	*€250 000 (round 1) € 150,000 (round 2)*	*€50 001*	*minimum 6 months, maximum 3 years (Round 2: maximum 24 months)*	*NGOs, as defined in the section Eligible applicants*	*As defined in the section Eligible Partners*	*Round 1: quarter 3, 2019 (70% of the allocated amount) Round 2: Quarter 1 2021*
Call#6	*Outcome 3 (small grants)*	*€1 250 000*	*100%*	*€50 000*	*€5 000*	*minimum 3 months, maximum 18 months*	*NGOs, as defined in the section Eligible applicants**	*As defined in the section Eligible Partners*	*quarter 2, 2019 *in case of Rapid response grants: quarter 2, 2020*
	Outcome 3 (rapid response)	*€250 000*	*100%*	*€15 000*	*€5 000*	*mnimum 3 months maximum 12 month*			
	Outcome 3 (rapid response)	*€1 058 000 plus any amounts unspent further to the rapid response call under this outcome*	*100%*	*€250 000*	*€5 000*		*For the rapid response for Ukrainian crisis the Call is restricted to ACF project promoters and partners from Romania*	*As defined in the section Eligible Partners*	*quarter 3, 2022*
Call#7	*Outcome 3*	*€8 000 000*	*100%*	*€250 000 (round 1) € 150,000 (round 2)*	*€50 001*	*minimum 6 months, maximum 3 years (Round 2: maximum 24 months)*	*NGOs, as defined in the section Eligible applicants*	*As defined in the section Eligible Partners*	*Round 1: quarter 3, 2019 (70% of the allocated amount) Round 2: Quarter 1, 2021*

Call#8	*Outcome 3*	*€4 500 000*	*100%*	*€250 000 (round 1) €150 000 (round 2)*	*€50 001*	*minimum 6 months, maximum 3 years (Round 2: maximum 24 months)*	*NGOs, as defined in the section Eligible applicants*	*As defined in the section Eligible Partners*	*Round 1: quarter 3, 2019 (70% of the allocated amount) Round 2: Quarter 1, 2021*
Call#9	*Outcome 4*	*€1 500 000*	*100%*	*€100 000*	*€15 000*	*minimum 6 months, maximum 2 years*	*NGOs, as defined in the section Eligible applicants*	*As defined in the section Eligible Partners*	*quarter 3, 2020*
Call#10	*Outcome 4*	*€ 780 000*	*100%*	*€75 000*	*€5 000*	*minimum 3 months, maximum 18 months*	*NGOs, as defined in the section Eligible applicants Call restricted to ACF project promoters and partners from Romania*	*As defined in the section Eligible Partners*	*quarter 3, 2022*
Call#11	*Outcome 4*	*€2 583 693*	*100%*	*€250 000*	*€100 000*	*minimum 18 months, maximum 3 years*	*NGOs, as defined in the section Eligible applicants*	*As defined in the section Eligible Partners*	*quarter 2, 2021*
Call #1Seed money facility	*Bilateral Fund*	*€37 608.92*	*100%*	*€3 000*	*€1 000*	*minimum 0.5 months, maximum 1.5 months*	*NGOs, as defined in the section Eligible applicants*	*As defined in the section Eligible Partners*	*quarter 2, 2019*
Call Seed money facility #2	*Bilateral Fund*	*€3 000*	*100%*	*€3 000*	*€1 000*	*minimum 0.5 months, maximum 1.5 months*	*NGOs, as defined in the section Eligible applicants*	*As defined in the section Eligible Partners*	*quarter 2, 2020*
Call Doing things together #3	*Bilateral Fund*	*€304 391.08*	*100%*	*€30 000*	*€5 000*	*minimum 1 month, maximum 6 months*	*NGOs, as defined in the section Eligible applicants. Call restricted to ACF project promoters and partners from Romania or DS*	*As defined in the section Eligible Partners*	*quarter 3, 2022, ongoing basis*

- The ongoing calls #1, #4 and #6 are restricted to small NGOs that had an average budget of maximum 240 000 lei (approx. €51 000) for the last three years prior to submitting an application under either of these calls. In case of actions proposed as "rapid response" under these above-mentioned calls, there will be no restriction related to the size of the applicants.

4.2 Selection procedures:

The selection procedures shall be carried out in accordance with Article 6.4 of the Programme Implementation Agreement.

The FO shall establish one Selection Committee for the selection of small grant and rapid response, and for the selection of medium, large and institutional grants.

The Selection Committee shall consist of five members with the relevant expertise and experience. At least one of the members shall be external to the FO and its Partners.

he respective Selection Committee shall prepare a recommendation to the Executive Board of the programme, which shall make the final decision on which applications shall be funded.

