

**IMPLEMENTATION GUIDE FOR
PROJECT PROMOTERS AND
PARTNERS WITHIN
COLLABORATIVE RESEARCH
PROJECTS**

PA 02 RESEARCH Programme
European Economic Area and
Norway Grants (2014-2021)

Disclaimer:

This Manual is a technical document dedicated to Project Promoters and their Partners, and it is aimed at providing support in the implementation of projects funded through the EEA Financial Mechanism 2014-2021 and the Norwegian Financial Mechanism 2014-2021. This document is informative only and does not derogate from the provisions of the *Grant Agreement, Regulation on the implementation of the European Economic Area (EEA) or of the Norwegian Financial Mechanism 2014-2021 (with the relevant Annexes)*, of the *Guidelines for Research Programmes - Rules for the establishment and implementation of programmes falling under the Programme Area "Research"*, as well as of the *National or Donor State's laws*.

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Preamble

The Executive Agency for Higher Education, Research, Development and Innovation Funding (UEFISCDI) as Programme Operator for the PA 02 Research Programme supports the Project Promoters and their Partners by integrating the necessary information for an efficient, correct and legal implementation of the projects funded by the Guide for Project Promoters and Partners.

The Guide represents a technical information support for Project Promoters and their Partners and represents a base for the implementation of the funded projects through the European Economic Area (EEA) and of the Norwegian Financial Mechanisms 2014-2021.

This document is informative only and does not derogate from the provisions of the Grant Agreement, Regulations on the Implementation of the European Economic Area (EEA) Financial Mechanism 2014-2021 and the Norwegian Financial Mechanism 2014-2021. (with the relevant annexes), of the Guidelines for Research Programmes – Rules for the implementation of Programmes falling under the area Research, as well as of the National or Donor State's laws.

IMPORTANT! The Guide is informative only and does not derogate from the provisions of the Grant Agreement or of the National or Donor State's laws.

In case there are discrepancies between the present Guide and the Regulations on the Implementation of the European Economic Area (EEA) Financial Mechanism 2014-2021 and the Norwegian Financial Mechanism 2014-2021 (with the relevant annexes), the Guidelines for Research Programmes – Rules for the implementation of Programmes falling under the area Research, as well as of the National or Donor State's laws or the Grant Agreement, the provisions of the latter are prevailing.

The Project Promoter has the mission and the responsibility to implement the approved project and the partners are responsible for the development of their own assumed activities in order to obtain the expected results.

1. Introduction

1.1. Glossary

Project proposal. Funding application submitted by the Project Promoter under the calls for proposals funded through the European Economic Area (EEA) Financial Mechanism 2014-2021 and/or the Norwegian Financial Mechanism 2014-2021.

Programme Operator. Entity appointed under the Memoranda of Understanding signed by and between the Government of Romania and the Donor States (Iceland, The Principality of Liechtenstein, The Kingdom of Norway), for the management of the Research Programme PA 02.

Project Promoter. Research organization, as the same is defined under the EU laws on state aids for research, development and innovation (2014/C 198/01), responsible for the initiation, preparation and implementation of a project.

National Focal Point (NFP) – National public entity, appointed by Romania, generally responsible for the achievement of the objectives under the EEA FM 2014-2021 and the Norwegian Financial Mechanism 2014-2021, as well as for the implementation of the provisions under the Memorandum of Understanding regarding the implementation of the EEA Financial Mechanism 2014-2021 and the Memorandum of Understanding regarding the implementation of the Norwegian FM 2014-2021.

Donor States (DS) – The EFTA States, respectively Norway, Iceland and Liechtenstein, granting non-reimbursable assistance to Romania, through the EEA Financial Mechanisms and Norway granting non-reimbursable assistance to Romania through the Norwegian Financial Mechanism.

Eligible expenses. Expenses incurred by a Project Promoter and its Partners, corresponding to the projects funded through the European Economic Area (EEA) Financial Mechanism 2014-2021 and/or the Norwegian Financial Mechanism 2014-2021. The expenses may be funded both from the EEA or Norwegian grant, the national public co-funding corresponding to the grant, and the own contribution of the Project Promoter/partner.

Non-eligible expenses. Any and all amounts paid from the EEA or Norwegian grant, the national public co-funding corresponding to the grant, and the own contribution of the Project Promoter/partner in infringement of the provisions in the *Regulation on the implementation of the European Economic Area FM (EEA) or the Norwegian FM 2014-2021 (with the relevant Annexes)*, of the *Guidelines for Research Programmes - Rules for the establishment and implementation of programmes falling under the Programme Area "Research"*, of the national or Donor States' legal provisions and of the provisions under the Grant Agreement, regardless of the nature or destination thereof.

National public co-funding. The contribution from national public funds, meant to finance the eligible expenses required for the implementation of the project.

Overall project amount. The total amount of the funds representing the counter value of the grant awarded through the EEA Financial Mechanism 2014-2021 or the Norwegian Financial Mechanism 2014-

2021 (85% of the funding – grant), of the national public co-funding (15% of the funding) and the amount of Project Promoter's/partner's contribution.

Complaints. Complaint against the administrative acts issued (including debt recovery notes) by the Programme Operator, requesting the cancellation (i.e. in full or in part) of the same and, as applicable, the issue of a new administrative act.

Debtor. Legal entity (Promoter) held liable for a debt to the state budget, on the basis of a debt recovery note.

Fraud. The offense perpetrated with regards to the obtaining or use of the grant awarded through the EEA Financial Mechanism 2014-2021 or the Norwegian Financial Mechanism 2014-2021 (85% of the funding – grant), of the national public co-funding (15% of the funding), punished under the Criminal Code or other special laws.

Irregularity. Any and all deviations from lawfulness, regularity and compliance according to the provisions in the Grant Agreement, the Regulation on the implementation of the European Economic Area (EEA) FM 2014-2021, Norwegian FM 2014-2021 (with the related Annexes), of the Guidelines for Research Programmes, as well as of the national or Donor States' laws that prejudice the budget of the EEA FM 2014-2021, Norwegian FM 2014-2021 and/or the national public fund budget corresponding to the same.

Systemic irregularity. Any and all irregularities that might be recurrent, with a high probability of occurrence in similar types of operations, deriving from a significant deficiency in the proper operation of the management and control systems, including the failure to implement suitable procedures according to the Regulation on the implementation of the European Economic Area (EEA) Financial Mechanism or of the Norwegian Financial Mechanism 2014-2021.

Audit lead. Setting the information flow, the duties and responsibilities related to the same, as well as the archiving of the full documentation in proof, for all the stages of a project, which also allows for the reconstitution of the operations from the total amount down to individual details and vice-versa.

Advance payment. Part of the project budget (public funding), calculated so as to cover the expenses incurred during the first implementation year.

Pre-financing model. Project funding mechanism materialized through the transfer by the Programme Operator of both the grant and the national public co-funding, into the Project Promoters' accounts on the basis of the latter's forecasts, throughout the project implementation term, before the expenses are incurred.

Pre-financing (Interim payment). Part of the project amount transferred by the Programme Operator into the Project Promoters' accounts before the expenses are actually incurred, calculated according to the yearly budgets and cash balances at year end.

Reimbursement model. Project funding mechanism materialized through the transfer by the

Programme Operator of the grant and of the national public co-funding, into the accounts of the Project Promoters, private organizations or with private organization partners, after the expenses are incurred and subject to the approval of such expenses by the Programme Operator.

Final payment. Share of the grant and public co-funding amount corresponding to the last year of implementation, transferred by the Programme Operator into the private entity Project Promoter's accounts, using the reimbursement model.

Yearly report. Reporting document concerning the yearly project activity, requested under the Regulation on the implementation of the European Economic Area (EEA) FM and of the Norwegian FM 2014-2021 as well as under the Guidelines for Research Programmes.

Final report. Reporting document concerning the activity throughout the project implementation term, requested under the Regulation on the implementation of the European Economic Area (EEA) Financial Mechanism, as well as under the Guidelines for Research Programmes - Rules for the establishment and implementation of programmes falling under the Programme Area "Research".

www.uefiscdi-direct.ro. IT application for the submission, evaluation, contracting and reporting of projects funded under the European Economic Area (EEA) Financial Mechanism and of the Norwegian Financial Mechanism 2014-2021, made available to the Project Promoters by the Programme Operator.

1.2. Abbreviations

AA	Audit Authority
CPA	Certifying and Payment Authority
ANAP	National Authority for Public Procurement
PC	Programme Committee
EEA	European Economic Area
EFTA	European Free Trade Association
GD	Government Decision
MRI	Ministry of Research and Innovation
MNE	Ministry of National Education
MEF	Ministry of European Funds
MPF	Ministry of Public Finance
MoU	Memorandum of Understanding
NO	Norway
FMO	Financial Mechanism Office
NGO	Non-governmental organization
PO	Programme Operator
GEO	Government Emergency Ordinance
NFP	National Focal Point
PP	Project Promoter
YR	Yearly Report
FR	Final Report
UEFISCDI	Executive Unit for Financing Higher Education, Research, Development and Innovation
DS	Donor State

1.3. European Economic Area (EEA) Financial Mechanism 2014-2021/Norwegian Financial Mechanism 2014-2021

1.3.1 Objectives

According to the Memoranda of Understanding for the European Economic Area (EEA) Financial Mechanism 2014-2021 and the Norwegian Financial Mechanism 2014-2021, one of the Programme areas addresses **scientific research**. The objective of the two financial mechanisms is **to contribute to the reduction of economic and social disparities in the European Economic Area and to strengthen bilateral relations between the Donor States (Norway, Island and Liechtenstein) and Romania through the intensification of cooperation in the identified priority sectors.**

The general objective of Programme PA 02 Research is to "**develop research-based knowledge**." The Donor State partners for this programme are: RCN - The Research Council of Norway and RANNIS - Icelandic Research Centre.

The Research Programme has two main targets:

- ➔ to enhance Romanian research performance at an international level, through the launching of two calls for collaborative research projects and SGS (ERC) (Small Grant Scheme);
- ➔ to enhance the collaboration between the Romanian and Donor State entities involved in the Programme, through the launch of Mobility Grant calls for proposals and the organization of workshops on common interest themes, meant to facilitate experience and good practice exchanges.

1.3.2 Programme Indicators associated to the Collaborative Research Projects

<i>Objectives</i>		<i>Development of research-based knowledge</i>			
<i>PA</i>		<i>Expected Programme Results</i>	<i>Indicator</i>	<i>Unit of measurement</i>	<i>Target values</i>
PA0 2	Result 1	Enhanced performance of Romanian research internationally	Number of articles submitted to peer-reviewed publications ¹	Number	60
			Number of joint articles submitted to peer-reviewed publications ²	Number	30
			Number of jointly registered applications for Intellectual Property Protection ²	Number	5
			Number of joint applications for future funding ²	Number	5

¹ Exclusive of joint articles

² Bilateral indicator

			Number of jobs created	Number	40
PA0 2	Output 1.1	Production of new research facilitated	Number of research groups in the Donor States involved in the projects ²	Number	30
			Number of researchers supported	Number	220
			Number of (pro) Roma organizations involved in the projects	Number	4

ATTENTION! All the projects funded under Programme PA02 - Research must contribute to the achievement of the Programme indicators.

