

## FINANCING CONTRACT

For the implementation of the bilateral initiative

“ .....

financed under the Fund for Bilateral Relations 2014-2021

No. .... / .....

Considering

- (a) The Memoranda of Understanding for the implementation of the EEA Financial Mechanisms 2014-2021 and of the Norwegian Financial Mechanism 2014-2021, between the Donor States, respectively the Kingdom of Norway and the Romanian Government,
- (b) The Agreement on the Fund for Bilateral Relations, between the Financial Mechanism Committee and the National Focal Point,
- (c) The Regulations on the implementation of the EEA Financial Mechanisms and of the Norwegian Financial Mechanism 2014-2021, hereinafter called the “Regulation”,
- (d) The Bilateral Guideline and other guidelines adopted by the Financial Mechanism Committee / Norwegian Ministry of Foreign Affairs according to the Regulation,
- (e) The Government Emergency Ordinance no. 1/2018 on the establishment of certain measures in the field of central government administration and for the amendment of completion of certain regulatory acts, as amended,
- (f) Government Emergency Ordinance no. 34/2017 of the financial management of the non-reimbursable external funds under the EEA Financial Mechanisms and the Norwegian Financial Mechanism for the programming period 2014-2021 and the Common Order MEF-MPF no. 2840/2017 on the approval of the methodology norms for the application of the GEO 34/2017,
- (g) Law no. 98/2016 on public procurement and the Methodology Norms on June 2, 2016, published in the Official Journal no. 423 on June 6, 2016,
- (h) Order of the Minister of European Funds no. 1284/2016 on the approval of the competitive procedure applicable to the private applicants/beneficiaries for the award of products, services or works contracts financed under non-reimbursable funds, published in the Official Journal 618/12.08.2016,
- (i) Government Emergency Ordinance no. 66/2011 on the prevention, identification and sanctioning of irregularities in obtaining and using the European Funds and/or of the national public funds related to them, approved and amended through the Law no. 142/2012, as amended,
- (j) Government Decision no. 518/1995 on certain rights and obligations of the Romanian staff sent abroad for temporary missions, as amended,
- (k) Government Decision no. 714/2018 on the rights and obligations of the staff in the public authorities and institutions during their delegation and assignment in other places, as well as in care of professional travel,
- (l) Order of the Minister of European Funds no. 348/2018 for the approval of the Rules for the application of the flat-rate amounts for travels financed under the Fund for Bilateral Relations and the Technical Assistance Fund of the European Economic Area and Norwegian financial mechanisms 2014-2021,
- (m) Law no. 190/2018 implementing provisions of the EU Regulation no. 679/2016 of the European Parliament on the protection of natural persons with regard to the processing of personal data and on the free movement of such data,

**Ministry of Investments and European Projects, as National Focal Point**, with the offices in Bucharest, 36-38 D.I. Mendeleev Street, sector 1, telephone 0372.838.500, fax 0372838501, fiscal code no. 38918422, bank account number IBAN RO52BACX000000999067080, at UniCredit Bank, represented by ....., Minister of Investments and European Projects  
and

....., legal entity, with the offices in ..... , ..... (street, number, sector/county), tel. .... , fax ..... , fiscal code no. ...., bank account number ..... , bank ....., represented by the legal representative ....., as ....., as Promoter of the bilateral initiative, hereinafter called the “Promoter”,

have agreed to sign the following Financing Contract

**Art. 1 – Object of the contract and annexes**

1. The object of this Financing Contract is granting non-reimbursable funds for the implementation of the bilateral initiative titled “.....”, hereinafter called the “bilateral initiative”, financed under the Fund for bilateral relations 2014-2021, implemented by ..... in partnership with the .....

2. The Promoter shall be granted non-reimbursable funds under the terms and conditions provided in this Contract, in compliance with all the rules established in the Regulation and in the relevant legal framework.

3. The Promoter accepts the non-reimbursable grant and commits to carry out the bilateral initiative under its own responsibility, according to relevant legislation, the provisions of this contract and in compliance with the annexes that are part thereto, as follows:

- (a) Annex 1 – Final Bilateral Initiative Proposal submitted by the Promoter, hereinafter called the “proposal”;
- (b) Annex 2 - the Partnership Agreement between ..... as bilateral initiative Promoter and ....., as Partner.
- (c) Annex 3 – Detailed final budget of the bilateral initiative
- (d) Annex 4 – Financial Identification Form

**Art. 2 – Duration of the contract**

- 1. This contract comes into force upon its signature by the last of the parties.
- 2. The activities related to the bilateral initiative shall be implemented and completed during the period stipulated in art. 3.2.