The FO shall establish a separate Commission for the selection under the Bilateral Fund. The Commission shall consist of five representatives from the FO Consortium, with the relevant expertise and experience.

Frivillighet Norge will not be a member of any of the Selection Committees or the Commission.

For applications received under the Bilateral Fund, each application will be evaluated by two impartial experts, appointed by the FO. In case the difference between the two evaluators is more than 30%, a third expert will evaluate the application and the final score will be the average of the two closest scores.

On the basis of the evaluators' scoring, the Commission shall prepare a recommendation to the Executive Board of the programme, which shall make the final decision on which applications shall be funded.

Any application that receives an average score less than 65 points pursuant to the procedure described in paragraphs 3 and 4 of Article 6.4 of the PIA shall automatically be rejected.

4.3 Project grant rate:

With reference to Article 4.5 of the PIA the project grant rate may be up to 100 % of the eligible expenditure of the projects.

Where co-financing is provided, in-kind contribution in the form of voluntary work may constitute up to 100% of the co-financing.

The above rates may apply as of 29 May 2020 also to contracted projects.

In accordance with Article 4.5.3 of the Programme Implementation Agreement, for the calculation of in-kind contribution in the form of voluntary work, the price shall be set in the range of the minimum gross hourly wage in Romania and the average gross hourly wage in Romania, including the employer's social contribution, depending on the character of the delivered work. For project partners, whose primary location is in one of the Donor States or other Beneficiary States, the range in the respective country shall be applied.

4.4 Pre-defined projects:

The programme includes two pre-defined projects, whose specifications are defined below.

1) "Developing Youth NGO Leadership"

Project Promoter:	Civil Society Development Foundation
Donor project partner(s):	Frivillighet Norge (FN)

Other project partner(s):	Resource Center for Roma Communities
Total maximum eligible costs:	€ 565,000
Project grant rate:	100.00 %
Maximum project grant amount:	€ 565,000
Estimated duration:	52 months

Outcome 1: Strengthening democratic culture and civic awareness

Output 1.3: Youth engagement in civic and human right activities supported

Activities: The Project Promoter shall implement the following activities as part of PDP1: Preparation, including the set-up of a curriculum for the learning programme, the development of online modules and the selection of participants (four cohorts of 25 participants aged 20-30; geographic distribution to be taken into account);One-year learning programmes per cohort consisting of online and off-line classes and assignments, including pre-assessment of participants, a summer camp, two semesters of learning per cohort, set-ups of local networks and mentoring programmes, study trips to Norway, and feedback to participants by instructors and peers post completion; Follow-up and evaluation, including the set-up of an Alumni network by each participant with at least 50 members, a final presentation by all participants to a wider set of stakeholders, and a final project evaluation.

Bilateral ambitions: Study trips to visit Norwegian organizations working on youth and youth participation for each participant after completing the one-year learning programme.

2) "Building Capacity for collective impact and knowledge on CSOs ecosystem"

Project Promoter:	Civil Society Development Foundation
Total maximum eligible costs:	€ 300,000
Project grant rate:	100.00 %
Maximum project grant amount:	€ 300,000
Estimated duration:	17 months

Outcome 4 - Enhanced capacity and sustainability of civil society (organisations and the sector)

Output 4.1 - Capacity Building provided to CSOs

The PDPII will follow two core complementary objectives: 1) to improve the evidence-based knowledge on the CSO ecosystem in Romania with respect to its size, evolution, values and impact generated at societal level and 2) to build awareness, expertise, and practical skills for CSOs on how to measure the impact of their activity by way of a training programme. The project activities include research on the NGO sector in Romania and the setup of a training programme. The training programme will benefit 80 CSOs across Romania while the results of the project will indirectly benefit several other CSOs in Romania and national and public authorities. In addition to that, the project will have a direct benefit to the sectoral infrastructure, the accountability of CSOs and the recognition of the role of CSOs in Romanian society. The PDPII will be monitored throughout its implementation and the evaluation of the project will be based on monitoring reports and feedback from CSOs involved in the programme.

5. Programme Management

5.1 Programme administrative structures

The implementation of the ACF in Romania shall be supervised by an Executive Board with the following members:

Name	Function	Represented organisation
Ionut Sibian	Executive Director	CSDF
Laszlo Potozky	Executive Director	REPF
Florin Moisa	President	RCRC
Mihaela Mohorea	PACT Board Member	PACT
Stian Slotterøy Johnsen	General Secretary	FN
Simona Gherghina	CSDF Board Member	CSDF

The Executive Board shall oversee the programme's strategy and will be responsible for making the final decision on which applications to be funded.