1.3.3 Budget of Programme PA02- Research

Overall Programme Budget (€)	47,058,824.00
National public co-funding rate	15.00%
State budget contribution (€)	7,058,824.00
EEA and Norwegian grant rate	85.00%
Total EEA/NO non-reimbursable grant (€)	40,000,000.00
EEA Mechanism share (€)	15,000,000.00
Norwegian Mechanism share (€)	25,000,000.00

Additional information on the EEA and Norwegian Financial Mechanisms 2014-2021 is available at:

<https://eeagrants.org/>

<http://www.eeagrants.ro/en>

<https://uefiscdi.ro/eea-norway-grants>

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1.4. Reference documents

- Memorandum of Understanding on the Implementation of the EEA Financial Mechanism 2014-2021, by and between the European Union and the Donor States (The Kingdom of Norway, Iceland and The Principality of Liechtenstein);
- Memorandum of Understanding on the Norwegian Financial Mechanism 2014-2021, by and between the European Union and the Kingdom of Norway;
- Protocol 38c to the Agreement on the European Economic Area Financial Mechanism 2014-2021;
- Memorandum of Understanding between the Governments of Iceland, The Principality of Liechtenstein, The Kingdom of Norway and the Government of Romania on the implementation of the EEA Financial Mechanism 2014-2021;
- Memorandum of Understanding by and between the Government of the Kingdom of Norway and the Government of Romania on the implementation of the EEA Financial Mechanism 2014-2021;
- Regulation on the implementation of the European Economic Area (EEA) Financial Mechanism 2014-2021 with the relevant Annexes;
- Regulation on the implementation of the Norwegian Financial Mechanism 2014-2021 with the relevant Annexes;
- Programme Agreement by and between the Financial Mechanism Committee (FMC) and the Ministry of European Funds as National Focal Point (NFP), laying down the terms and conditions for the implementation of the programme, as well as the roles and responsibilities of the parties;
- Guideline for Research Programmes - Rules for the establishment and implementation of programmes falling under the Programme Area "Research" adopted by the Donor States in consultation with the Beneficiary State;
- Agreement on the Implementation of the Research Programme signed by and between the Executive Unit for Financing Higher Education, Research, Development and Innovation, as Programme Operator and the Ministry of European Funds, as National Focal Point;
- The guidelines and instructions adopted by the Donor States in consultation with the Beneficiary State.

National law

- Government Emergency Ordinance no. 34/2017 on the financial management of foreign non-reimbursable funds falling under the European Economic Area Financial Mechanism 2014-2021 and the Norwegian Financial Mechanism 2014-2021 approved as amended by law no. 206/2017;
- Order no. 2840 from 31st of October 2017 on the approval of the Enforcement Rules of the Government Emergency Ordinance no. 34/2017 on the financial management of foreign non-reimbursable funds falling under the European Economic Area Financial Mechanism 2014-2021 and the Norwegian Financial Mechanism 2014-2021 ;

- ☑ Government Emergency Ordinance no. 66/2011 on the prevention, identification and sanctioning of irregularities in the collection of use of European and/or public national funds, approved and amended by Law no. 142/2012, as further amended;
- ☑ GD no. 519/2014 on establishing the rates of the percentage deductions/financial corrections for the infringements stipulated in GEO 66/2011;
- ☑ Law no. 98/2016 on public procurements, as amended and supplemented;
- ☑ GD no. 395/2016 on the approval of the Implementing regulation of the provisions regarding the award of the sectoral agreement/framework agreement of Law no. 98/2016 on public procurements;
- ☑ Order of the Minister of Finance and Economy no. 1284/2016 on the approval of the Competitive Tender Procedure applicable to private applicants/beneficiaries for the award of EU-funded supply, services or works agreements;
- ☑ Joint Order no. 6712/890/ of 7 November 2017 on the approval of the procurement method under partnership-implemented EU-funded projects;
- ☑ GD 583/2015 on the approval of the National Plan for Research, Development and Innovation 2015-2020 (NPRDI III), as amended and supplemented;
- ☑ Law no. 500/2002 on public funding, as amended and supplemented;
- ☑ Government Ordinance no. 57/2002 on scientific research and technological development, approved by Law no. 324/2003, as amended and supplemented.
- ☑ UEFISCDI Decision no. 117/30.03.2018 on the State Aid Scheme for the funding of CD projects under the Research Programme (RO 02) funded through the EEA Financial Mechanism and the Norwegian Financial Mechanism 2014-2021;
- ☑ Law no. 182/2002 on the protection of classified information, National Standards on the protection of classified information in Romania adopted by Government Decision no. 585/2002;
- ☑ Implementation regulation regarding the protection of classified information in the field of scientific information and technological development adopted by the Order of the Minister of Education and Research no. 7079/2003;
- ☑ Law no. 206/2004 on good conduct in scientific research, technological development and innovation, as further amended and supplemented, as well as other applicable regulations;
- ☑ Government Emergency Ordinance no. 119/2010 on the control regime of dual use products and Government Emergency Ordinance no. 158/1999 on the control regime of exports, imports and other military product operations, approved by Law no. 595/2004, as further amended and supplemented.
- ☑ Law no 227/2015 regarding the Tax Code, amended;
- ☑ Law no 82/1991, Accounting law, amended.

1.5 Obligations of the Project Promoter and its partners

As part of the project implementation according to the Grant Agreement, the Project Promoter and its partners have obligations and responsibilities, including, without limitation:

Compliance with the law

To fully comply with the provisions in the applicable legal framework.

Management

To ensure the management and implementation of the project according to the provisions in the signed contract (including the annexes);

To submit, upon the Programme Operator's request, supporting data regarding the reported expenses and additional documents (if any) concerning the project implementation representing the subject hereof;

To provide to the Programme Operator information on the project implementation status, the expenses incurred from the funding granted and the project results during the implementation thereof and over a period of 5 years as of the last payment made by the Programme Operator.

Financial management (part 1)

- To comply with the provisions under the national laws in force on the financial management of non-reimbursable foreign funds falling under the framework of the European Economic Area Financial Mechanism 2014-2021 and of the Norwegian Financial Mechanism 2014-2021;
- To comply with the Regulation on the implementation of the European Economic Area (EEA) Financial Mechanism 2014-2021 and of the Norwegian Financial Mechanism 2014-2021 (with the related Annexes) and the Guidelines for Research Programmes - Rules for the establishment and implementation of programmes falling under the Programme Area "Research";
- To comply with all the requirements under the State Aid Scheme for the funding of project-specific activities, eligible costs and shares per activities;
- To use the amounts stipulated herein exclusively for the purpose of implementing the project accepted for funding, according to the best economic practices;

Financial management (part 2)

To make sure that the project-related expenses are eligible according to the documentations corresponding to the call for proposals, the Regulation on the implementation of the European Economic Area (EEA) and Norwegian Financial Mechanisms 2014-2021 (with the related Annexes) and the Guidelines for Research Programmes - Rules for the establishment and implementation of programmes falling under the Programme Area "Research";

To make sure that the eligible expenses are properly justified with supporting documents according to the national laws in force, as well as according to the Regulation on the implementation of the European Economic Area (EEA) and Norwegian Financial Mechanisms 2014-2021 and to the Guideline for Research Programmes - Rules for the establishment and implementation of programmes falling under the Programme Area "Research";

To keep distinct accounts for the funded projects, according to the generally accepted accounting rules.

Public procurement

The Project Promoter/partners are bound to comply with the provisions in the national laws in force in the field of public procurement.

Reporting/Monitoring

To draft the Yearly and Final Reports according to the Programme Operator's requirements and to submit them for review on the dates stipulated in the Grant Agreement;

To facilitate monitoring and/or on-site inspection visits;

To make available to the Programme Operator's teams, responsible for the monitoring and/or on-site inspection visits, all the documents and information corresponding to the implementation of the project.

2. Project Implementation

This chapter comprises the technical and financial matters related to the implementation of the projects funded through the European Economic Area Financial Mechanism 2014-2021 and the Norwegian Financial Mechanism 2014-2021.

2.1 Specific aspects related to the project budgets with regards to the Project Promoters/Partners - public institutions in Romania, according to GEO 34/2017.

In order to implement the projects funded under the European Economic Area Financial Mechanism 2014-2021 and the Norwegian Financial Mechanism 2014-2021, Project Promoters/Partners, public institutions, are bound to include in their own budgets the amounts corresponding to the public funding of the projects, according to the Grant Agreements signed with PO.

Specific aspects related to the project budgets - Project Promoters/Partners public institutions in Romania			
Budgeting			
A. Source D - "08" - OTHER DONORS "Projects funded from foreign non-reimbursable funds falling under the 2014-2020 financial framework"	EEA and Norwegian Financial Mechanisms 2014-2021, commitment appropriations (CA) for – 50.08.58.31		
	Group/Title	Article	Paragraph
1. National public co-funding	58	31	01
2. Foreign non-reimbursable funding (EEA/Norwegian grant)	58	31	02
B. Own budget source (e.g.: state budget "01", local budget "02", own revenue "10", etc.)	Projects funded from foreign non-reimbursable funds falling under the 2014-2020 financial framework", EEA and Norwegian Financial Mechanisms 2014-2021, commitment appropriations (CA) and public loans (PL) for - Non-eligible expenses. If the project starts during the year and there is no CA or the CA is insufficient, Project Promoters may increase the commitment appropriation up to the collected amount, without, however, exceeding the total amount stipulated in the Grant Agreement / decision, acc. to art. 7(8) of GEO 34/2017, as amended and supplemented.		
	Group/Title	Article	Paragraph
3. Non-eligible expenses	58	31	03

2.2 The accounts corresponding to the performance of the financial operations for the EEA Financial Mechanism 2014-2021 and Norwegian Financial Mechanism 2014-2021 and the ones corresponding to the national public co-funding.

The following accounts will be opened with the territorial units of the State Treasury/Commercial Bank for the implementation of the projects funded in the framework of the EEA Financial Mechanism 2014-2021 and Norwegian Financial Mechanism 2014-2021, in the names of the Project Promoters/Partners in Romania:

Promoter/Partner type	Account type	Account	Financial management model (<i>pre-financing or reimbursement</i>)
public institutions funded from the state budget/state social security budget/state unemployment budget, including the ones fully or partly funded from own central/local subordinated revenue	Revenue	20D483103 "Budget revenue from non-reimbursable foreign funds - European Economic Area and Norwegian Mechanisms 2014-2021 – Pre-funding"	Pre-financing
public institutions funded from the sole national health insurance fund, including the ones fully or partly funded from own revenue	Revenue	26D483103 "Budget revenue from non-reimbursable foreign funds - European Economic Area and Norwegian Mechanisms 2014-2021- Pre-funding"	Pre-financing
public institutions funded from the state budget, including the ones fully or partly funded from own central subordinated revenues	Revenue	20D427500 "Budget revenue from non-reimbursable foreign funds - Public co-funding granted in the framework of the EEA and Norwegian Financial Mechanisms 2014-2021" - for the collection of the amounts representing the public national co-funding	Pre-financing
administrative-territorial units/subdivisions, including of the subordinated local public institutions, fully or partly funded from own revenues	Revenue	21D427500 "Budget revenue from non-reimbursable foreign funds - Public co-funding granted in the framework of the EEA and Norwegian Financial Mechanisms 2014-2021" - for the collection of the amounts representing the	Pre-financing

		public national co-funding	
public institutions funded from the state social security budget, including the ones fully or partly funded from own revenues	Revenue	22D427500 "Budget revenue from non-reimbursable foreign funds - Public co-funding granted in the framework of the EEA and Norwegian Financial Mechanisms 2014-2021" - for the collection of the amounts representing the public national co-funding	Pre-financi
public institutions funded from the unemployment budget, including the ones fully or partly funded from own revenues	Revenue	28D427500 "Budget revenue from non-reimbursable foreign funds - Public co-funding granted in the framework of the EEA and Norwegian Financial Mechanisms 2014-2021" - for the collection of the amounts representing the public national co-funding	Pre-financi
public institutions funded from the sole national social security fund, including the ones fully or partly funded from own revenue	Revenue	26D427500 "Budget revenue from non-reimbursable foreign funds - Public co-funding granted in the framework of the EEA and Norwegian Financial Mechanisms 2014-2021" - for the collection of the amounts representing the public national co-funding	Pre-financi
public institutions in the public central administration sector	Revenue	account 20A483101 - "Revenues of public institutions in the central public administration sector - EEA and Norwegian Financial Mechanisms 2014-2021 - Amounts received on account of the payments made during the current year"; (<u>state budget accounts into which the amounts representing the EEA/Norwegian grant amounts are transferred</u>)	Pre-financi
public institutions in the public central administration sector	Revenue	account 20A483102 - "Revenues of public institutions in the central public administration sector - EEA and Norwegian Financial Mechanisms 2014-2021 - Amounts received on account of the	Pre-financi

				payments made during the previous years”; (<u>state budget accounts into which the amounts representing the EEA/Norwegian grant amounts are transferred</u>)	
public central administration institutions -Project Promoter	Liquidities	50.05.31	“Liquidities of the partnership leaders (project promoters) in the central public administration”	Pre-financing	
local public administration institutions -Project Promoter	Liquidities	50.06.06	“Liquidities of the partnership leaders (project promoters) in the local public administration”	Pre-financing	
other promoters than public institutions - Project Promoter	Liquidities	50.99.22	“Liquidities of the partnership leaders (project promoters) other than public institutions”	Pre-financing/ Reimbursement	
Other Project partners, other than public institutions	Liquidities	50.99.20	“Liquidities - other than public institutions”	Pre-financing/ Reimbursement	