**Art. 3 – Contract value and eligible expenditure**

1. The value of the contract is ..... RON, representing ..... EUR, calculated at the inforeuro exchange rate valid in the month of ....., i.e. 1 EUR = ..... RON, representing 100% non-reimbursable financing. The amount in RON of the budget items under the detailed budget of the bilateral initiative shall be determined using the inforeuro exchange rate stipulated under this article.

- 2. The expenditure eligibility period starts on the date of entry into force of this contract and ends on .....
- 3. The expenditures are considered eligible if they fall under the categories of eligible expenditures of the Fund for Bilateral Relations stipulated under article 8.8 of the Regulation, they comply with the provisions of art. 8.12 of the Regulation for the justification of the expenditures and meet the criteria established under article 8.2 of the Regulation, as follows:

(a) they are made (invoiced and paid) between the initial and final expenditure eligibility date, according to the contract; exceptionally, the expenditures made in the final eligibility month and paid within 30 days after the final expenditure eligibility date shall be considered eligible;

(b) they are related to the object of the contract and are mentioned in the detailed budget of the initiative;

(c) they are proportional and necessary to implement the initiative;

(d) they are used only for the purpose of achieving the indicator or outcome of the initiative and to achieve the expected results, in line with the principles of economy, efficiency and efficacy;

(e) they are identifiable and verifiable, mainly by being recorded in the accounting records of the Promoter or of the partner, and are established in line with the accounting standards applicable in the country of the Promoter or of the project promoter, based on the generally accepted accounting principles; and

(f) they comply with the requirements of the relevant tax and social laws in force.

4. The non-eligible expenditures and the expenditures related to the activities implemented after the expiry of the eligibility period shall be paid from their budgets by the Promoter or of the Partner, based on the conditions established in the Partnership Agreement.

5. The excluded expenditures are mentioned under art. 8.7 of the Regulation. The unfavourable exchange rate differences resulting from the operations carried out by the Promoter or of the Partner, as well as the bank commissions related to the financial transactions between the Promoter and the Partner, shall be considered eligible expenditures, if their value falls under the total budget of the project.

#### **Art. 4 – PAYMENTS**

1. The National Focal Point shall make the payments under the bilateral initiative based on pre-financing or reimbursement, according to the payment request submitted by the Promoter in the format established by the National Focal Point.

2. The payments to the Promoter shall be made in EUR/RON, as advance payments or reimbursement payments, to the bank account exclusively dedicated to this initiative and notified in the financial identification sheet. The Promoter has the obligation to notify the National Focal Point on any modifications and to submit the amended financial identification sheet.

3. The National Focal Point shall make an advance payment of up to 70%/100% of the value of the financing contract, according to the advance payment request submitted by the Promoter, within maximum 15 days after its approval.

4. The final/reimbursement payments shall be conditioned by:

4.1. The approval of the implementation report, to be submitted within 30 business days after the end of the implementation period stipulated in this contract, according to the template established by the National Focal Point, which shall outline the results of the bilateral initiative and the activities carried out.

4.2. The verification of the supporting documents requested as proof of expenditures or the submission of the auditor's report.

5. A report by an independent and certified auditor, certifying that the claimed costs are incurred in accordance with the Regulations for the implementation of the EEA and Norway Grants, the national law and accounting practices of the promotor/partner's country, shall be seen as sufficient proof of costs incurred. Donor States entities may also opt for a competent public officer to provide a report, certifying that the claimed costs are incurred in accordance with the Regulations for the implementation of the EEA and Norway Grants, the national law and accounting practices of the project promotor/partner's country, provided that the relevant national authorities have established the legal capacity of that competent public officer to audit that entity and that the independence of that officer, in particular regarding the preparation of the financial statements, can be ensured.

6. The payment of the accepted eligible amount shall be made by the National Focal Point in the bank account of the Promoter, after the submission of a payment request and of the supporting documents or auditor's report.

## **Art. 6 – COMMON COMMITMENTS OF THE PARTIES**

1. The parties undertake to fulfil their tasks and obligations related to the implementation of this contract, based on an adequate management, transparency and partnership principles, according to the national legislation in force and with the relevant legal framework of the EEA and Norway Financial Mechanisms 2014-2021.
2. The parties undertake to use the information and documents obtained or to which they have access during the bilateral initiative implementation period in compliance with this contract, with the national legislation in force and with the legal framework applicable to the EEA and Norwegian Financial Mechanisms 2014-2021 as concerns the legal provisions related to the transparency, access to information and protection of personal data.