As lead partner, CSDF shall be responsible for the overall operational management of the programme, including execution of payments. CSDF shall be responsible for the establishment of the management and control systems of the FO and the communication with and reporting to the FMO and the National Focal Point. CSDF shall set up and maintain the electronic system and the designated website of the programme. CSDF shall coordinate the Regional Civil Society Initiatives and Bilateral Fund activities. CSDF is the project promoter of PDP1.

REPF shall be responsible for call #9 under Outcome 4 and will co-manage call #1 and #3 under outcome 1, together with CSDF.

RCRC shall be responsible for call #8 under Outcome 3 and will co-manage the calls #4 and #5 under Outcome 2 together with CSDF. RCRC is a project partner in PDP1.

PACT will co-manage call #2 under Outcome 1 and calls #6 and #7 under Outcome 3, together with CSDF.

FN will co-manage the Bilateral Fund activities, together with CSDF. On the basis of the final decision on project selection by the Executive Board, the Romanian Consortium members: CSDF, REPF, RCRC and PACT have the possibility to sign grant contracts with the project promoters selected. The Executive Board will designate the responsible partner in their final decision to award grants.

All consortium members have a responsibility to provide capacity building activities as identified in the Implementation Plan and section 7 of this Annex.

The FO shall ensure compliance with the principle of separation of functions between and within each entity by developing and implementing management and control systems and effectively following their procedures and protocols. The FO's organisational structure shall ensure independence and functional separation of the persons responsible for verification of incurred expenditure and approval of payments from other persons responsible for the implementation of the programme. The management and control system established shall ensure that the financial officers and the financial coordinator are external to the process of project selection.

For the implementation of PDPs implemented by the consortium members, functional separation of tasks and responsibilities among the team members of each of the consortium partners shall be ensured. The financial coordinator and the financial officers responsible for the verification of incurred expenditure for these PDPs shall not be part of the team implementing the PDPs.

5.2 Verification of projects

Project promoters shall be required to submit interim and final project reports on project progress and incurred expenditure.

The detailed procedure for administrative and on-the-spot verifications of projects shall be further detailed in the description of the FO's management and control systems.

5.3 Payments to projects:

The FO 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 grants 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 duration as follows:

Project implementation duration	Advance payment	Interim payments	Final payment
< 6 Months	80%	-	20%
From 6 to 12 Months	40%	50%	10%
> 12 Months	30%	60%	10%

- Advance payments are to be paid up to 10 working days after the date of the grant contract signature, unless a later date has been set in the project contract.
- Interim payments are to be paid up to 10 working days after date of acceptance of the progress reports and payment claims. Starting June 2022, interim payments can be made up to 30 working days after the date of receipt of the progress reports and payment claims.
- Final/balancing payments are to be paid up to 10 working days after the date of acceptance of the final report and the final payment claim, if applicable.

In cases where projects have been assessed as posing a high risk for the programme[1], the FO may make a justified decision to change the payments scheme (reducing pre-financing or exceptionally, make interim payments only after the verification and approval of the interim progress reports, applying a scheme without pre-financing under which the FO reimburses project promoters only the amount of grant expenses verified by the FO).

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

---

[1] This shall be based on a risk assessment prepared and documented by the FO, taking into account, inter alia, the project promoter's previous experience and/or its administrative and financial capacity.

5.4 Monitoring and reporting requirements for projects:

The FO shall describe the methodology and frequency of the monitoring activities in the FO's management and control systems, which shall be submitted to the FMO within three months from the last signature date of the Programme Implementation Agreement (in line with Programme Implementation Agreement article 2.1.1 b).

A Monitoring and Evaluation Plan based on the Manual for the Fund Operators of the Active Citizens Fund shall be submitted to the FMO as part of the Annual Programme Report.

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

When reporting on progress achieved in Annual and Final Programme Reports, the FO shall assess progress towards targets and report on results achieved as appropriate and in accordance with the results framework and any instructions received from the FMO.

6. Communication

Communication activities shall take place within the framework of the Communication Plan submitted by the FO. Information and communication activities shall be implemented in accordance with the Manual for the Fund Operators of the Active Citizens Fund. All measures carried out shall be in line with the Communication and Design Manual.

