

EEA Financial Mechanisms 2014-2021 Programme SMEs Growth Romania 1st Call for Project Proposals

Focus areas: Green Industry Innovation, Blue Growth and ICT

The Programme “SMEs Growth Romania” (hereafter referred to as “the Programme”) shall contribute to the general objectives of EEA and Norway Grants 2014-2021, respectively to the reduction of economic and social disparities in the European Economic Area and to strengthening bilateral relations between EEA EFTA States and EEA and Norway Grants Beneficiary States. The Programme has the objective to *increase value creation and sustainable growth in Romanian business sector*. The Programme seeks to stimulate and develop long-term business cooperation between Iceland, Liechtenstein, Norway (hereafter referred to as “the Donor States”) and Romania based on business development and innovation.

The **expected outcome** of the projects financed by this call is ***increased competitiveness for Romanian enterprises within the focus areas Green Industry Innovation, Blue Growth and Information and Communications Technology (hereafter referred to as ICT)***.

The programme will finance projects proposed by Romanian enterprises in one of the three focus areas:

1. Green Industry Innovation
2. Blue Growth
3. ICT.

Available amount for financing of projects

The total amount available for financing of projects from this Call is **EURO 21,083,334**.

2 Grants Schemes are available through the present Call for Proposals:

1. Individual Project Scheme:

Total amount available for financing projects for this grant scheme is: EUR 15,083,334, which is divided between Programme focus areas into the following indicative amounts:

- Green Industry Innovation: EUR 7,708,334
- Blue Growth: EUR 4,525,000
- ICT: EUR 2,850,000.

2. Small Grants Scheme:

Total amount available for financing projects for this grant scheme is: EUR 6,000,000, which is thus divided between Programme focus areas into the following indicative amounts:

- Green Industry Innovation: 2,000,000
- Blue Growth: 2,000,000
- ICT: 2,000,000.

Deadline for applications and language

To be eligible, applications must be submitted to Innovation Norway through the electronical application portal no later than **Thursday, 1 November 2018, at 13.00 Romanian time**.

The Programme language is English, i.e. all applications and supporting documents, shall be submitted to Innovation Norway in English. Official certificates and certified annual accounts can be submitted in Romanian language. For the list of mandatory attachments, see annex I to the present Call text.

The applicant shall inform the Fund Operator about any involvement of consultants in the process of preparing the application. The identity of the consultant(s) shall be disclosed in the application.

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1. Projects and project funding

The target group for the Programme is enterprises in private sector, mainly SMEs. Partnerships are not mandatory, but Donor Partnership Projects are strongly encouraged.

a) A **Donor Partnership Project** is defined as cooperation between a Project Promoter in Romania and at least one legal entity in the Donor States (Iceland, Liechtenstein and Norway), implementing a project where all entities are independent of each other and perform substantial and relevant tasks in the completion of the project. Such projects will be awarded additional points during project assessment. To qualify for such points, the donor state partner should be actively involved in, and effectively contributing to, the implementation of the project, and it should share with the project promoter a common economic or social goal which is to be realized through the implementation of the project. The simple provision of services does not qualify as a project partnership.

b) A **Partnership Project** is defined as cooperation between a Project Promoter in Romania and at least one legal entity in Romania, implementing a project where all entities are independent of each other and perform substantial and relevant tasks in completion of the project. The partner should be actively involved in, and effectively contributing to, the implementation of the project, and it should share with the project promoter a common economic or social goal which is to be realized through the implementation of the project. The simple provision of services does not qualify as a project partnership

1.1. Eligible applicants and partners

- Scheme for Individual projects for focus areas Green Industry Innovation, Blue Growth and ICT

Eligible applicants: SMEs, as defined in the Commission Recommendation 2003/361¹, and large enterprises with no more than 25 % public ownership, registered as legal persons in Romania and functioning in accordance to enforced Romanian legislation on commercial companies, respectively: Law 31/1990 regarding commercial companies, republished, with subsequent modifications and completions.

The applicant must have been established at least 3 fiscal years at the date of the deadline of the present Call for the areas of Green Industry Innovation and Blue Growth and at least 1 fiscal at the date of the deadline of the Call for the area ICT.

Eligible partners: any private or public entity, commercial or non-commercial, registered as legal person in one of the Donor States (Iceland, Liechtenstein and Norway) or in Romania.

- Small grant scheme for focus areas Green Industry Innovation, Blue Growth and ICT

Eligible applicants:

1. SMEs, as defined in the Commission Recommendation 2003/361, registered as legal persons in Romania and functioning in accordance to enforced Romanian legislation on commercial companies, respectively: Law 31/1990 regarding commercial companies, republished, with subsequent

¹The text of the Recommendation is available at: <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2003:124:0036:0041:en:PDF>

modifications and completions

2. Non-Governmental Organisations (NGOs) performing economic activities, registered as legal persons in Romania and functioning in accordance to enforced Romanian legislation on NGOs, respectively: Governmental Ordinance 26/2000 or Law 21/1924 regarding associations and foundations, with subsequent modifications and completions.