ATTENTION! - The Project Promoters/Partners, **Romanian public institutions** will exclusively apply the pre-financing model for the implementation of the projects funded under the framework of the EEA Financial Mechanism 2014-2021 and the Norwegian Financial Mechanism 2014-2021. Further details are available in *Chapter 2.5 Cash flows*.

ATTENTION! The Project Promoters/Partners, other than Romanian public institutions, may opt, for the conduct of financial operations in LEI, to open accounts at the State Treasury system or at commercial banks.

ATTENTION! Project Promoters and their partners are bound to comply with the provisions in GEO no. 34/2017 (updated) on the financial management of foreign non-reimbursable funds falling under the framework of the EEA Financial Mechanism 2014-2021 and the Norwegian Mechanism 2014-2021 and of the relevant Enforcement rules.

2.3 Project implemented in partnership - Financial Mechanism of the European Economic Area 2014-2021 and the Norwegian Financial Mechanism 2014-2021

Proposals for research projects are submitted by a consortium of at least one entity in Romania and at least one from Donor Countries (from Norway, Iceland or Liechtenstein). For each proposal, the Project Partners designate a Project Promoter (PP) that has the scientific and administrative responsibility for the project and submits forward the proposal on their behalf. The promoter of the project is a research organization in Romania.

The partnership established for the implementation of the project is formalized by the Partnership Agreement (Annex to the Financing Agreement), which aims at presenting the relationship between the parties, in particular regarding the achievement of the activities and the fulfillment of the project indicators and objectives, project management (including financial flows) as well as the main rights and obligations of the parties.

The Partnership Agreement is valid from the date of signature by the parties and shall cease to produce effects on the date of fulfillment of all the obligations mentioned in the Grant Agreement.

The structure of the partnership established for the implementation of the project can be changed at any time during the implementation, only by a prior notification of the Programme Operator and by concluding an Addendum to the Grant Agreement.

ATTENTION! The change of the partnership structure during the implementation period is subject to the approval of the Programme Operator.

2.3.1 Change of the partnership structure during the implementation period

Step 1-Motivation

During the project implementation period, the project promoter is mandatory to notify the Programme Operator about the intention to change the structure of the project partnership.

In this respect, it will submit to the Programme Operator a motivation letter regarding the need to change the structure of the partnership accompanied by relevant documents (eg partner withdrawal letter, analysis of the stage of activities, analysis of the achievement of the indicators, status of the payments to the partner withdrawing from the partnership, etc.).

Also, the project promoter will submit to the Programme Operator all relevant information (including documents) regarding the new partner, if applicable.

Step 2- Analysis regarding the change of the partnership

The Programme Operator will analyze the motivation submitted by the project promoter (including the relevant documents received as appropriate) and invite the Project Promoter to a meeting/discussion on the modifications requested on the structure of the partnership.

If as a result of the working meeting regarding the change of the partnership structure between a Project Promoter and the Programme Operator the necessity of the partnership change will be confirmed/justified, the Programme Operator will submit the change proposal to the Programme Committee.

Step 3- Programme Committee Decision

Based on the proposal to modify the partnership structure submitted by the Programme Operator and the motivation of the Project Promoter, the Programme Committee will approve or reject the proposal to modify the partnership structure.

Step 4- Addendum to the Grant Agreement

If the Programme Committee decision is positive, then the Programme Operator will initiate an addendum to the Grant Agreement. The project promoter has the obligation to draft a new partnership agreement for project implementation.

General conditions mandatory to be respected in case of the change the partnership structure:

- ❖ The project promoter has the obligation to select a new partner who meets all the conditions set out in the call documents;
- ❖ If a partner from a donor states is changed, than the new partner must be from the same donor state;
- ❖ The amount of financial allocation between the partners can not be changed;
- ❖ The newly introduced partner will assume all the rights and obligations of the replaced partner;
- ❖ The project promoter has the obligation to ensure that the rights and obligations of the partner leaving the partnership have been divested in good faith and without litigation to the new partner;
- ❖ **The financial allocation to the new partner will be calculated as the difference between the total amount allocated to the initial (replaced) partner and the total value spent by the original partner (replaced);**
- ❖ **Attention!** Authorities or institutions funded by public funds may establish partnerships with private sector entities in Romania only by applying a transparent and non-discriminatory procedure regarding the selection of private sector partners.

IS NOT PERMITTED:

- Replacement of the Project Promoter with one of its partners or any another entity.
- Withdrawing a partner from the partnership without replacing it with another partner.
- Transfer the role of one Partner to the Project Promoter.

2.4 Eligibility of expenditures

2.4.1 General principles regarding the eligibility of expenditures³³

The eligible expenditures are the ones actually incurred as part of the project implementation, which fulfill the following criteria:

- ➔ are incurred between the initial and final project eligibility date, according to the signed Grant Agreement;

Expenses are regarded as incurred when the cost was invoiced, paid and the subject matter was delivered (in the case of the assets) or completed (in the case of services and works). By way of exception, the costs for which an invoice was issued on the last month of eligibility are also regarded as incurred within the eligibility term, if the expenses are paid within a period of 30 days after the final eligibility date.

- ➔ are related to the subject of the Grant Agreement and are indicated/mentioned in the project budget;
- ➔ are reasonable and necessary for the implementation of the project;
- ➔ are incurred for the sole purpose of reaching the project objectives and achieving the expected project results, according to the principles of economy, efficiency and effectiveness;
- ➔ are identifiable and verifiable, and included in the Project Promoter's and/or the Project Partner's accounting records set according to the accounting standard valid in Romania or in the Donor States, in compliance with the generally accepted accounting principles;
- ➔ comply with the provisions of the national laws in force in Romania or in the Donor States.

³³ Relevant information can be found at art. 8.1 – 8.10 from the Regulation on the implementation of the European Economic Area (EEA) or of the Norwegian Financial Mechanism 2014-2021.

2.4.2 Eligible expenditure

The eligible expenditure in a project can take the form of eligible direct and indirect expenditure.

The eligible direct expenditure in a project are the expenditure identified by the Project Promoter and/or Project Partner, according to their common accounting principles and internal rules, as expenditure directly related to the implementation of the project, and which can be registered directly for this purpose.

Eligible indirect expenditure are all the eligible expenses that cannot be identified by the Project Promoter and/or the Project Partner as directly attributable to the project, but which can, however, be identified and justified on the basis of the accounting system as being directly related to the direct eligible costs attributed to the project.

2.4.2.1 Eligible direct expenditure

The eligible direct expenditure in a project funded by the EEA Financial Mechanism 2014-2021 and Norwegian Financial Mechanism 2014-2021:

A. Staff costs (*salaries, including all the employee's and employer's tax liability*).

- For the Project Promoters and the Project Partners from Romania, the salary thresholds are stipulated in GD 583/2015 on the approval of the National Research Development and Innovation Plan 2015-2020, <https://uefiscdi.ro/legislatie-cdj>;
- For the Project Partners in the Donor States, the salary level shall be set according to their **common** remuneration policy (*including standard unit cost scales*).

ATTENTION! Staff costs shall be supported by legal and valid justifying documents, according to the provisions under the national relevant laws applicable, or, in case of the Partners from Donor States, to their specific laws applicable.

E.g.: selection procedure (if case), employment contracts, job descriptions, time sheets, other relevant documents, etc.

B. Travel expenses

- Travel, accommodation and daily allowance expenses shall be settled, according to the national legal provisions, based on the lump sums mentioned in the decision of the *OP no. 309/18.09.2018⁴ on the application of lump sums for travels funded from the Bilateral Relations Fund, Management and Travel Costs of projects funded in the framework of the EEA and Norwegian Financial Mechanisms 2014-2021.*

⁴ If the application of the lump sums is made in accordance with the decision of the Programme Operator no. 309, the project promoter/partners have the obligation to assume by the decision/order of the promoter's management and the elaboration of the implementing rules.

- Other costs related to travel shall be reimbursed on the basis of the real costs incurred based on supporting justifying documents according to the national/Donor State-specific laws in force (*invoice, receipts, bank statements, etc.*).
- Travel expenses, based on the lump sums mentioned in the decision of the OP no. 309/18.09.2018, are only eligible for project team members.
- Travel expenses may also be eligible for the participation of guests in the scientific events held as part of the project, in case the project proposal approved for funding includes such scientific events. In this case, the reimbursement will be made according to the legal provisions in force.

C. Expenses related to conference participation fees

- The expenses related to the conference participation fees will be reimbursed, **only for the project team members**, on the basis of the real costs incurred based on supporting justifying documents (*invoice issued in the participant's name, invitation, conference agenda, proof of payment, bank statement etc.*)

D. Expenses related to the purchase of equipment

- Cost of the new or second-hand equipment are eligible **only** if they are acquired in the sole purpose of achieving the project objectives and are calculated as follows:
 - 100% for research organizations;
 - for entities beneficiary of state aid, the equivalent of the depreciation throughout the project duration, calculated according to the accepted accounting practices, if the period of use of the equipment exceeds the project duration, for entities involving state aids;
- Types of equipment (without limitation): laboratory equipments, computers, servers, software (including installation costs) etc.;
- Project Promoters will assure that the equipment is, without exception, required for the achievement of the project objectives;
- Project Promoters/Partners, public or private organizations, are bound to comply with the national laws in force in the field of public procurement for the purchase of the project-specific equipment, see *Chapter 2.5 Public procurement*.
- Equipment expenditure shall be supported by legal and valid justifying documents, according to the provisions under the relevant national laws (*invoice, contract, handover protocol, documents corresponding to the public procurement procedure, PO,*

statement, etc.), or, in case of the Partners from Donor States, according to the provisions of their specific laws.

Remember: The Project Promoter/Partners are bound to:

- maintain the ownership title over the equipment for at least 5 years after the completion of the project and to continue to use the equipment to the benefit of the general project objectives over the same period of time;
- properly safeguard the equipment against losses, such as fires, theft or other incidents that can be commonly insured, both during the implementation of the project and for a period of at least 5 years as of its completion;
- maintain proper resources for the maintenance of the equipment for at least 5 years after the completion of the project;
- the equipment must be labeled to ensure the visibility of information on sources of funding, with respect for the visual identity elements.

E. Supply and furniture expenditure

- Project Promoters shall make sure that the purchased products are, without equivoque, required for the implementation of the project activities (*including for project management purposes*) and, implicitly, for the achievement of the project objectives;
- Project Promoters/Partners, public or private organizations, are bound to comply with the national laws in force in the field of public procurement for the purchase of the project-specific goods, see *Chapter 2.5 Public procurement*.
- Supply and furniture expenditure shall be supported by legal and valid justifying documents, according to the provisions under the relevant national laws (*invoice, contract, handover protocol, documents corresponding to the public procurement procedure, PO, statement, etc.*) In case of the Partners from Donor States, according to the provisions of their specific laws.

F. Other costs

- Project Promoters shall make sure that the purchased products/services are, without equivoque, required for the implementation of the project activities (*including for project management purposes*) and, implicitly, for the achievement of the project objectives.
- All expenses shall be supported by valid documents, according to the provisions under the relevant national laws (*invoice, contract, handover protocol, documents corresponding to the public procurement procedure, PO, statement, etc.*), or in case of the Partners from Donor States, according to the provisions of their specific laws.

ATTENTION! The value of eligible direct costs for subcontracting can not exceed 15% of the overall amount of the grant.

2.4.2.2 Eligible indirect expenditure

Eligible indirect expenditure are all the eligible expenses that cannot be identified by the Project Promoter/Project Partner as directly attributable to the project, but which can, however, be identified and justified on the basis of the accounting system as being directly related to the direct eligible costs attributed to the project.

Considering the provisions in the Guideline for Research Programmes - Rules for the establishment and implementation of programmes falling under the Programme Area "Research", art. 10.8, <http://eeagrants.org/Results-data/Documents/Legal-documents/Guidelines-mandates-and-strategy/EEA-and-Norway-Grants-2014-2021>, eligible indirect expenses shall be determined through the application of **a flat rate of 25% out of the overall direct eligible costs excluding eligible direct costs for subcontracting, as well as the costs of the resources made available by third parties, which are not used at the beneficiary headquarter, as well as the financial support provided to third parties.**

ATTENTION! Project partners, Norwegian Research Institutes, <https://uefiscdi.ro/eea-grants-proiecte-colaborative-de-cercetare>, can report "0" indirect costs considering that these costs are included in the remuneration level of the personnel involved in the project (*they use standard scales for the unit costs according to the RCN decisions*).

ATTENTION! Project promoters/partners who requested in the grant application, by way of exception, a rate for eligible indirect expenditure below 25%, will not be able to modify this rate during the project implementation.

ATTENTION! Indirect costs are calculated **for each partner** (excepting projects partners, Norwegian Research Institutes, <https://uefiscdi.ro/eea-grants-proiecte-colaborative-de-cercetare>, that can report "0"), for each report, through the application of a flat rate of 25% (or for exceptional cases, the flat rate mentioned in the project proposal) out of the overall direct eligible costs incurred, excluding eligible direct costs for subcontracting, as well as the costs of the resources made available by third parties, which are not used at the beneficiary headquarter, as well as the financial support provided to third parties.

2.4.2.3 VAT

According to the provisions in the Regulation on the implementation of the European Economic Area (EEA) Financial Mechanism 2014-2021, the **value added tax (VAT)** is eligible ONLY if this is not deductible according to the law:

- ➔ in case the Project Promoter/Partner is a taxable legal entity, not registered for VAT purposes, the amount representing the VAT corresponding to the eligible expenditure **is eligible;**
- ➔ if the Project Promoter/Partner is a taxable legal entity, registered for VAT purposes, but which is not entitled to deduct VAT, because the operations it carries out do not fall under the VAT scope and are not taxable, the amount representing VAT corresponding to the eligible expenditure **is eligible;**
- ➔ in case the Project Promoter/Partner is a taxable legal entity, registered for VAT purposes, and if the VAT is deductible, the VAT shall be deducted by settlement with Tax Authorities. In this case, the VAT corresponding to the eligible expenses **is not an eligible expenditure.**

REMEMBER - The VAT statements have been submitted alongside the project proposal, using the ITC platform www.uefiscdi-direct.ro. The Project Promoter/Partner is mandatory to inform the PO on any change in the VAT regime.

2.4.3 Non-eligible expenditure

Item no.	The following types of expenditure are not eligible
1	Debt interest, debt payment-related expenses and delay penalties
2	Expenses related to the financial transactions and other financial costs
3	Provisions for losses or possible future debt
4	Exchange loss
5	Deductible VAT
6	Costs that are covered from other sources
7	Fines, penalties and court expenses, except for the cases in which the dispute is an integrating component, necessary in order to achieve the project outputs
8	Excessive, imprudent, unnecessary expenses, etc.

ATTENTION! The expenditure related to the opening and use of the project accounts **are ELIGIBLE.**

2.4.4 The justification of the expenditure incurred

UEFISCDI, as Programme Operator, is liable for the verification of the expenditure declared by the Project Promoter and their Partners. According to the provisions in the *Guideline for Research*

Programmes - Rules for the establishment and implementation of programmes falling under the Programme Area "Research", art 10.7, the expenditure incurred by the Project Promoters and their Partners shall be justified as follows:

- ➔ If the value of the grant (EEA/Norwegian grant and the national public co-funding), **at the level of the Project Promoter or Partner**, is under the threshold of Eur 325,000 (Eur 0 to Eur 324,999), the PO **will NOT** request supporting documents for the expenditure incurred by the Project Promoter and/or Partners.

VERY IMPORTANT: The fact that PO will not request supporting documents will not exonerate the Project Promoter/Partner from the obligation to assure that all expenses are supported by valid documents according to the national/specific laws in force and those documents exist. At the same time, please note that, even though no documents are requested below the threshold, the Project Promoter/Partner must make them available to the PO upon the monitoring visits, at the on-site verification visits **or upon PO's request (support the desk verification, sample based)**. For details, see *Chapter 3 Project Monitoring and Reporting*.

ATTENTION: Based on a sampling method elaborated by the Programme Operator, after the administrative checking of the yearly final report, the Programme Operator will select an expenditure sample for which it will request justifying documents from the Project Promoters/Partners. Also, in well documented cases (suspicions of irregularities, fraud, deviations from the implementation plan etc) during the implementation of the project, the PO has the right to ask for any document considered necessary.

- ➔ If the value of the public financing granted, **at the level of the Project Promoter or Partner**, exceeds or is equal to Eur 325,000, equivalent in Lei according to the exchange rate mentioned in the Grant Agreement (between Eur 325,000 and Eur 1,500,000 - the maximum in Euros mentioned in the call document), in order to justify the expenses, the Project Promoter/Partner (including the Partners from Donor States) have to submit an audit certificate, drafted by an independent external auditor, certifying the following:
- The expenses were made according to the provisions in the *Regulation on the implementation of the European Economic Area (EEA) and Norwegian Financial Mechanisms*, as well as in the *Guideline for Research Programmes - Rules for the establishment and implementation of programmes falling under the Programme Area "Research"*.
 - The expenses were made according to the national laws in force applicable in the Project Promoter's/Partner's country;
 - The expenses were registered according to the relevant accounting practices.

VERY IMPORTANT: The audit certificates must be submitted with the **final project report** (see *Chapter 3 Monitoring and Reporting*). The audit certificate shall concern the entire project implementation period. Partners shall submit a separate audit certificate for their own activity. (E.g.: in case a project is implemented in partnership between 1 Promoter in Romania and 2 project partners, organizations from Island and Norway, the Project Promoter shall submit 3 audit certificates, 1 for its activity, 1 for the activity of its partner in Island and one for the activity of its partner in Norway).

2.4.5 Record keeping requirements

Considering the provisions in the *Guideline for Research Programmes - Rules for the establishment and implementation of programmes falling under the Programme Area "Research"*, **art. 10.9**, all supporting documents related to the eligible direct and indirect expenses (as applicable) must be kept for a period of at least 5 years following the final payment by PO.

2.5 Cash flows

According to the provisions in the Regulation on the implementation of the European Economic Area (EEA) Financial Mechanism, **art 5.6**, PO is responsible for the financial management of the Programme, including for the approval and transfer of payments to Project Promoters.

The national specific law on the implementation of the EEA Financial Mechanism and of the Norwegian Financial Mechanism 2014-2021, namely GEO 34/2017, and the related enforcement rules stipulate, in Section IV, the modalities of projects financing:

- Advance payment;
- Interim payments (pre-financing model);
- Reimbursement (reimbursement model).

Advance payment: Percentage of the project budget calculated so as to cover the expenditure incurred during the first implementation year, according to the Grant Agreement (implementing year – calendar year)

Pre-financing: Part of the yearly project budget transferred by PO into the Project Promoter's account before the latter incurs any the expenditure, calculated according to the yearly budgets and cash balances at year end.

Reimbursement: The transfer by the Programme Operator of the amounts spent by the Project Promoters/Partners out of its own sources.

2.5.1 Advance payment

According to the provisions of the Grant Agreement, Project Promoters and their Partners are entitled to request **an advance payment** in order to begin the implementation of the projects, according to the provisions of the Grant Agreement.

Advance payment?

Advance payment: part of the project budget (public funding) calculated so as to cover the estimated expenses for the first implementation year of the project.

In order to comply with the reporting requirements in the *Guideline for Research Programmes - Rules for the establishment and implementation of programmes falling under the Programme Area "Research"*, **the calendar year shall be regarded as the implementation year.**

Who can request an advance payment?

All Project Promoters and their Partners, regardless of the form of organization or nationality.

When?

The advance payment shall be requested after the Grant Agreement is signed.

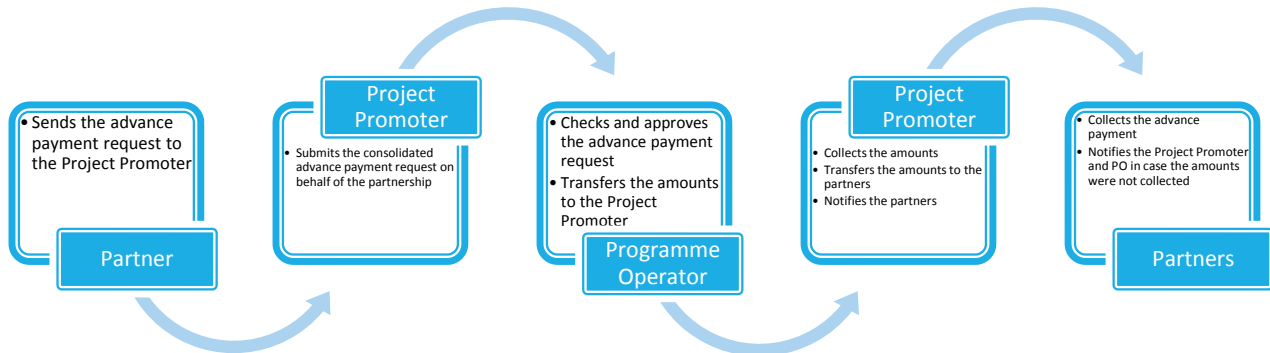
How?

The advance payment will be requested by the Project Promoter by filling out and submitting to the PO of an advance payment request (document generated by the contracting/monitoring platform <https://uefiscdi-direct.ro/EVoC>).