7. Support for organizations preparing and implementing projects

Additional capacity building activities in support to project applicants. *Special provision regarding possible deviation from the capacity building activity plan due to the Covid-19 crisis: In case that holding of live/face-to face group meetings/trainings is not possible due to official restrictions, the Fund Operator shall, to the extent possible, use web-based instruments and methods to implement capacity building activities.*

No	Short description of activity	
1.	Organising six dedicated **half-day *information sessions on the calls and application process* for under-served geographic areas and target groups** (at least two off-line sessions and one online session before each of the two rounds). The off-line information sessions will cover: a) **the application process** (eligibility of applicants/partners, electronic application, etc.); b) **basic training on project design** (with a focus on key aspects for a successful application, including lessons learned from the NGO Fund); c) **key aspects for a successful bilateral partnership** (including lessons learned from the NGO Fund). It is estimated that the total number of participants for these sessions will be minimum 160 of the approximately 200 promoters of small grants. The four off-line sessions will be organized in under-served geographic areas, respectively in the South part of Romania (e.g. Craiova, Constanta, Drobeta Turnu Severin cities) and North-East (e.g. Bacau, Iasi cities). The online sessions **will focus on aspects identified by participants in the off-line sessions where more support is needed and** clarifications (related to the application process or to the thematic areas).	
2.	*Organising up to **10 half-day information sessions*** **on the small grants calls for proposals (CfPs) 1, 4 and 6** (at least two off-line sessions before each of the three foreseen evaluation deadlines for small grants). The sessions will be dedicated to small NGOs and will cover: a) **the specific application process for small grants**; b) **basic training on project design** (with a specific focus on identification of the problem/needs, beneficiaries, intervention logic, budgeting, etc.); c) **key aspects for a successful bilateral partnership** (how to find a partner, possible mutual benefits, examples of collaboration from previous NGO Fund, etc.).	

	Four of these information sessions will be organized in under-served geographic areas, respectively in the South part of Romania (e.g. Craiova, Constanta, Drobeta Turnu Severin cities) and North-East (e.g. Bacau, Iasi cities), while the other sessions will be organized in cities with a high accessibility (such as Bucharest, Cluj cities). Based on the feed-back received during the off-line sessions, the FO will prepare **online information tools (such as Prezi, ppt., webinars) and upload these to the ACF Romania website**, to support a larger number of small NGOs in submitting project applications.	
3.	**10 half-day innovative ideas-building workshops** will be organized to a) clarify thematic areas concepts, b) stimulate new/innovative ideas and c) matchmaking between more experienced/large NGOs and small/less experienced NGOs, especially on the under-served areas that need more applications, such as advocacy, youth, environment, civic and human rights areas, empowerment of under-served vulnerable groups, actions targeting under-served rural/small urban areas. These workshops will complete the information sessions (half-day after each off-line info session), to increase the number and the quality of applications, as well as promote connections and partnership between NGOs.	
4.	Organize **direct support activities** (two days training, online and face to face meetings) **for an estimated number of 250 selected applicants within small grants CfPs 1, 4 and 6** to provide specific support in developing and finalizing their project proposals, considering that the selected applications are in a simplified form. **Two-day training (at least nine trainings)** will be organized either at the FO Consortium members' premises, or in regions closer to the applicants, if they can be grouped as such. The participation costs will be covered for the selected applicants. This support will provide for an increased capacity for the small NGOs by of familiarizing them with and help them apply the principles of the results based management (e.g. development of adapted communication strategies, set-up of project monitoring systems, set-up of verification sources for selected indicators, establish how the records are kept, identification of risks and how they are managed, monitoring the achievement of the results and indicators and making necessary adjustments of the strategy, etc.).	

Additional capacity building activities in support to project promoters		
No	**Short description of activity**	
1.	***Provide continuous support, coaching and mentoring during the life-time of the project to project promoters of the small grants (CfPs 1, 4 and 6).*** The FO will make available a pool of experts (internal to FO) to provide assistance to approximate 250 projects on implementation issues (by phone / skype / e-mail / meetings) throughout the project life-cycle (including in pre-contracting phase). The support will also include **coaching and mentoring on site, on a demand basis** (including travel to project locations to improve project implementation). Within this activity the FO will assign a dedicated Grant officer to act as Small Grants coordinator, to ensure permanent support, ownership and know-how incorporation. Besides this, a team of six internal experts (from all the Consortium members to ensure the flexibility and coverage of thematic issues) will offer dedicated support on the thematic areas addressed by the Programme as well as on different areas linked to project execution (approx. 20% of the time). In case very specific expertise is needed (such as legal, procurement), the FO will outsource experts. This, however, represents a very small part of the activity and does not lead to outsourcing the activity.	

2.	Provide support to project promoters of the small grants in using the *self-assessment tool* to evaluate their capacity, measure the progress on capacity building areas during project implementation. Based on the capacity building needs of the project promoters of small grants the FO will **tailor capacity building activities to meet the identified needs**. In this respect, the small grants PPs will participate to at least one-day training on a capacity building issue (how to measure and communicate project impact effectively, transparency, Board development, etc).	

8. Miscellaneous

Notwithstanding Article 15.4 of the Programme Implementation Agreement, requests for modifications that do not affect the objective, outcomes, outputs, indicators or targets of the Programme may be approved without a formalised amendment to this Agreement.