The applicant must have been established at least 3 fiscal years at the date of the deadline of the present Call for the area of Green Industry Innovation and at least 1 fiscal year at the date of the deadline of the Call for the areas and Blue Growth and ICT.

Eligible partners: any private or public entity, commercial or non-commercial, registered as legal person in one of the Donor States (Iceland, Liechtenstein and Norway) or in Romania.

1.1.1. Additional criteria for applicants and partners

- a) the Applicant's main activities are closely related to the activities for which an application is made;
- b) the Applicant and Partner(s) and their legal representatives signing the application have clean criminal and tax records;
- c) The Partner(s) main activity is closely related to the activities in which its contribution is proposed;
- d) if the Applicant has one or more Partners, a draft Partnership Agreement defining the roles and responsibilities of the different partners, is attached to the application. A template for the Partnership Agreement is published with this Call.

Moreover, applicants are not eligible for funding if:

- a) they are undertakings in difficulty (the definition of "undertaking in difficulty" is included in Article 2, paragraph 18 of **Commission Regulation (EU) No.651/2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty**)
- b) they are bankrupt, are entered in judicial administration or are under liquidation, have suspended business activities, are the subject of proceedings concerning those matters, or are in any analogous situation arising from a similar procedure provided for in national legislation;
- c) they have been the subject of a judgment which has the force of *res judicata* for fraud, corruption, involvement in a criminal organization or any other illegal activity of relevance for the application, without evidence of substantial correction measures taken in the past years.

1.2. Areas of support and eligible activities

An Applicant shall submit only one project proposal under this Call for Proposal

- **Scheme for Individual projects for focus areas Green Industry Innovation, Blue Growth and ICT**

This Scheme can provide support for Projects that will develop and implement activities within the enterprise applying for funding in one of the following areas:

Green Industry Innovation

1. Development, implementation and investment in innovative environmental friendly technologies
2. Development of green products and services
3. Development and implementation of "greener production processes"

4. Training, awareness raising and verifications as a secondary activity related to the above activities

Projects on Green Industry Innovation must contribute directly to one or more of these outcome indicators:

- a) Innovative green technologies/processes/solutions developed
- b) Innovative green technologies/processes/solutions applied (new to the enterprise)
- c) Green products or services commercialized (new to the market)
- d) Jobs created

Indicator “d” could only be selected in conjunction with one of the other indicators.

Business indicators - the projects are expected to produce a positive change for the Applicant in terms of annual turnover and net operational profit. The Applicant must include these two indicators among project indicators.

Blue Growth

1. Development and investment in maritime supra-structures
2. Development of solutions related to maritime transport
3. Development and investment in coastal and maritime tourism
4. Development and investment in blue biotechnology
5. Development and investment in sea bed mining resources
6. Development of solutions on blue energy
7. Training, awareness raising and verifications as a secondary activity related to the above activities

Projects on Blue Growth must contribute directly to one or more of these outcome indicators:

- a) Blue technologies/processes/solutions developed
- b) Blue technologies/processes/solutions applied (new to the enterprise)
- c) Blue products or services commercialized (new to the market)
- d) Jobs created

Indicator “d” could only be selected in conjunction with one of the other indicators

Business indicators - the projects are expected to produce a positive change for the Applicant in terms of annual turnover and net operational profit. The Applicant must include these two indicators among project indicators.

ICT

1. Development of ICT products/processes/solutions
2. Development of products/processes/solutions using ICT components
3. Training, awareness raising and verifications as a secondary activity related to the above activities

Projects on ICT must contribute directly to one or more of these outcome indicators:

- a) ICT technologies/processes/solutions developed
- b) ICT technologies/processes/solutions applied (new to the enterprise)
- c) ICT products or services commercialized (new to the market)
- d) Jobs created

Indicator “d” could only be selected in conjunction with one of the other indicators

Business indicators - the projects are expected to produce a positive change for the Applicant in terms of annual turnover and net operational profit. The Applicant must include these two indicators among project indicators.

- **Small grant scheme for focus areas Green Industry Innovation, Blue Growth and ICT**

This call can provide support for Projects that will develop and implement activities within the enterprise applying for funding in one of the following areas:

Green Industry Innovation

1. Development, implementation and investment in innovative environmental friendly technologies
2. Development of green products and services
3. Development and implementation of “greener production processes”
4. Training, awareness raising and verifications as a secondary activity related to the above activities

Projects on Green Industry Innovation must contribute directly to one or more of these outcome indicators:

- a) Innovative green technologies/processes/solutions developed
- b) Innovative green technologies/processes/solutions applied (new to the enterprise)
- c) Green products or services commercialized (new to the market)
- d) Jobs created

Indicator “d” could only be selected in conjunction with one of the other indicators

Business indicators - the projects are expected to produce a positive change for the Applicant in terms of annual turnover and net operational profit. The Applicant must include these two indicators among project indicators.

Blue Growth

1. Development and investment in maritime supra-structures
2. Development of innovative solutions related to maritime transport
3. Development and investment in coastal and maritime tourism
4. Development and investment in blue biotechnology
5. Development and investment in sea bed mining resources
6. Development of solutions on blue energy
7. Training, awareness raising and verifications as a secondary activity related to the above activities

Projects on Blue Growth must contribute directly to one or more of these outcome indicators:

- a) Blue technologies/processes/solutions developed
- b) Blue technologies/processes/solutions applied (new to the enterprise)
- c) Blue products or services commercialized (new to the market)
- d) Jobs created

Indicator “d” could only be selected in conjunction with one of the other indicators

Business indicators - the projects are expected to produce a positive change for the Applicant in terms of annual turnover and net operational profit. The Applicant must include these two indicators among project indicators.

ICT

1. Development of ICT products/processes/solutions
2. Development of products/processes/solutions using ICT components
3. Training, awareness raising and verifications as a secondary activity related to the above activities

Projects on ICT must contribute directly to one or more of these outcome indicators:

- a) ICT technologies/processes/solutions developed
- b) ICT technologies/processes/solutions applied (new to the enterprise)

- c) ICT products or services commercialized (new to the market)
- d) Jobs created

Indicator “d” could only be selected in conjunction with one of the other indicators

Business indicators - the projects are expected to produce a positive change for the Applicant in terms of annual turnover and net operational profit. The Applicant must include these two indicators among project indicators.

1.3. Minimum and maximum grant for each project

- **Scheme for Individual projects for focus areas Green Industry Innovation, Blue Growth and ICT**

The minimum amount of grant assistance applied for shall be EUR 200,000.
The maximum amount of grant assistance applied for shall be EUR 2,000,000.

- **Small grant scheme for focus areas Green Industry Innovation, Blue Growth and ICT**

The minimum amount of grant assistance applied for shall be EUR 50,000.
The maximum amount of grant assistance applied for shall be EUR 200,000.

1.4. Grant rates and co-financing

The financial contribution from this Programme shall be determined on a case-by-case basis, taking all relevant factors into account. The applicable rules on public procurement and on state aid, procedural and substantive, shall be complied with.

The Applicant (Project Promoter) shall secure the full financing of the project. The Project Promoter (and/or the Project Partner(s)) shall provide or obtain the remaining co-financing in the form of cash. All eligible expenditures of a project can form the basis of the required co-financing. In-kind contribution is not accepted as co-financing.

For undertakings, the grant rate will be determined based the applicable provisions of Commission Regulation 651/2014² declaring certain categories of aid as compatible with the Internal market in application of Articles 107 and 108 of the Treaty, as amended by Commission Regulation 2017/1084.

The grant rate may vary from 10% to 80%, depending on the type of the state aid awarded, size of the Applicant and other elements included in the provisions of the Regulation which are relevant for the respective project.

For this Call, the following state aid categories will be applicable:

1. **Regional Aid**, articles 13 and 14 – grant rate according to the Regional Map³

Investments made in the following regions:

- South-Muntenia, South-East, North-East, North-West, South-West, Centre Region: up to 50% of the eligible costs;

² Known also as General Block Exemption Regulation [GBER] <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014R0651&from=EN>

³ For more information, please see regional aid map 2014-2020
http://ec.europa.eu/competition/state_aid/cases/251895/251895_1548891_64_2.pdf

- Ilfov and West region: up to 35% of the eligible costs;
- Bucharest: up to 10% of the eligible costs.

SMEs may be awarded with a bonus between 10% and 20% of the eligible costs.

2. Aid to SMEs, articles 17 – 19

- **Investment aid to SMEs:** maximum aid intensity is 20 % of the eligible costs in the case of small enterprises and up to 10% of the eligible costs in the case of medium-sized enterprises;
- **Aid for consultancy in favour of SMEs:** maximum aid intensity is 50 % of the eligible costs;
- **Aid to SMEs for participation in fairs:** maximum aid intensity is 50 % of the eligible costs.

3. Research and Development and Innovation, art. 25

Maximum aid intensity is

- 50 % of the eligible costs for industrial research
- 25 % of the eligible costs for experimental development
with possibility to increase the maximum aid intensity up to 80 % of the eligible costs, as follows:
 - (a) by 10 percentage points for medium-sized enterprises and by 20 percentage points for small enterprises;
 - (b) by 15 percentage points if one of the following conditions mentioned in the Regulation is fulfilled:
 - “(i) the project involves effective collaboration:*
 - *between undertakings among which at least one is an SME, or is carried out in at least two Member States, or in a Member State and in a Contracting Party of the EEA Agreement, and no single undertaking bears more than 70 % of the eligible costs, or*
 - *between an undertaking and one or more research and knowledge-dissemination organisations, where the latter bear at least 10 % of the eligible costs and have the right to publish their own research results;*
 - “(ii) the results of the project are widely disseminated through conferences, publication, open access repositories, or free or open source software.”*

4. Innovation aid for SMEs, art. 28

- maximum aid intensity is 50 % of the eligible costs.

5. Training aid, art. 31

- maximum aid intensity is 50 % of the eligible costs, with possibility to increase it, as follows:
 - (a) by 10 % if the training is given to workers with disabilities or disadvantaged workers;
 - (b) by 10 % if the aid is granted to medium-sized enterprises and by 20 percentage points if the aid is granted to small enterprises
- maximum aid intensity is 100% of the eligible costs for projects in maritime transport sector, provided that the following conditions are met: (a) the trainees are not active members of the crew but are supernumerary on board; and (b) the training is carried out on board of ships entered in Union registers.

6. Aid for environmental protection, art 36 -38

- **Investment aid enabling undertakings to go beyond Union standards for environmental protection or to increase the level of environmental protection in the absence of Union standards** - maximum aid intensity is 40 % of the eligible costs, with possibility to increase by:
 - (a) 10% for aid granted to medium sized undertakings and by 20% for aid granted to small undertakings
 - (b) 15 % for investments located in assisted areas fulfilling the conditions of Article 107(3)(a) of the Treaty and by 5 % for investments located in assisted areas fulfilling the conditions of Article 107(3)(c) of the Treaty
- **Investment aid for early adaptation to future Union standards** - maximum aid intensity is:

(a) 20 % of the eligible costs for small undertakings, 15 % of the eligible costs for medium-sized undertakings and 10 % of the eligible costs for large undertakings if the implementation and finalisation of the investment take place more than three years before the date of entry into force of the new Union standard;

(b) 15 % of the eligible costs for small undertakings, 10 % of the eligible costs for medium-sized undertakings and 5 % of the eligible costs for large undertakings if the implementation and finalisation of the investment take place between one and three years before the date of entry into force of the new Union standard.

The aid intensity may be increased by 15% for investments located in assisted areas fulfilling the conditions of Article 107(3)(a) of the Treaty and by 5 % for investments located in assisted areas fulfilling the conditions of Article 107(3)(c) of the Treaty

- **Investment aid for energy efficiency measures** - maximum aid intensity 30 % of the eligible costs with possibility to increase it by:
 - (a) 20% for aid granted to small undertakings and by 10 % for aid granted to medium-sized undertakings. (b) 15 % for investments located in assisted areas fulfilling the conditions of Article 107(3)(a) of the Treaty and by 5 % for investments located in assisted areas fulfilling the conditions of Article 107(3)(c) of the Treaty.

Exceptionally, financial support will be awarded as *de minimis* support in line with the Commission Regulation (EC) No 1407/2013 (max. EUR 200,000 over three fiscal years).

1.5. Eligible expenditures

IMPORTANT: The assessment of the eligible expenditures for a specific project will be made based on the applicable state aid legal basis. However, in cases where eligibility provisions in the State aid legislation are more extensive than the detailed eligibility provisions below, the text of the Call will prevail.

1.5.1. First and final dates for eligibility of expenditure

Costs within projects may be eligible from the date on which the grant is awarded or at a later date set in the Project Contract. The Project Contract shall set the final date of eligibility of costs, which shall be no later than 30 April 2022. Costs incurred after that final date are not eligible.

1.5.2. General principles of eligibility

Eligible expenditures of projects are those actually incurred by the Project Promoter or the Project Partner, which meet the following criteria:

- a) they are incurred between the first and final dates of eligibility of a project as specified in the project contract;
- b) they are connected with the subject of the project contract and they are indicated in the detailed budget of the project;
- c) they are proportionate and necessary for the implementation of the project;
- d) they are used for the sole purpose of achieving the objective of the project and its expected outcome(s), in a manner consistent with the principles of economy, efficiency and effectiveness;
- e) they are identifiable and verifiable, in particular through being recorded in the accounting records of the project promoter and determined according to the applicable accounting standards and generally accepted accounting principles; and
- f) they comply with the requirements of applicable tax and social legislation.

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

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

1.5.3. Detailed eligibility provisions

1.5.3.1 - Eligible direct expenditures

The eligible direct expenditures for a project are those expenditures which are identified by the Project Promoter and/or the Project Partner, in accordance with their accounting principles and usual internal rules, as specific expenditures directly linked to the implementation of the project and which can therefore be booked to it directly. The following direct expenditures are eligible provided that they satisfy the criteria set out in Article 1.5.2.:

- a) the cost of staff assigned to the project, comprising actual salaries plus social security charges and other statutory costs included in the remuneration, provided that this corresponds to the project promoter's and project partner's usual policy on remuneration;
- b) travel and subsistence allowances for staff and volunteers taking part in the project, provided that they are in line with the project promoter's and project partner's usual practices on travel costs;
- c) cost of new or second-hand equipment provided that it is depreciated in accordance with generally accepted accounting principles applicable to the project promoter and generally accepted for items of the same kind. Only the portion of the depreciation corresponding to the duration of the project and the rate of actual use for the purposes of the project may be taken into account by the Fund Operator. In case the Fund Operator determines that the equipment is an integral and necessary component for achieving the outcomes of the project, the entire purchase price of that equipment may be eligible;
- d) costs of consumables and supplies, provided that they are identifiable and assigned to the project;
- e) costs entailed by other contracts awarded by a project promoter for the purposes of carrying out the project, provided that the awarding complies with the applicable rules on public procurement;
- f) costs arising directly from requirements imposed by the project contract for each project.

Where the entire purchase price of equipment is eligible in accordance with point (c) of paragraph 1 of Section 1.5.3.1. **Eligible direct expenditures**, the Project Promoter shall:

- a) keep the equipment in its ownership for a period of at least five years following the completion of the project and continues to use the equipment for the benefit of the overall objectives of the project for the same period;
- b) keep the equipment properly insured against losses such as fire, theft or other normally insurable incidents both during project implementation and for at least five years following the completion of the project; and
- c) set aside appropriate resources for the maintenance of the equipment for at least five years following the completion of the project.

1.5.3.2 - Purchase of real estate and land

The cost of purchase of real estate, meaning buildings constructed or under development and the appropriate rights to the land on which they are built, and land not built on may be eligible under the following conditions, without prejudice to the application of stricter national rules:

- a) there shall be a direct link between the purchase and the objectives of the project;
- b) purchase of real estate and/or land may not represent more than 10% of the total eligible expenditure of the project, unless a higher percentage is explicitly set in the decision to award the project grant;
- c) a certificate shall be obtained prior to the purchase from an independent qualified evaluator or duly authorized official entity confirming that the purchase price does not exceed the market value and that it is free of all obligations in terms of mortgage and other liabilities, particularly in respect of damage related to pollution. In case of purchase of real estate the certificate must either confirm that the building in question is in conformity with national regulations, or specify what is not in conformity with national regulations but which is to be rectified by the project promoter under the project;
- d) the real estate and/or land shall be used for the purpose and for the period specified in the decision to award the project grant. The ownership must be transferred to the project promoter, or those explicitly designated by the project promoter in the project application as recipients of the real estate and/or land, prior to the completion of the project. The real estate and/or land cannot be sold, rented or mortgaged within five years of the completion of the project, or longer if stipulated in the project contract. The Financial Mechanism Office (FMO) may waive this restriction if it would result in an unforeseen and unreasonable burden on the project promoter.
- e) the real estate and/or land may only be used in conformity with the objectives of the project. In particular, buildings may be used to accommodate public administration services only where such use is in conformity with the objective of the project; and
- f) the purchase of real estate and/or land shall be explicitly approved by the Fund Operator prior to the purchase either in the project contract or by a later decision.

The restrictions referred to in paragraph 1(d) apply also to buildings that are constructed or reconstructed through a financial contribution from the EEA and/or Norwegian Financial Mechanisms 2014-2021.

Expenditure on site preparation and construction which is essential for the implementation of the project may be eligible.

The cost of real estate and/or land already owned, directly or indirectly, by the Project Promoter, or purchase of real estate and/or land, directly or indirectly, by the Project Partner or a public administration, shall not be eligible. Under no circumstances shall real estate and/or land be purchased for speculative purposes. The real estate and/or the land shall not have received a national or external donor grant in the last 10 years which could give rise to a duplication of funding.

1.5.3.3 - Eligible indirect costs in projects (overheads)

Indirect costs are all eligible costs that cannot be identified by the Project Promoter and/or the Project Partner as being directly attributed to the project, but which can be identified and justified by its accounting system as being incurred in direct relationship with the eligible direct costs attributed to the project. They may not include any eligible direct costs. Indirect costs of the project shall represent a fair apportionment of the overall overheads of the Project Promoter or the Project Partner. They may be identified according to either of the following methods:

- a) based on actual indirect costs for those project promoters and project partners that have an analytical accounting system to identify their indirect costs as indicated above;
- b) a Project Promoter and Project Partners may opt for a flat rate of up to 25% of total direct eligible costs, excluding direct eligible costs for subcontracting and the costs of resources made available by third

parties which are not used on the premises of the project promoter or project partner, subject to the calculation of the rate on the basis of a fair, equitable and verifiable calculation method or a method applied under schemes for grants funded entirely by the Beneficiary State for similar types of project and project promoter;

- c) a project promoter and project partners may opt for a flat rate of up to 15% of direct eligible staff costs;
- d) in case of projects including a research component, indirect eligible costs may be determined by applying a flat rate of 25% of the total direct eligible costs, excluding direct eligible costs for subcontracting and the costs of resources made available by third parties which are not used on the premises of the Project Promoter or Project Partner.

1.5.4. Excluded costs

The following costs shall not be considered eligible:

- a) interest on debt, debt service charges and late payment charges;
- b) charges for financial transactions and other purely financial costs, except costs related to accounts and financial services imposed by the project contract;
- c) provisions for losses or potential future liabilities;
- d) exchange losses;
- e) recoverable VAT;
- f) costs that are covered by other sources;
- g) fines, penalties and costs of litigation, except where litigation is an integral and necessary component for achieving the outcomes of the project; and
- h) excessive or reckless expenditure.

2. Assessment of projects and selection procedure

The Fund Operator will check the fulfilment of administrative and eligibility criteria contained in the call for proposals. In the case of applications not complying with the administrative and eligibility criteria Innovation Norway will contact the Applicant to clarify the information provided or request the provision of additional information. Applicants will be given 10 working days to submit the information requested. Applications submitted in a language other than English will be automatically rejected.

Following the conclusion of the administrative and eligibility check, all Applicants will be informed in writing about the status of their project.

All applications which fulfil administrative and eligibility criteria will be further assessed by experts from Innovation Norway. The experts shall evaluate the projects against the selection criteria contained in the Call for proposals.

If necessary, Innovation Norway may use external expertise on a case by case basis.

The result of the experts' assessment shall be a ranking list that forms the basis of the Innovation Norway's selection committee's discussion. The selection committee will make the final decision to reject or approve the applications.

After the selection procedure is complete, information of the results and the decision on the award of grants will be communicated to the Applicants and published online.

2.1. Assessment criteria

Project applications will be assessed based on a set of selection criteria. The said criteria are based on the objectives and the outcome that the Programme seeks to achieve. The objectives and principles of good governance, sustainable development and gender equality, as well as Corporate Social Responsibility, are cross-cutting issues that shall be considered as part of the assessment process.

The applicable selection criteria are divided into the following sections:

1. Formal/administrative criteria

- The Application form has been filled in according to the instructions given in the Call for Project proposals, Electronic Application Form, Application form Guidelines **and** all mandatory documentation is attached to the application
- The application and requested supported documents are submitted and presented in English; certificates issued by national authorities and certified financial annual accounts issued in Romanian language can be submitted and presented in Romanian. For the rest of the documents, free translation in English is required.
- The appropriate electronic Application Form has been used (corresponding to the type of Programme and type of the Applicant)

2. Eligibility criteria

a) Applicant (and Partner(s))

- The Applicant is registered as legal person in Romania and the entity fits in one of the categories of eligible applicants for the relevant grant scheme (Individual Project Scheme or Small Grants Scheme), as listed in the present Call
- The Applicant has been established for at least the period of time set out in the Call, section 1.1 Eligible applicants and partners, and its main activity is closely related to the activities for which the application is made
- The Partner(s) is established as legal entity in Romania or in one of the Donor states
- The Partner(s)' main activity is closely related to the activities in which its contribution is proposed
- If the case of a partnership project, a draft project partnership agreement has been attached to the Application form
- The Applicant and the legal representative signing the Application have clean criminal and tax record
- The Applicant is not an undertaking in difficulty
- The Partner(s) and the legal representative signing the Partnership agreement have clean criminal and tax record

b) Project

- The proposed project fits into one of the focus areas of the call and within the eligible activities defined in the Call text
- Grant maximum and minimum amounts and co-financing rates are complied with
- The project implementation period is not longer than the deadline for cost eligibility mentioned in the Call for Project Proposals
- No overlapping/double funding arises from the applications for a similar project from EU/EEA/International Financial Institution/Bilateral or other sources
- The project is in compliance with both EU and national legislation of Romania (in particular state aid, public procurement and environment requirements)
- Compliance with plans -The extent to which the project is in compliance with national, regional and local policies, strategies, plans and programmes in Romania
- Incentive effect – work on the project did not start before the submission of the current application for grant

3. Technical and financial selection criteria

- **Relevance** - The extent to which the project meets the Programme specific expected outcome and the eligible activities set out in the Call for Project Proposals
- **Overall objectives** - The extent to which the Project contributes to the overall objectives of EEA and Norway Grants 2014-2021 (reduction of economic and social disparities in the EEA Area and strengthening the bilateral relations between the Beneficiary state and Donor state(s)).
- **Cross-cutting issues** - The extent to which the project complies with relevant cross-cutting issues identified in the application form
- **Internal factors** - The extent to which the Applicant (and Partner(s)) have the necessary resources to implement the project; internal factors are the factors over which the Applicant may influence with strategic choices (key resources, core activities, production)
- **Technical viability and feasibility** - The extent to which the project is mature, i.e. technically viable and feasible in terms of technical solution meets the project objectives and specific outcomes, the Applicant has the technical/technological capacity to implement the project, time schedule.
- **IPR status (Intellectual Property Rights)** - Immaterial resources available for the proposed project
- **Good Business Practice** - The extent to which the Applicant (and possible Partners) adhere to Good Business Practice
- **Market and competitive situation** – quality of market analysis, under the balance of demand and offer of products and services
- **Partnership's quality** – The extent to which the Partnership Agreement include clear division of roles, responsibilities and cash flow have been agreed upon; assessment of Partner's involvement in the preparation, implementation and sharing the project results
- **Financial capacity** - The extent to which the Applicant (and possible Partners) have the necessary co-financing and financial capacity to implement the project and support its costs
- **Operating risk** – the assessment of Applicant's financial situation and debt service capabilities
- **Project risks** - The extent to which the project is adequately supported by a risk management plan
- **Project profitability** – The extent to which the project has potential for profitability
- **Socio-Economic impact** - The extent to which the project has added value, i.e. the socio-economic profitability
- **Releasing effect** - The extent to which the project would not be executed without a grant
- **Innovation level** – The extent to which the project includes innovation, either on enterprise level, sector level, national level or international level
- **Costs estimates and funding** - The extent to which the project have clear and well documented cost estimates and a financing plan. The budget is correctly elaborated and correlated with project activities, allocated and estimated resources.

2.2. Selection and award

The selection criteria above will be scored in a rating from one to six points (1 lowest, 6 highest). The scoring will constitute a basis for an assessment profile. Each of the selection criteria may be a critical success factor, since low score on certain critical factors can jeopardize the whole project. The scoring profile will be the basis for the prioritizing for the project proposals. The main principle will be that those projects with the highest scoring will have the highest probability to be awarded a grant.

After the assessment of the project applications has been performed, Innovation Norway will make the final grant decision. Applicants shall be notified of the decision of Innovation Norway to support or reject their application. Innovation Norway will send a Draft Project Contract/Reasoned Refusal to the Project Promoter with a copy to possible Partners.

2.3. The project contract

For each approved project a Project Contract shall be concluded between Innovation Norway and the Project Promoter.

The Project Contract will include relevant Special Conditions, the Standard terms and Conditions on EEA/Norway Grants programmes operated by Innovation Norway, the agreed Project Implementation Plan, the agreed activity based Budget and the agreed Disbursement Plan. These documents shall set out the terms and conditions of the grant assistance, as well as the roles and responsibilities of the Parties.

Prior to the signing of the Project Contract, the Project Promoter has to submit a binding confirmation of the co-financing of the project to Innovation Norway. The Grant Offer letter will set a deadline for submitting such a confirmation. If the deadline is not met, the Grant Offer is considered to be withdrawn, unless a prolongation of the deadline is granted by Innovation Norway in writing.

The Project Contract sets out the terms and conditions of grant assistance as well as the roles and responsibilities of the parties. The project contract shall contain, as a minimum, provisions on the following:

- a) obligations regarding reporting that enable the Fund Operator to comply with its reporting obligations to the FMO and the National Focal Point;
- b) the maximum amount of the project grant in euro and the maximum project grant rate;
- c) the list of eligible expenditures;
- d) the method of calculating indirect costs and their maximum amount;
- e) the first and final dates of eligibility of expenditures;
- f) requirements for the submission of proof of expenditure;
- g) provision on modifications of the project;
- h) provisions that ensure timely access for the purposes of monitoring, audits and evaluations;
- i) provisions that ensure that obligations regarding information and communication;
- j) the right of the Fund Operator to suspend payments, make financial corrections and request reimbursement from the project promoter in case decision on such actions is taken by the FMO and/or the Fund Operator;
- k) resolution of disputes and jurisdiction;
- l) waiver of responsibility;
- m) a detailed budget;
- n) provisions on equipment for which the entire purchase price is eligible, in compliance with section 1.5.3.1 Eligible direct expenditures;
- o) provisions regarding the situation of changing the Fund Operator;
- p) a reference to partnership agreements or letters of intent, if relevant; and
- q) provisions that ensure that obligations regarding record keeping are complied with.

The obligations of the Project Promoter under the project contract shall be valid and enforceable under the law applicable to the Project Contract.

The grant will be subject to the acceptance of the Standard Terms and Conditions on EEA/Norway Grants programmes operated by Innovation Norway and the Special Conditions of the Project Contract.

3. Implementation of projects

All provisions and requirements related to the implementation of projects are set out in the Standard terms and Conditions, published together with this call.

4. Payment flows

Grant assistance shall be given as reimbursements of already incurred documented costs according to an agreed Disbursement Plan.

The Project Promoter has the opportunity to apply for an advance payment in line with Programme requirements.

The advance payment shall be paid following the signature of the project contract, within one month of the submission of a request by the project promoter. Subsequent payments shall be paid following the approval of project interim reports and no later than one month from the date of approval. The final payment, if applicable, will be paid following approval of the final report and no later than one month from the date of approval.

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

Commitments and payments will be carried out in Euro (€).

Payment claims (incl. advance payment) forwarded from the Project Promoter to Innovation Norway shall be in Euro (€).

5. Procedure for submission of application

Only electronic applications, submitted via Innovation Norway's Application Portal, in English, will be accepted. The application form must be accompanied by the mandatory attachments which are listed in Annex II of the present Call text.

The electronic applications and templates for the mandatory attachments are available on Innovation Norway's website <https://www.innovasjon Norge.no/en/start-page/eea-norway-grants/>.

Project applications will be submitted via application portal which could be accessed through the above-mentioned website.

The Guidelines for Application form is also available on Programme's website.

6. Queries

Questions or further need for clarifications shall be sent in writing – in English - to the Programme's e-mail address RO.Innovation@innovationnorway.no. Queries will normally be replied to within 3-5 working days.

A Frequently Asked Questions section (FAQ) will be published on the dedicated Innovation Norway's website based on questions received from potential applicants and partners. The FAQ will be updated on a regular basis.

ANNEX I – List of mandatory documents

1. Expected results and deliverables of the project (template)
2. Project Implementation Plan (template)
3. Detailed Activity Based Budget and Disbursement Plan (template)
4. Procurement Plan (template)
5. Letter of Commitment (template)
6. Business plan (template)
7. draft Partnership Agreement (if relevant) (template)
8. CV's for project management team (template)
9. Communication Plan
10. Self-declaration re. undertaking in difficulty (template)
11. Self-declaration regarding clean tax and criminal record of the Applicant (and Partner(s) – if relevant) and of the legal representative(s);
12. Relevant Registration Certificates and statutory documents
 - a) *Applicants - enterprises:*
 - certificate of status ('certificat constatator') issued by the Romanian Trade Register Office (which should include extensive information about enterprise's up to date status)
 - b) *Applicants – NGOs:*
 - law court decision for the establishment of the NGO
 - latest approved statute
 - law court decision regarding the latest version of the statute (if the case)
 - c) *Partners:*
 - registration certificate (or similar), issued by the competent authority in the Donor State/Beneficiary State
 - latest approved statute (or similar), which proves that Partner's main activity is closely related to the activities in which its contribution is proposed
13. Certified annual **financial** accounts of the Applicant for 2017 and 2016, and the balance sheet/profit & loss statement as per 30 June 2018 (Romanian) as well as the latest approved and registered at the national financial authority's trial balance sheet for 2018.
14. Applicant's annual report (year 2017)

ANNEX II Essential readings

Please find below the list of documents which are relevant for the present Call and are available on our webpage <https://www.innovasjon Norge.no/en/start-page/eea-norway-grants/>:

1. Standard terms and conditions
2. Project assessment criteria and methodology
3. Guidelines Cross-cutting-issues and good business practice
4. Application form Guidelines

ANNEX III – Glossary of terms

The following terms used in the present Call shall be understood as follows:

SMEs – small and medium sized enterprises, as defined within the Commission Recommendation (2003/361/EC)

Sustainable growth - building a better society based on the three dimensions of sustainability; economic sustainability, environmental sustainability and social sustainability.

Value creation – it refers to initiatives to bring value to enterprise’s shareholders and customers.

Competitiveness - enterprises’ ability to offer products and services that meets the quality standards on the local and world markets at prices that are competitive and provide adequate returns on resources employed or consumed in producing them.

CO2 emissions - includes greenhouse gases – CO2-equivalents: carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), chlorofluorocarbons (CFCs), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF₆) and nitrogen trifluoride (NF₃).

Non-greenhouse gases: sulphur oxides (SO₂), nitrogen oxides (NO₂), carbon monoxide (CO) and emissions of volatile organic compounds (VOC), excluding methane.

Profit: difference between operating income and operating expenses.

Turnover: enterprise’s net revenue for a fiscal year (after deduction of VAT, trade reductions and other indirect taxes).

Innovation: enterprise’s implementation of a new or significantly improved product (goods or services), or a process, a new marketing method, or a new organizational method in business practices, work place organization or an external relation. Innovation can be on enterprise level, sector level, national level or international level.

Innovative technology “developed”: Projects where the main activities are user driven R&D, i.e. validation or demonstration of technologies in relevant (industrial) environment, prototypes demonstrated in operational environment, system completed and qualified. With other words Technology Readiness Level (TRL) 5-8 (EU

Commission's scale used to describe the maturity of a technology). These types of projects will typically be cooperation between an enterprise and a research institution or similar.

Innovative technology "applied": An enterprise is using a solutions/technology/product already developed/available in the market and adjust it to the enterprises' own need. These types of projects will often include a R&D component related to adjustment of material, process etc. applicant/enterprise's needs.

Green technology: a single technology that is less environmental harmful than the technology used today, encompassing technologies and processes to manage pollution (i.e. air/water/soil pollution control, waste management) and to use resources more efficiently.

"Blue" products/services/technology: harnessing potential and resources related to sea, coast, river and lakes.

"Green" products and services: Goods and services having less of an impact on the environment (less polluting and less resource intensive), or less impact on human health than traditional equivalents and which are economically viable.

Commercialization: the process by which a new product or service is introduced into the general market. The process is broken into phases, from the initial introduction of the product through its mass production and adoption. It takes into account the production, distribution, marketing, sales and customer support required to achieve commercial success.

Non-governmental organisation: a non-profit voluntary organisation established as a legal entity, having a non-commercial purpose, independent of local, regional and central government, public entities, political parties and commercial organisations. Religious institutions and political parties are not considered NGOs.

Project: an economically indivisible series of works fulfilling a precise technical function and with clearly identifiable aims related to the programme under which it falls. A project may include one or more sub-projects.

Project contract: an agreement between the Fund Operator and the Project Promoter regulating the implementation of a particular project.

Project grant: a grant awarded by a Fund Operator to a Project Promoter to implement a project.

Project Promoter: legal person having the responsibility for initiating, preparing and implementing a project.

Applicant: legal person applying for a grant.