## **Art. 7 – RIGHTS AND OBLIGATIONS OF THE NATIONAL FOCAL POINT**

1. The National Focal Point shall verify the expenditures declared and the achievement of the results of the bilateral initiative based on the documents submitted by the Promoter, i.e. whether these have been made and achieved in compliance with this contract, with the Regulation and with the relevant national legislation.
2. The National Focal Point shall ensure that the payments related to the bilateral initiative are made in compliance with the provisions of this contract.
3. The National Focal Point shall ensure the transparency and the availability of the documents that must be submitted according to the Regulation.
4. The National Focal Point reserves its right to carry out all the activities related to the verification of the implementation of the funded initiative, according to this contract.
5. Further to verifications, the National Focal Point is entitled to declare the expenditures made in breach of the contract and legal provisions in force as non-eligible and to request their reimbursement by the Promoter within 15 days after the receipt of such request.
6. The National Focal Point shall take all measures to prevent, identify and sanction the irregularities in using the non-reimbursable financing granted, including by applying financial corrections, according to the applicable provisions and to the relevant law, as well as to the provisions of the Regulation.
7. The National Focal Point is entitled, in case of suspicion of breach of the contract provisions by the Promoter, to immediately suspend all payments, until the suspicion is invalidated.
8. The National Focal Point is entitled to terminate this contract if it finds out that the results and indicator of the bilateral initiative, as declared by the Promoter in the proposal, have not been achieved. In this case, the Promoter has the obligation to wholly or partially reimburse the amounts received.

## **Art. 8 – OBLIGATIONS OF THE PROMOTER**

The Promoter of the bilateral initiative undertakes:

1. To use the non-reimbursable funds only for the purpose of the bilateral initiative that is object of this contract;
2. To implement the bilateral initiative under its responsibility and in compliance with the bilateral initiative proposal, aiming at achieving its outcome, as stated and accepted;
3. To ensure that all the conditions it is required to comply with equally apply to its Partners. The Promoter shall include in the partnership agreement with such partners provisions ensuring the application of this principle. The Promoter shall be individually liable against the National Focal Point for the implementation of the bilateral initiative;
4. To provide the National Focal Point with all the information requested concerning the implementation of the bilateral initiative. If the submitted reports are not complete or require modifications, the Promoter has the obligation to make the requested completions and modifications before resubmitting them;
5. To comply with all the norms applicable to the public procurement procedures, the Promoter being fully liable for the manner how the procurement process takes place;
6. To ensure the use of the results of the bilateral initiative after the completion of its implementation;

7. To comply with the visual identity elements of the EEA and Norway Financial Mechanisms 2014-2021 and to ensure adequate publicity of the bilateral initiative and of its funding sources;
8. To grant immediate and unrestricted access for the audit, control or verification actions carried out by the competent structures within the EEA and Norway Financial Mechanisms 2014-2021, as concerns the manner how the non-reimbursable grants provided are used;
9. To take all the required measures to avoid conflict of interest and to immediately notify the National Focal Point as concerns any situation that represents or may represent or which may cause the occurrence of such conflict of interests;
10. To submit to the National Focal Point the advance or reimbursement payment requests, according to the template established by the National Focal Point;
11. To submit to the National Focal Point the proof of expenditure incurred and the implementation report. The payment applications shall be drafted in English, according to the model established by the NFP. The external supporting documents, issued by a provider outside Romania to the Promoter or Partner, shall be submitted in English or joined by their translation into Romanian or English made by a sworn translator;
12. To take all measures to prevent irregularities, such as these are defined in the national legislation for the prevention, identification and sanctioning of irregularities, as well as in the Regulation;
13. To keep distinct accounting records for this initiative, using specific analytic accounts;
14. To pay the amounts declared non-eligible, as well as the amounts that have not been used, within 15 days after the receipt of the notification from the National Focal Point in this respect;
15. To keep all the documents related to the implementation of the initiative and to the use of the non-reimbursable funds granted, including the accounting documents, as concerns the activities, eligible expenditures and public procurement procedures, as to ensure an adequate audit trail, according to the provisions of the Regulations and of the national law, for a period of 3 years after the approval of the final report of the Fund for Bilateral Relations;
16. To fully take the responsibility for the damages caused to third parties by its fault during and in connection with the implementation of the bilateral initiative. The National Focal Point shall be exonerated from all liability for the damages caused to third parties by fault of the Promoter or of the partners.
17. The Promoter declares that the activities and expenditures under the bilateral initiative are not and have not been funded, wholly or in part, by other public and private financing sources;
18. The Promoter declares its consent for its personal data to be used and processed for the purpose of the activities by the National Focal Point.