REMEMBER:

- ➔ The Project Promoter requests the advance payment on behalf of the partner(s), including also in the advance payment request the values corresponding to the advance amount necessary to implement the activities of the partner(s) ;
- ➔ For the Project Promoters is mandatory to open a dedicated account exclusively for receiving the advance payment, the project-related expenditure and the transfer of amounts to partners, to the State Treasury, and/or to a commercial bank, according to their type (*according to the Order no. 2840 from 31st of October 2017 on the approval of the Enforcement Rules of the Government Emergency Ordinance no. 34/2017 on the financial management of foreign non-reimbursable funds falling under the European Economic Area Financial Mechanism 2014-2021 and the Norwegian Financial Mechanism 2014-2021*);
- ➔ The amounts received as advance payment CANNOT be used for a different destination than the one for which they were granted;
- ➔ Considering that the advance payment is made in LEI, the Project Promoter arranges for the EUR-RON conversion upon the consolidation of the advance payment request and RON-Eur upon the transfer of the advance payment to the partners in the Donor States.
- ➔ The public co-financing (15%) unused until the end of the year will be transferred back to the PO until the 27th of December. This amount will be retransferred by the PO in the first working days of the next year.

Fig.1 Advance Payment Flow

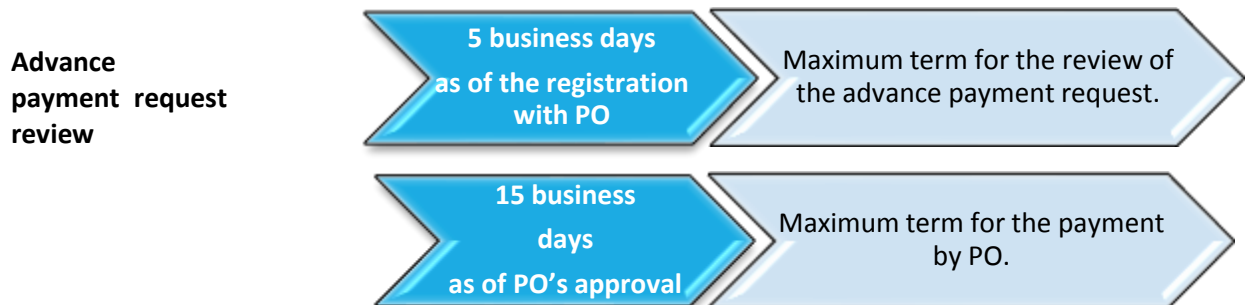


ATTENTION! The Project Promoter must notify in writing both the partners and the PO regarding the payment, within no more than 5 business days as of the payment date and attach the payment order and the statement of account to the respective notification.

ATTENTION! The calculation of the advance payment shall be related to the value of the public financing, according to the art. 6 from the Grant Agreement. The amounts representing the own contribution shall not be taken into account.

The Partners must also check that the amounts were received within no more than 5 days as of the receipt of the notification.

In case the amounts were not received, the partners have to send a written notification both to the Project Promoter, and to the Programme Operator, within no more than 5 business days as of the moment when they become aware of this fact.



Clarifications regarding the advance payment request: If during the review of the advance payment request, clarifications/additional information are required, PO may send requests for clarification to the Project Promoter. In these cases, the Project Promoter has to reply within no more than 2 business days. The initial review term is suspended.

ADVANCE PAYMENT Example

Project implemented in partnership: Project Promoter (PP), Partner 1 (Romanian organization), Partner 2 (Norwegian organization)

Agreement signed on: 01.04.2019

Period covered by the advance payment: 01.04.2019-31.12.2019 (9 months)

PP: Project budget for the first implementation year (calendar year) according to the Grant Agreement LEI – 800,000 grant and LEI 100.000 own contribution;

P1: Project budget for the first implementation year (calendar year) according to the Grant Agreement - LEI 400,000 grant and LEI 50.000 own contribution

P2: Project budget for the first implementation year (calendar year) according to the Grant Agreement - LEI 500,000

ADVANCE PAYMENT calculation:

TOTAL advance payment 800.000 + 400.000 + 500.000 = LEI 1,700,000 (of which LEI 1,445,000 EEA/Norway grant and LEI 255,000 national public co-funding)

2.5.2 Pre-financing model (interim payments)

A second method of funding of the projects implemented through the EEA Financial Mechanism 2014-2021 and the Norwegian Financial Mechanism 2014-2021, is **pre-financing** (*pre-financing or interim payment model as presented in the Regulation on the implementation of the EEA and Norwegian Financial Mechanisms 2014-2021*).

The application of the pre-financing model as part of a project Grant Agreement represents the transfer by the PO of both the EEA/Norwegian Grant and of the national public co-funding, into the Project Promoters' accounts according to the yearly budgets and cash balance calculations, throughout the project implementation period, before the expenses are incurred.

ATTENTION! For the Project Promoters and their partners, **Romanian public institutions, is mandatory to use the pre-financing mechanism** for project funding purposes.

The purpose of the pre-financing (interim payments) is to ensure a positive financial flow for the Project Promoter and its partners, the number of interim payments depending on the duration of the project.

The pre-financing is granted YEARLY from 2 sources, EEA/NO grant and public co-financing (State budget). Considering that the co-financing payment depends on the approval of the State budget, there is the possibility that the pre-financing part representing the public co-financing (15%) to be payed afterwards the part representing the grant (85%).

Who can request pre-financing?

All the Project Promoters and their Partners regardless of their form of organization or their nationality.

When the pre-financing can be requested?

The pre-financing shall be requested at the beginning of the calendar implementation year for the expenses estimated for the respective year,

How is the pre-financing requested?

The pre-financing shall be granted at the beginning of the calendar implementation year for the expenses estimated for the respective year, on the basis of a Project Promoter's request submitted to the PO (document generated by the contracting/monitoring platform <https://uefiscdi-direct.ro/EVoC>). The value of pre-financing will be calculated based on the available cash balance.

In order to ensure the cash flow corresponding to the implementation of the projects, by the end of **JULY**, the Project Promoters have the obligation to prepare the forecasts regarding the financing needs of the entire project for the next calendar implementation year. The forecasts will be sent to the Programme Operator, by email.

Pre-financing calculation	
Forecasts of payment for the following year (share of the Programme budget)	+ € 800,000
- Advance payment and/or interim payments received	- € 1,000,000
+ Total expenses incurred up to the calculation date (31.07.XXXX) (Programme budget share)	+ € 600,000
+ Total estimated expenses by the end of the calendar year (31.12.XXXX) (Programme budget share)	+ € 100,000
Total expenses for the following year (Pre-financing amount)	€ 500,000

NOTE: The calculation of the pre-financing amount shall be made according to the amount of the public funding, in compliance with art. 6 of the Grant Agreement. The amounts representing promoters own contribution shall not be taken into account.

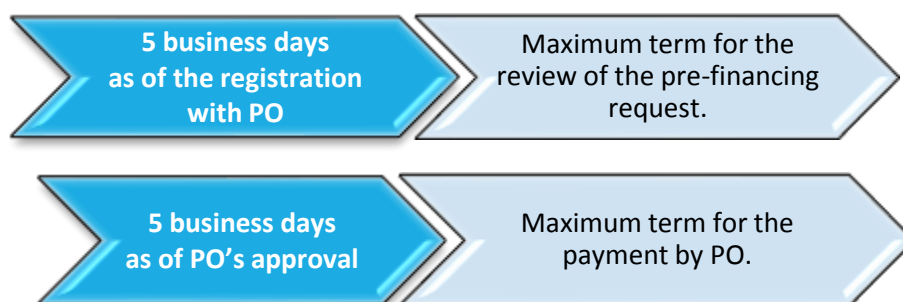
REMEMBER:

- ➔ Given that project promoters have projected the project budget per calendar implementation year, the value of each pre-financing (interim payments) can be assimilated to the amount stated in the budget for that year;
- ➔ However, in order to ensure the terms concerning the cash flow of the Programme imposed by the financier, the value of each pre-financing (interim payments) will be calculated on the basis of the available funds/balance from the existing budget of the project from public funding **and the payment will be conditional on approval of the yearly reports, except for the first pre-financing request.**
- ➔ For Project Promoters/Partners, private entities, the amount of the pre-financing for the last year of the project shall be of no more than 70% of the project budget expenses during the respective year, allocated to the Project Promoter/Partner in case;
- ➔ The amounts received as pre-financing CANNOT be used for a different destination than the one for which they were granted;
- ➔ Considering that the pre-financing shall be paid in LEI, the Project Promoter shall arrange for the Eur-Leu conversion upon the consolidation of the pre-financing request and Leu-Eur upon the transfer of the pre-financing to the partners in the Donor States.

ATTENTION!

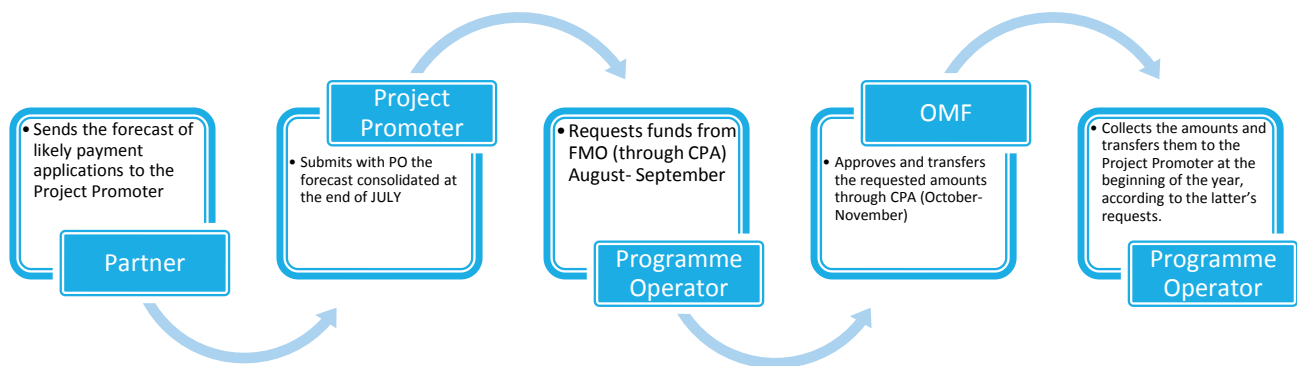
In case of Project Promoters private entities, the amount of the advance payment and of the interim payments cannot exceed 90% of the budget allocated through the public funds granted.

The review of the pre-financing requests



Clarifications regarding the pre-financing request: If during the review of the pre-financing request, clarifications/additional information are required, PO may send requests for clarification to the Project Promoter. In these cases, the Project Promoter is bound to reply within no more than 2 business days. This suspends the initial review term.

Fig.2 Pre-financing Flow



2.5.3 Reimbursement model

The reimbursement model concerns two project funding methods, as follows:

A. FINAL PAYMENTS

- ➔ Whereas for **Project Promoters/Partners private entities**, the amount of the pre-financing for the last project year will be of no more than 70% of the expenses from the budget for the respective year, the remaining expenses shall be made by them from own sources/budget, being subsequently requested for reimbursement from PO.
- ➔ Final payments shall be granted in a percentage of minimum 30% of the budget value for the last implementation year;
- ➔ The final payment shall be conditional upon the approval of the final project report.

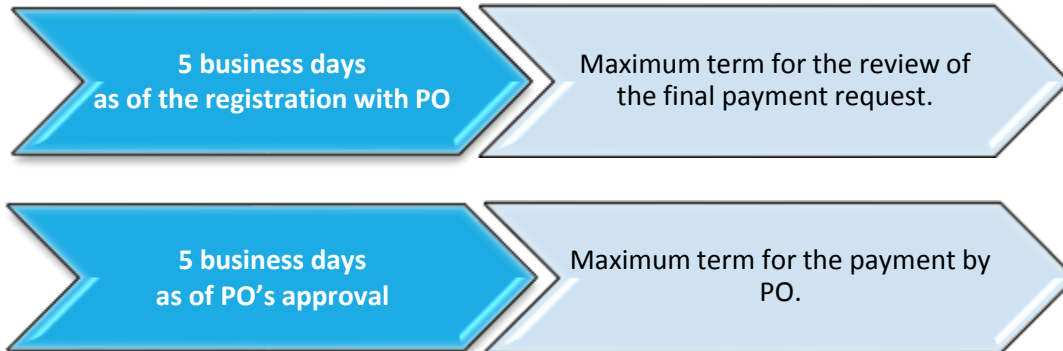
Who benefits from final payments?

Project Promoters and their Partners, private entities.

When are the final payment requests submitted?

Upon the completion of the project, following the PO's notification regarding the approval of the final project report (document generated by the contracting/monitoring platform <https://uefiscdi-direct.ro/EVoC>).

The review of the final payment requests



Clarifications regarding the final payment request: If during the review of the final payment request, clarifications/additional information are required, PO may send requests for clarification to the Project Promoter. In these cases, the Project Promoter is bound to reply within no more than 2 business days. This suspends the initial review term.

B. EXPENSES ENTIRELY INCURRED BY THE PROJECT PROMOTER/PARTNER FROM OWN FUNDS

During the implementation of the projects funded under the EEA and Norwegian Financial Mechanism 2014-2021, Project Promoters and/or their Partners, **other than public institutions**, may choose to cover the expenses out of own sources and then request reimbursement from the Programme Operator.

When are the reimbursement requests submitted?

Reimbursement requests are yearly submitted, attached to the the yearly reports.

In order to ensure the funds required for the reimbursement of expenses, PO shall request the Project Promoters and/or their Partners, **other than public entities**, to submit a bi-yearly forecast of **likely reimbursement requests**, as follows:

- ➔ If the Grant Agreement was signed before 15.08.xxxx, the Project Promoter and/or the Project Partners shall submit the forecast of likely reimbursement requests by this date (15.08.xxxx);
- ➔ If the Grant Agreement was signed after 15.08.xxxx, the Project Promoter and/or the Project Partners shall submit the forecast of likely payment applications by January 31st of the following calendar year;
- ➔ The forecasts will subsequently be sent twice a year, until the 15.08 and no later than January 31st.



ATTENTION! forecasts of the values corresponding to the reimbursement requests shall concern the expenses of all partners, other than public institutions.

Who can apply the reimbursement mechanism?

Only Project Promoters and their Partners, private entities.

How is it requested?

Project Promoters shall submit Annex 6 - Reimbursement Request.

Approval of reimbursement requests:

- ➔ The approval of the reimbursement requests, and consequently of the included expenses will be conditioned by the approval of the yearly/final report.
- ➔ Only the expenses corresponding to the project shall be included in the reimbursement request. The share of the expenses covered from the Project Promoter's/Partner's own budget shall not be requested for reimbursement.

Summary

As part of the implementation of the projects funded through the EEA Financial Mechanism 2014-2021 and the Norwegian Financial Mechanism 2014-2021, Project Promoters and/or their Partners have 3 project funding methods to choose from:

- **Advance payment;**
 - **Pre-financing mechanism (interim payments);**
 - **Reimbursement mechanism (final payments /payments by reimbursement).**
1. **Advance payment:** percentage (%) of the project budget (public funding) calculated so as to cover the expenses incurred during the first calendar implementation year, according to the Grant Agreement.
 2. **Pre-financing:** share of the yearly project budget (public funding) transferred by PO into the Project Promoter's account before the expenditure are incurred, according to the calculation of the existent yearly budgets and available funds/existent cash balance.

ATTENTION! The Project Promoters and their partners, **Romanian public institutions**, **MUST use the pre-financing mechanism** for project funding purposes.

ATTENTION! For Project Promoters and their Partners private entities, the amount of the pre-financing for the last year of the project shall be of no more than 70% of the value of the budget allocated (public funding) for the respective year.

3. **Reimbursement:** The Programme Operator request for the reimbursement of expenditures incurred from own sources.

ATTENTION! The reimbursement mechanism will only be used by Project Promoters and/or their Partners, **other than public institutions**.

ATTENTION! The reimbursement mechanism will also be used when the pre-financing mechanism is applied, respectively, for Project Promoters and/or their Partners, **other than public institutions, in the case of final payments**.

2.6 Public procurement

2.6.1 Project Promoters/Partners in Romania - Contracting Authorities in the procurement processes

Project Promoters/Partners in Romania as **Contracting Authorities** in the procedure of granting the public procurement contract will apply the laws in force on public procurement, respectively Law no. 98/2016, as amended and supplemented, and the provisions of GD no. 395/2016 for the approval of the Enforcement rules regarding the award of the Public procurement agreement/framework agreement, hereinafter referred to as Law no. 98/2016 and Decision no. 395/2016.

ATTENTION! The public procurement file for the procedures carried out according to the provisions in the Law no. 98/2016 on public procurement must comprise all the documents drafted/received from the Contracting Authority as part of the award procedure, according to the law. In case the provisions in Law 98/2016 apply through the use of the electronic means of communication or in case a dynamic system or an electronic tender is used, the Contracting Authority is under the obligation to make sure that the public tender documentation stipulated under art. 148 of GD no. 395/2016 is archived, according to the provisions of the Law no. 135/2007 on the electronic archiving of documents, republished (art. 149, GD no. 395/2016).

In the case of tender procedures entirely carried out through electronic means, the traceability of the operations corresponding to the award of the public procurement agreements/framework agreements is implicitly ensured by SEAP/SICAP (art.149, GD no. 395/2016).

- ➔ Considering the provisions in GD 395/2016, art. 13, Project Promoters/their Partners (Romanian organizations) are **bound to distinctly draft, for each project, a public procurement plan corresponding to the respective project (with the direct procurement annex)**, after the Grant Agreement is signed.
- ➔ In case the project is implemented in partnership with a Romanian organization, a Contracting Authority or not, in order to set the type of tender (art. 68 of the Law 98/2016 as amended and supplemented), the identification of the same object for the entire partnership shall be considered, by adding up the estimated value for each partner, in the procurement plan, according to the provisions in art. 9 - 25 of the Law no. 98/2016, as amended and supplemented.

The tender type shall be set depending on the purpose/necessity of the procurement!
The tender type shall **NOT** be set depending on the CPV code.

Direct procurement shall be carried out according to the provisions in art. 43 - 46 of GD no. 395/2016, as amended and supplemented by GD no. 419/2018, for Project Promoters/Partners holding the capacity as Contracting Authority and to the provisions in the MFE Order no. 1284/2016, Chapter 4, in the case of private entity Project Promoters/Partners.

Documents corresponding to the direct procurement file (informative, non-exhaustive)
Yearly public procurement plan (including subsequent reviews)
Purchase requisition
Estimate value determination note
Selected tender type substantiation note
SEAP/SICAP procurement substantiation documents (print screen)
Contracts, invoices, Acceptance Protocols, Goods Received Note, Pictures, etc.

Conflict of interest: Project Promoters/Partners holding the capacity as contracting authority must adhere to the provisions on conflicts of interest, according to the provisions in the Law no. 98/2016, GD no. 395/2016 and the subsequent legal regulations.

2.6.2 Project Promoters/Partners non Contracting Authority

During the performance of the public procurement procedures, private applicants/Beneficiaries who do not hold the capacity as contracting authority shall apply:

- ➔ The Order of the Minister of Finance and Economy no. 1284/2016 on the approval of the Competitive Tender Procedure applicable to private promoters for the award of supply, services or works agreements funded with EEA and Norwegian grants as amended and supplemented.

and (as applicable)

- ➔ Law no. 98/2016 on public procurements, under the following circumstances:
 - if the requirements in art. 6 of the Law are cumulatively fulfilled;
 - if the requirements in art. 6 (1) or (3) of the Law are cumulatively fulfilled;
 - if they initiate a partnership with an entity that holds the capacity as contracting authority, according to the provisions in art. 4 (1) (c) of the Law (in the case of projects implemented in partnership).

The tender documentation for the award procedures carried out in compliance with the provisions in the MFE Order no. 1284/2016 must comprise the following documents drafted/received as part of the award procedure: technical specifications, estimated value determination note, proof of tender announcement/call/clarifications/communication of the result (as applicable), award substantiation note; substantiation note regarding the postponement of the agreement award date (as applicable)-for lots, affidavits in case the winning tenderer did not infringe the provisions on the conflict of interest, original proposals and clarifications (as applicable), the procurement agreement, the addenda (as

applicable); other relevant documents, including the documents in proof of the procurement (e.g., Services and works acceptance protocols, deliverables, handover protocols, etc.), complaints (as applicable).

The documentation for the direct procurement carried out according to the provisions in the MFE Order no. 1284/2016 shall include, without limitation, the following documents

Documents corresponding to the public procurement file according to 1284/2016 (informative, non-exhaustive)
Technical specifications
Estimated value determination note
Estimate value determination note
Selected tender type substantiation note
SEAP procurement substantiation documents (print screen)
Contracts, invoices, Acceptance Protocols, Goods Received Note, Pictures, etc.

REMEMBER: according to the principle of accountability stipulated under art. 2 (2) of the Law no. 98/2016, the specific qualification requirements and the application of the public procurement procedures, including direct procurement, stipulated under the national laws on public procurement, exclusively **rest with the purchaser** (Project Promoters/Partners - Contracting Authorities and/or private Project Promoters/Partners).

Conflict of interest: In the case of private Project Promoters/Partners, the provisions in Chapter II, Section II of GEO no. 66/2011 on the prevention, acknowledgement and sanctioning of irregularities occurred in the obtaining and use of European funds and/or related national public funds shall apply, approved as amended by the Law no. 142/2012, as amended and supplemented.

2.6.3 Specific aspects related to the public procurement process within the projects implemented in partnership (in the partnership are included at least 2 organizations from Romania)

Partners shall choose from amongst the following forms of organization of the procurement process(es) (Order No. 6712/890/2017 of 7 November 2017 on the approval of procurements as part of European-funded projects implemented in partnership):

- ➔ a) each of the partnership members shall carry out the public procurements corresponding to the activities for which they are liable as part of the project; or
- ➔ b) the partnership leader or one of the partnership members, contracting authority or legal entity that is not a contracting authority, shall carry out all the public procurement procedures falling under the scope of the project.

Draw up of PPP (Public Procurement Plan):

- ➔ for the form of organization described under item a), PPP shall be drafted by the partnership leader by centralizing the public procurements corresponding to each of the partnership members;
- ➔ for the form of organization described under item b), the respective program shall be drafted by the partner that carries out all the public procurement procedures falling under the scope of the project, i.e., the leader or one of the partnership members.

ATTENTION! In both cases described above, each member of the partnership will contribute to the draw up of the project PPP, by setting the own public procurements carried out/involved in the project.

As part of the performance of the public procurement procedures in the case of projects implemented in a partnership of two or more promoters, legal entities that do not hold the capacity as Contracting Authority, the following shall apply:

1. **Order of the Minister of Finance and Economy no. 1284/2016** on the approval of the Competitive Tender Procedure applicable to private applicants/Beneficiaries for the award of EU-funded supply, services or works agreements, as amended and (as applicable);
2. **Law no. 98/2016** on public procurements hereinafter referred to as the “Law”, **under the following circumstances:**
 - if the requirements in art. 6 of the Law are cumulatively fulfilled;
 - if the requirements in art. 6 (1) or (3) of the Law are cumulatively fulfilled;
3. **Order no. 6712/890 of 7 November 2017** on the approval of the procurement method under partnership-implemented EU-funded projects.

ATTENTION! Donor State partners shall carry out their public procurement procedures according to the laws in the respective states.

2.6.4 Verification of public procurements by the Programme Operator

Verification of the way in which the public procurement agreements were awarded by the Project Promoters/Partners in Romania, as well as any and all changes/supplementations of the public procurement agreement by the Promoter/Partners (Addendum) **shall be carried out by PO as follows:**

- ➔ at the moment of the on-site inspection/monitoring visits;
- ➔ after submitting the yearly/final report if an expenditure that involved a public procurement procedure **was included in the verification sampling**. In this respect, PO will ask for documents related to the public procurement procedure/file for those expenditures;

- at all times during the implementation of the project, if the circumstances so require. In this respect, PO shall be entitled to request the documents corresponding to the performance of the procedure/public procurement documentation for the expenses reported by the Project Promoters/their Partners as part of the yearly/final reports.

If, pursuant to the verifications carried out, deviations regarding the public procurement regime are identified, percentage deductions shall be applied pursuant to the provisions in GEO no. 66/2011 on the prevention, acknowledgement and sanctioning of irregularities occurred in the obtaining and use of European funds and/or national public funds corresponding to the same, GD no. 519 of 26 June 2014 on setting the rates corresponding to the percentage deductions/financial corrections applicable for the deviations stipulated in annex to GEO no. 66/2011 as amended and supplemented.

2.7 Exchange rate difference

Exchange rate losses related to the operations carried out by Project Promoters and their Partners **are regarded as non-eligible expenses** and shall be supported by the Project Promoters/Partners from their own budget, if case, except for the one that can be covered out of the project budget and within the budget's limit, according to the regulations of the guides and instructions issues by the Donor States.

During the implementation of the project, the exchange rate losses shall be write off against the exchange rate gains, and the negative net result shall be funded according to the provisions in the previous paragraph.

Exemple 1 – Payment in Euros

The value of the Grant Agreement in EUROS	42.891,00	Euros		The value of the project is approved in Euros. Therefore, at the signing of the Grant Agreement, practically it is uses the Inforeuro rate in order to find out the value equivalent in Lei. Euro is the currency that prevaiels and that must be watched not to be overcome
The value of the Grant Agreement in RON	200.001,00	lei	4,663- InforEuro rate in March 2019	
Available amount cashed in by the Programme Operator	200.001,00	lei		
The Project Promoter makes a 1000 Euros payment in May 2019				From the budget line from which the 1000 Euros payment is made, the exchange difference is borne
<i>PP exchanges RON in Euros at the rate of the Commercial Bank of 4.8 RON for 1 Euro (1000 euros = 4800 lei)</i>	4.800,00	lei		
<i>PP makes the payment to the supplier in Euros</i>	1.000,00	Euros		
Registration in accounting				

The Project Promoter registers on sources (85% and 15%) in accounting the payment of 1000 Euros at InforEuro rate (InforEuro rate May 4,7517 RON for 1 Euro)	4.751,70	lei		
The Promoter register the exchange rate differences	48,30	lei	4.800-4.751,7	
The Project Promoter makes a payment of 195.000 lei in May 2019				
<i>PP makes a payment in lei</i>	195.000,00	lei		
Registration in accounting				
The Project Promoter registers on sources (85% and 15%) in accounting the payment of 195.000 lei	195.000,00	lei		
Yearly/final Reports				
The Project Promoter will report to the Programme Operator the expenses registered in accounting in RON	199.751,70	lei		For this loss the PP will transmit to PO the following documents: 1. The registration in accounting where the amount of 48.30 lei appears 2. The account statements where the exchange rate appears
Exchange rate differences	48,30	lei		
Project balance	201,00	lei	(200.000 lei - 199.751,7 lei - 48,30 lei) in this case the exchange rate differences will be considered to be covered from the project budget	

Exemple 2 –Payment to the Partner from DS

The value of the Grant Agreement in EUROS	42.000,00	Euros		The value of the project is approved in Euros. Therefore, at the signing of the Grant Agreement, practically it is uses the Inforeuro rate in order to find out the value equivalent in Lei. Euro is the currency that prevails and that must be watched not to be overcome
The value of the Grant Agreement in RON	195.846,00	lei	4,663- InforEuro rate in March 2019	
Partner from DS budget value according to the partnership agreement	10.000,00	Euros		
The PP transfers 10000 Euros to the partner from DS in May 2019				
<i>PP exchanges RON in Euros at the rate of the Commercial Bank of 4.8 RON for 1 Euro (1000 euros = 4800 lei)</i>	48.000,00	lei		
<i>PP makes the payment to the supplier in Euros</i>	10.000,00	euro		
Registration in accounting				
The PP registers on sources (85% and 15%) in accounting the payment of 10000 Euros at InforEuro rate from the payment month (InforEuro rate May 4,7517 RON for 1 Euro)	47.517,00	lei		

The Promoter register the exchange rate differences	483,00	lei		
The Project Promoter makes a payment of 148329 lei in May 2019				
PP makes a payment in lei	148.329,00	lei		
Registration in accounting				
The Project Promoter registers on sources (85% and 15%) in accounting the payment of 148.329 lei.	148.329,00	lei		
Yearly/final Reports of the expences incurred (including the ones from the DS partner)				The Partner from DS will bring an audit report for the expences incurred in value of 10000 Euros (the values are just as an example). The conversion of the amounts from Nok in Euros is made by the auditor that elaborates the report.
The Promoter will report in Lei to the PO the expenses of the DS partner using the InforEuro rate from the date of the transfer.	47.517,00	lei	DS partner reports 1000 Euros (1000*4,7517=47517 lei)	
The Promoter will report in Lei to the PO the expenses registered in accounting in RON	148.329,00	lei		
Exchange rate differences	483,00	lei		

Project balance	- 483,00	lei	195.846 lei- 148.329 lei- 47.517 lei - 483 lei) in this case the exchange rate differences (483 lei) will be covered from the PP's budget
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2.8 Accounting

All the project operations implemented through the EEA Financial Mechanism 2014-2021 and through the Norwegian Financial Mechanism 2014-2021 must be reflected in the accounting records of the Project Promoters/their Partners, this aspect being an essential element in the acknowledgement of the eligibility of the expenses (**art 8.2** of the Regulation on the implementation of the European Economic Area (EEA) 2014-2021).

The accounting records of the projects funded by the EEA Financial Mechanism 2014-2021 and the Norwegian Financial Mechanism 2014-2021 must be separately held, on **sources** (on the basis of analytical accounts), in the general accounting of the Promoters/Partners, and the accounting operations must demonstrate full transparency with regards to the transactions, while providing all required information. The accounting records shall be kept in chronological order, per sources, according to the document succession, based on the drafting or receipt date and systematically, in synthetic and analytical accounts. In order to carry out the accounting reconciliation between PO's accounts and the Project Promoters'/their Partners' accounts, they are bound to submit to PO a written document stipulating the amounts received, returned and reported, per sources of funding (grant and national co-financing). The accounting reconciliation shall be submitted by the partnership leader upon the submission of the yearly and final report, according to the PO instructions.

ATTENTION! In case of the foreign currency payments, these are recorded in accounting at Inforeuro rate from the month of the payment. The exchange rate differences are recorded separately. The transfer to the DS Partners are recorded at Inforeuro rate from the month of the transfer.

ATTENTION! The project accounts shall be checked by PO upon the on-site inspection/monitoring visits or during the implementation of the project, if so required. In this respect, PO shall be entitled to request the accounting documents corresponding to the recording of the expenditure reported by Project Promoters/their Partners.

ATTENTION! Regardless of the manner in which the project is funded (*advance payment, pre-financing mechanism or reimbursement mechanism*), Project Promoters must make sure that they only report amounts they have properly registered with the analytical accounts of the project.

3. PROJECT MONITORING AND REPORTING

The project monitoring activity is defined, according to the Regulation on the implementation of the European Economic Area (EEA) and Norwegian Financial Mechanisms 2014-2021, as the activity that ensures the monitoring of the project implementation in order to verify the compliance with the applicable procedures, identify possible problems and offer an efficient solution within a short period of time, including through the modification of the projects.

Project monitoring is regarded as an important tool for the assessment of the achievement of the general objectives undertaken by the Programme Operator and, implicitly, by the beneficiary state, the results of the monitoring activity being reported to the National Focal Point and the Donor States, according to the requirements in the Regulation on the implementation of the European Economic Area (EEA) and Norwegian Financial Mechanisms 2014-2021.

The monitoring purpose:

1. The existence of an efficient management of the projects;
2. The activities are developed according to the project schedule;
3. The objectives, results and foreseen indicators are achieved (or there are premises to be achieved);
4. The projects are implemented from the financial point of view in accordance with the Regulations and specific laws;
5. Respect for equal opportunities and lack of discrimination;
6. Respect for the state aid rules.

The Programme Operator shall ensure the monitoring implementation of the projects under the framework of the EEA Financial Mechanism 2014-2021 and Norwegian Financial Mechanism 2014-2021, **yearly**, on the basis of a monitoring plan.

PO shall ensure the monitoring of funded projects through:

- the reports submitted by the Project Promoters;
- monitoring and/or on-site verification missions;
- periodical meetings, technical meetings or phone calls, e-mail exchanges, etc.;
- the amendment of the Grant Agreements;
- the monitoring of the implementation of the recommendations in the inspection/control/audit/follow-up reports, issued by the competent entities, if any.

At the level of the PO, for each contracted project, a project officer will be assigned. The project officer shall be the liaison with the Project Promoter, as the contact person for project implementation.

PO shall communicate the project officer's name and contact data to PP: (*telephone/fax/e-mail*).

3.1 Reporting of the projects' activity

According to the **Regulation on the implementation of the European Economic Area (EEA) and Norwegian Financial Mechanisms 2014-2021**, as well as to the **Guideline for Research Programmes - Rules for the establishment and implementation of programmes falling under the Programme Area "Research"**, which shall prevail, in order to report on the project-related activity, the Project Promoters will submit **yearly and final reports**.

When are the yearly reports submitted?

Yearly reports (document generated by the contracting/monitoring platform <https://uefiscdi-direct.ro/EVoC>) shall be submitted within no more than 60 days as of the end of the reporting period (calendar year, generally at the end of February).

When are the final reports submitted?

Yearly reports (document generated by the contracting/monitoring platform <https://uefiscdi-direct.ro/EVoC>) shall be submitted within no more than 60 days as of the end of the project implementation period.

Information on how to fill out the Yearly and Final Reports

Yearly/final reports shall comprise two distinct sections: **Technical/scientific report and Financial Report**.

➔ The technical/scientific report section shall include:

Yearly report	Final report
The description of the activities carried out during the reporting period;	The results obtained, the use and dissemination of the same, the project deliverables, the fulfillment of the proposed activities and the achievement of the estimated results;
The project progress summary regarding the undertaken objectives, the stages covered, the deliverables achieved (according to the Grant Agreement provisions), and, if applicable, a justification of the differences between the	The presentation of the broader social implications of the project, under the form of a questionnaire, including actions concerning the equality of gender, ethical aspects, participant involvement and awareness-raising efforts;

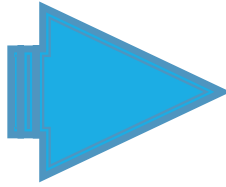
estimated objectives, stages, deliverables and the ones actually achieved;	
The description of the presentation and dissemination of the results and activities carried out;	A list of all scientific publications, project results, including the requirements stipulated in the Grant Agreement;
“Executive Summary” to be published by PO.	An “executive summary” to be published by PO.
During the implementation and at the end of the project, the Project Promoter must submit with PO a report on the scientific materials published comprising the references and the summary of all such materials resulting from the project, within 60 days as of their publication.	

➔ The Financial Report section shall include:

Yearly report	Final report
Post-calculation estimate	Post-calculation estimate
A centralizer list, individualized per partner and cumulative for the whole project, comprising information on all the expenses incurred during the reporting period;	A centralizer list, individualized per partner and cumulative for the whole project, comprising information on all the expenses incurred during the reporting period;
The statement of each Promoter/Partner, attesting that: the expenses in the centralizer list are full, accurate and true to reality, eligible and supported by documents in proof that can be made available upon request;	A cumulative centralizer list for the entire project, comprising all the expenses for all reporting periods;
The details on the use of the financial resources;	The distribution of the awarded public funding (grant/national public co-funding) between the Promoter and the Project Partners;
Information on the subcontracting cost;	Financial audit report for all the expenses made out of the public funds granted throughout the project implementation period, both for the PP, and for the partners who received funds above Eur 325,000.
Information on the in-kind contribution used as part of the project.	

ATTENTION! The partners from DS will report in Euros to the Project Promoter. The Project Promoter will report in Lei to the Programme Operator; for the conversion, it will be used the Inforeuro rate from the moment of the recording in the Promoters' accounting of the transfer to the DS Partner.

The yearly/final reports shall be drafted in English and sent through the platform www.uefiscdi-direct.ro.



After the validation of the data by the project officers, the yearly/final reports shall be printed, signed by the partnership leader's representative and sent in hardcopy to the Programme Operator.
The yearly/final reports shall be accompanied by documents in proof according to chapter 2.3.4

If the project implementation period until the end of the yearly reporting period is of less than 6 months, the Project Promoters shall only send to PO the Financial Report Section.

The reports submitted by Project Promoters shall be subjected to PO's review and approval with regards to the activities carried out, the objectives achieved, the outputs, the indicators achieved and the financial management (type of costs, eligibility, compliance with the regulations and national law, double financing etc).

As part of the review process, the Programme Operator reserves the right to request additional documents/clarifications supporting the yearly/final report verification/ approval process.

If, pursuant to the verifications, it is found that the project did not achieve the undertaken indicators, the objectives set under the Grant Agreement, raise scientific and/or financial issues, the following measures shall be implemented:

- Shall be initiated discussions with the project management (*face to face*) in order to identify the causes leading to the deviation from the initial plan;
- Shall be proposed measures/adjustments to the initial plans approved under the Grant Agreement;
- If no solutions for the redressal of the project implementation can be identified, including through amendments/adjustments to the initial plans approved under the Grant Agreement, the Operator shall inform NFP and shall propose the termination of the Grant Agreement;
- If pursuant to the discussions it is confirmed that the project did not achieve its undertaken indicators and the objectives set under the Grant Agreement and/or poses scientific and/or financial problems, the Operator shall inform NFP and shall propose the reimbursement in full/in part of the financial grant/the termination of the Grant Agreement;
- In case it is found that the project is susceptible of possible irregularities, the irregularity officer shall be informed, in order to take the specific measures.

3.2 On-site verification missions

According to the **Regulation on the implementation of the European Economic Area (EEA) and Norwegian Financial Mechanisms 2014-2021** during the project implementation period, PO must carry out monitoring and on-site verification visits for the funded projects.

The main purpose of the visits will be to determine the project progress towards the outputs undertaken in the proposal.

The following shall be checked as part of the visits:

- The reality/physical existence of the project;
- If the project is carried out in full compliance with the signed agreement;
- The physical progress of the project;
- The compliance with the rules on publicity and visibility;
- The existence of the original documents in proof (*especially if the same PP implements more than one project at a time or receives funding through other Programmes*);
- The accuracy of the information regarding the physical and financial implementation of the project sent by Project Promoters through yearly reports;
- Separate accounting;
- The verification of the public procurement procedures;
- Any and all aspects related to the project implementation.

The on-site inspection visit shall take place at the Project Promoter's office for the projects sampled on the basis of a sampling technique developed by PO and for randomly selected projects.

3.3 Periodical meetings, technical meetings or phone calls, e-mail exchanges, etc.

In order to efficiently monitor the projects and provide all required support to Promoters, as well as in order to identify and timely solve the implementation problems occurred, PO may request periodical meetings with the same, on various topics, in order to explain or solve certain issues occurred in the implementation of the projects.

The meetings can be held face to face at PO's offices or using remote means such as email, telephone, video call or IT platforms.

3.4 The amendment of the Grant Agreements

The Project Promoter, with the prior consent of the Programme Operator, may introduce some changes to the implementation of the project, provided that it does not change the general purpose of the project.

- a) In the following situations, the Project Promoter is bounded **to notify** and to obtain the Programme Operator approval:

- reallocations between the categories of expenditure, except for the indirect expenditure, within the limit of 15% of the overall project value, provided that the overall project budget does not increase;
- changes to the dates for the completion of the project activities, which do not exceed 3 months, provided that the project completion date remains;
- reallocation of funds between the subsequent budget years, as long as they do not affect the activities stipulated under the project and they do not increase the overall project budget.

The reallocations between the categories of expenditure, within the limit of 15% of the overall project value, are realized between the main categories of the projects' budget, except for the indirect expenditure (personnel, travel, equipment, supply and furniture, other costs) and not between sub-categories included in the main categories.

- b) If during the period of the project implementation becomes necessary the introduction of other changes besides the ones foreseen at point a), the Project Promoter is bounded to submit to the Programme Operator a request stipulating the introduction of these changes, alongside with the motivation, within a period of time of no more than 30 days as of the occurrence of the circumstances leading to the need to amend the project.

The Programme Operator shall be entitled to request the Project Promoter to provide additional explanations and clarifications regarding the request for changes in the implementation of the project. The Project Promoter must provide the requested information within 14 days.

The Project Promoter may request the Programme Operator an extension of the contract term by no more than 12 months, without any budget increases.

In order to introduce changes in the implementation of the project, the parties shall conclude **an addendum to the present Grant Agreement**.

3.5 The monitoring of the implementation of the recommendations in the inspection/control/audit/follow-up reports, issued by the competent entities, if any

The implementation of the recommendations in the inspection/control/audit/follow-up reports, issued by the competent authorities shall be monitored by PO who will collaborate with the Promoter's team members in order to ensure compliance with their requests.

The matters occurred and unsolved shall be taken into account during the risk analysis performed as part of the monitoring missions and shall be supervised by PO until solved.

4. Irregularities/Fraud

According to the Regulation on the implementation of the European Economic Area (EEA) and Norwegian Financial Mechanisms 2014-2021, UEFISCDI, as Programme Operator, shall be responsible for the prevention, detection and elimination of the effects of all cases of irregularity/fraud related to the use of EEA and Norwegian funds.

Moreover, UEFISCDI, as PO shall be bound, for each case of suspected irregularity/fraud, to carry out investigations and take measures, including through financial penalties. The legal grounds is represented by GEO no.66/2011, as amended and supplemented, the enforcement rules thereof approved by GD no. 875/2011, as amended and supplemented and by GD no. 519/2014 on setting the rates corresponding to the percentage deductions/financial penalties for the deviations stipulated in GEO no. 66/2011.

Types of irregularities:

- ➔ Intentional irregularities;
- ➔ Unintentional irregularities.

ATTENTION! In case the intentional nature is identified, the suspected irregularity becomes suspected fraud. Cases of suspected fraud must be reported to DLAF/OLAF.

Irregularities are determined by an infringement of:

- the legal framework of the EEA Financial Mechanism and Norwegian Financial Mechanisms 2014-2021, indicated in Article 1.5 of the Regulation;
- any and all provisions of the national laws in Romania and Donor States.

affecting or prejudicing any stage in the implementation of the EEA Financial Mechanism 2014-2021 and the Norwegian Financial Mechanism 2014-2021, particularly, without, however, being limited to, the implementation and/or the budget of any project or other activities funded through the EEA Financial Mechanism 2014-2021 and the Norwegian Financial Mechanism 2014-2021.

ATTENTION! The Project Promoter/Partners must make all efforts to prevent, detect and eliminate the effects of any and all cases of irregularity, both intentional and unintentional. Similarly, the Programme Operator shall promptly and efficiently investigate all cases of suspected and actual irregularity.

The mechanism for the prevention/identification and settlement of cases of irregularity/fraud.

Steps/Stages	Procedure	Remarks
<p>Step 1. Registration of the irregularity/fraud notification</p>	<p>The irregularity/fraud notifications may be triggered by the verifications performed by the Programme Operator, pursuant the control/audit documents drafted by the donor’s representatives and/or competent national institutions (ACP, AA, DLAF), or they may be received directly or through other public institutions. Moreover, the irregularity/fraud notifications of the whistle blowing type can be sent to nereguli_eea_grants@uefiscdi.ro</p>	<p>The irregularity officer must record and review the irregularity/fraud notifications.</p>
<p>Step 2. verification of cases of suspected irregularity/fraud</p>	<p>The cases of cases of suspected irregularity/fraud shall be checked by PO through control teams established to this end as part of its structure, within 10 days as of the recording of the suspicion.</p>	<p>This does not apply in the cases of suspected irregularity deriving from DLAF's control acts or from the reports issued by OLAF and AA.</p> <p>The verifications may be carried out at PO’s offices or at the offices of the Promoter/Partner. They will be bound to make all the project implementation documents available to the control team.</p>
<p>Step 3. The completion of the verification activities</p>	<p>The verification activity will end with a control note including a description of the activity carried out by the verification team and through the drafting of a protocol of findings concerning the irregularities identified and the budgetary debt.</p>	<p>If the case of suspected irregularity/fraud is dismissed and/or no irregularities are identified, respectively if there are no certain clues attesting the existence of a possible fraud, a protocol of findings concerning the irregularities identified is drafted, which shall stipulate the applicable budgetary debt as 0 (zero).</p>

		If a case of irregularity/fraud is confirmed , the irregularity protocol draft shall be sent to the promoter for a point of view;
Step 4. Submission of the final form of the protocol of findings regarding the irregularities and the setting of the budgetary debt	The protocol shall be drafted in 3 original counterparts, of which one for the Promoter liable for the irregularities identified, one for the control file and one for PO's budget-finance departments in order to trace and recover the debt resulting pursuant to such irregularities.	The debt thus set can be challenged according to the provisions in GEO no. 66/2011, as amended and supplemented
Step 5. Debt recovery	Debt can be extinguished by: <ul style="list-style-type: none"> - voluntary collection from the Project Promoter; - the reduction of the subsequent interim payments the Promoter is entitled to according to the Grant Agreement; - the cancellation of the protocol (following the settlement of the administrative complaint or pursuant to a final and binding court order); - forced execution. 	

5. Information and publicity

Project Promoters and their Partners are bound to abide by all information and publicity measures, according to the obligations undertaken through the Grant Agreement and according to the requirements in Annex 3 to the Regulation on the implementation of the European Economic Area (EEA) Financial Mechanism 2014-2021 and of the Norwegian Financial Mechanism 2014-2021.

In order to support Project Promoters and their Partners, the Programme Operator has developed a communication manual, **Communication and Design Manual EEA and Norway Grants 2014 – 2021**. This manual is a useful tool for Project Promoters/Partners, as it provides information and guidance on how to develop a consistent message, compliant with the regulation requirements, which helps improve the visibility of the Donor States Iceland, Liechtenstein and Norway and enhances their contribution to the reduction of economic and social disparities and the strengthening of bilateral relations between the Donor States and the beneficiary countries (Annex 2).

Annex 1: Accounting Reconciliation

Annex 2: Communication and Design Manual