## **Art. 9 - CONTRACT MODIFICATION**

**1.** Any modification of the contract shall be made in writing, by an addendum in case of major modifications or by a notification annexed to the contract, in case of minor modifications, based on the provisions of this article. The exceeding or modification of budget lines under the detailed budget, which do not affect the total budget, the activities, results or indicators of the initiative according to the Annex 1 or Annex 3 to this contract, are excepted from these provisions.

### **2. Major modifications**

(a) A major modification is deemed any amendment with an impact on the total value, duration, activities and results, or changes that may question the decision to grant the non-reimbursable funds and the eligibility of the Promoter.

(b) The Promoter shall submit the request for the modification of the contract, joined by its proposal of addendum, the justification of the proposal and an analysis of the impact on the budget items, to the National Focal Point, at least 10 days prior to the date when the addendum is expected to come into force. In exceptional cases, justified by the Promoter and accepted by the National Focal Point, this term may be reduced to 6 days.

(c) If the modification proposal is necessary and correctly justified, the National Focal Point shall approve the modification of the contract through the signature of the addendum, which is to become part of the contract.

### **3. Minor modifications**

(a) Minor modifications are deemed: change of address, of the bank account, of the person or of its contact details, of the director, the modification of budget items within the detailed budget, other than those mentioned under art. 9.1, change of the activities schedule or any other such modifications.

(b) The minor modifications shall be notified in writing to the National Focal Point. If, within maximum 5 business days after the receipt of the notification, the National Focal Point does not communicate in writing its refusal to accept the notified modifications, the modification is considered tacitly approved.

### **Art. 10 - WRITTEN NOTIFICATIONS AND COMMUNICATIONS**

1. Any communication between the parties, referring to or in connection to this Financing Contract or to its execution, shall be drafted and sent in writing, in Romanian or in English.

2. The communications between the parties shall be sent by post, fax, e-mail or handed to the addresses of the parties indicated for this purpose. Any written document must be registered both upon delivery and upon receipt.

3. Whenever there is a deadline for the receipt of a written communication, the sender must request the confirmation of receipt for such communication.

4. Any notification, consent, approval, certification or decision of any of the parties signing the Contract shall be expressed in writing, unless otherwise agreed, and shall be sent without unjustified delay.

5. The official addresses to which all the documents are to be sent are:

For the National Focal Point:

Mihaela TERCHILĂ, General Director

General Directorate Non-Reimbursable European Financial Mechanisms and Instruments, Ministry of Investments and European Projects

36-38 D.I Mendeleev Street, sector 1, Bucharest, Romania

E-mail: eeagrants.bilateral@mfe.gov.ro

For the Promoter:

....., .....

.....

Tel. ...., Fax. ....

E-mail: .....

6. The parties shall communicate in writing, within 5 business days, any modification concerning the official addresses mentioned under the previous paragraph.

### **Art. 11 – APPLICABLE LAW**

1. The provisions of this contract shall be governed, interpreted, understood and applied in compliance with the national legislation in force and with the legal framework of the EEA and Norway Financial Mechanisms 2014-2021.

2. The disputes arising from the execution of this contract or in connection to it, which cannot be solved amicably, shall be settled by the competent court.

3. The parties agree that this contract is governed by the Romanian law.

### **Art. 12 – CONTRACT VALIDITY AND TERMINATION**

1. This Contract remains in force for a period of three years after the approval of the final report of the bilateral initiative. The expiry of this period does not exonerate the Promoter or its representatives from complying with the obligations arising from the application of the contractual clauses.

2. This Contract is terminated by law upon the expiry of the period for which it has been signed or through written agreement of both parties. In case of contract termination, the total or partial reimbursement of the amounts received is required to end it.

**Art. 13 – FINAL PROVISIONS**

1. The language of the Financing Contract and of all the written communications shall be Romanian or English.
2. The term “day” refers to a calendar day unless otherwise specified distinctly.
3. In case of discrepancies or differences between the provisions of this contract, on one hand, and of the national legislation in force or of the Regulations for the Implementation of the EEA and Norway Financial Mechanisms 2014-2021, on the other hand, the latter shall prevail.
4. This contract has been executed in 2 original counterparts, in English, one for each signing party.

**Ministry of Investments and European Projects**

**National Focal Point**

.....  
.....

Date:

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**Bilateral Initiative Promoter**

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Date: