

## **EEA and Norwegian Financial Mechanisms 2014-2021**

### **Energy Programme in Romania**

#### **Calls for Project Proposals:**

***Small Grants Scheme – SGS-6.1(a): Electrification of households  
(EEA Grants)***

***Call for Proposals – Call 6.1(b): Electrification of households  
(Norway Grants)***

**Focus area: *Electrification of households***

December 2020

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## Calls for Project Proposals – SGS-6.1(a) and Call 6.1(b) Electrification of households

The “Energy Programme in 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 (EEA) and to strengthening bilateral relations between EEA EFTA States and EEA and Norway Grants Beneficiary States. The Programme’s objective is “*Less carbon intensive energy and increased security of supply*”. The Programme seeks to stimulate and develop long-term cooperation between Iceland, Liechtenstein, Norway (hereafter referred to as “the Donor States”) and Romania (Beneficiary State).

The Memorandums of Understanding on the implementation of EEA and Norway Grants 2014-2021, between the Kingdom of Norway and Romania, designates the Financial Mechanisms Office (FMO) as Programme Operator and Innovation Norway as Fund Operator for the Programme. All communication regarding the Programme shall be address to the Fund Operator. Information about the Programme can be found at <https://www.innovasjon Norge.no/RoEnergy>.

### Available amount for financing of projects

Scheme	Available amount	Financial mechanism
<b>Small Grants Scheme – SGS-6.1(a):</b> Electrification of households	EUR 5.000.000	EEA Grants
<b>Call for Proposals – Call 6.1(b):</b> Electrification of households	EUR 5.000.000	Norway Grants

### Deadline for applications and language

To be eligible, the project Application Form must be submitted to Innovation Norway:

- through the Electronic Application Portal for project applications submitted in **English**,
- or at Programme email address [RO.Energy@innovationnorway.no](mailto:RO.Energy@innovationnorway.no) for project applications submitted in **Romanian**, by using the project *Application Form* template – see Annex I.

no later than **Thursday, 29 April 2021, 14:00 Romanian time**. For more details on how to apply, see *Call section 5 Procedure for submission of application*.

Project applications and supporting documents, shall be submitted to Innovation Norway in Romanian or English. Official certificates and certified annual accounts can be submitted in Romanian. For the list of mandatory attachments, see Annex I.

The Applicant shall inform Innovation Norway about any involvement of consultants in the process of preparing the application. The identity of the consultant(s) shall be disclosed in the Application Form, *section “Project information”*.

## 1 Projects and project funding

These Calls for Proposals will finance projects proposed by Romanian entities in the Programme focus area: *Electrification of households*. The **expected outcome** of the projects is ***Electrification of households in areas where connection to the electricity network is not economically feasible***. The expected output is to provide electricity to at least 2.000 Romanian unelectrified households. Projects contributing to reduction of CO2 emissions will be prioritized.

It is not mandatory to have Project Partners in the projects, but Partnership Projects are encouraged and will be awarded additional points during assessment. Most points will be awarded to cooperation with entities from the Donor States in Donor Partnership Projects.

For both funding schemes, partnerships (e.g. between Public Authorities, Distribution System Operators - DSOs, NGOs, etc.) are encouraged.

- a) A **Donor Partnership Project** is defined as cooperation between a Project Promoter in Romania and at least one legal entity (Donor Project Partner) in the eligible Donor States<sup>1</sup> (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. Partnerships are not mandatory, but Donor Partnership Projects will be awarded additional points during project assessment. To qualify for such points, the Donor State Partner (from Iceland, Liechtenstein or Norway) 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 partnership project.
- b) A **Partnership Project** is defined as cooperation between a Project Promoter in Romania and at least one legal entity (Project Partner) in Romania, implementing a project where all entities are independent of each other and perform substantial and relevant tasks in completion of the project. Partnerships are not mandatory, but Partnership Projects will be awarded additional points during project assessment. To qualify for such points, the Beneficiary State Project Partner (from Romania) 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 Partnership Project.

### 1.1 Eligible Applicants and Partners

#### 1.1.1 Small Grants Scheme – SGS-6.1(a): Electrification of households (EEA Grants)

##### Eligible Applicants:

Any entity, private or public, commercial or non-commercial, and non-governmental organisations, established as legal person in Romania.

The Applicant must have been established for at least 3 years at the date of the deadline of the present Calls.

##### Eligible Project Partners:

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<sup>1</sup> Only Norwegian entities are to form an eligible Donor Partnership Project for the Norway Grants (financed under the Norwegian Financial Mechanism 2014-2021), while for EEA Grants (financed under the EEA Financial Mechanism 2014-2021), Project Partners from all three Donor States are eligible, i.e. Iceland, Liechtenstein and Norway.

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Any private or public entity, commercial or non-commercial, established as a legal person in Iceland, Liechtenstein, Norway or in Romania.

The Project Partner must have been established for at least 1 year at the date of the deadline of the present Calls.

### 1.1.2 Call for Proposals – Call 6.1(b): Electrification of households (Norway Grants)

**Eligible Applicants:** any entity, private or public, commercial or non-commercial, and non-governmental organisations, established as legal person in Romania.

The Applicant must have been established for at least 3 years at the date of the deadline of the present Calls.

**Eligible Project Partners:** any private or public entity, commercial or non-commercial, established as a legal person in Norway or in Romania.

The Project Partner must have been established for at least 1 year at the date of the deadline of the present Calls.

### 1.1.3 Additional criteria for Applicants and Project Partners

- a) The Applicant and its legal representative signing the Application have clean criminal and tax records.
- b) The Project Partner(s) and its legal representative signing the Partnership Agreement have clean criminal and tax records.
- c) The Project Partner(s) main activity is closely related to the activities in which its contribution is proposed.
- d) If the Applicant has one or more Project 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 on the Programme web-site together with the present Calls.

Moreover, Applicants are not eligible for funding if:

- a) they are an **undertaking 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 the 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 detrimental to financial interests, without evidence of substantial correction measures taken in the past years;
- d) they are subject to an outstanding recovery order for illegal or incompatible state aid.

## 1.2 Areas of support and eligible activities

An Applicant shall submit only one project proposal for either SGS-6.1(a) or Call 6.1(b).

### SGS-6.1(a) and Call 6.1(b): Electrification of households

These Calls for Proposals can provide support for projects that will electrify unelectrified households and communities where connection to the grid is not economically feasible, or where the targeted households cannot afford the connection fee.

- Eligible projects shall target electrification solutions for unelectrified households.
- Only households with permanent residents are eligible.
- The power source for the electrification projects shall be:
  - a **renewable energy source (RES)**, including, but not limited to solar, hydro, biomass and wind, or
  - a **grid connection** (can include the extension and upgrading of the grid, but the funding shall not cover the obligation of the DSO – as per *ANRE Order no. 36/2019<sup>2</sup> on the approval of the Methodology for evaluating the financing conditions of the investments for electrifying the localities or for expanding the distribution networks*).

**Priority** (additional score in the assessment) will be given to **isolated households** (“isolated” = households situated at more than 2 km from the accessible grid).

**New unelectrified households and residential development do not qualify for support** under these Calls for Proposals, **unless** they are inhabited by residents who qualify as “poor” or in a “poverty situation” – vulnerable groups as defined by Law no. 292/2011 on social assistance. “**New**” shall be understood as households that have been built in the last 10 years (i.e. construction permit issued or extended in the last 10 years), calculated at the time of the deadline for submission of applications within this Call for Proposals.

#### Examples of eligible activities:

- purchase and installation of Renewable Energy solutions, including associated equipment, cables, support structures for the photovoltaic panels, etc.;
  - a maximum cost of EUR 5.000 / electrified household can be accepted; costs going beyond this recommended threshold will require proper justification
- extension of the existing electricity grid;
  - a maximum cost of EUR 5.000 / electrified household can be accepted; costs going beyond this recommended threshold will require proper justification
- project management and technical staff;
- training of households’ permanent residents on how to use the Renewable Energy electrification solutions provided within the project;
- insurance of equipment (e.g. against theft, fire) – only costs incurred during the project implementation period;
- audit costs.

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<sup>2</sup> **ANRE Order no. 36/2019** on the approval of the Methodology for evaluating the financing conditions of the investments for electrifying the localities or for expanding the distribution networks (RO: *Ordin ANRE nr. 36/2019 privind aprobarea metodologiei pentru evaluarea condițiilor de finanțare a investițiilor pentru electrificarea localităților ori pentru extinderea rețelelor de distribuție*)

Project outcome indicators:

- Number of persons benefitting from being connected to electricity solutions<sup>3</sup>.

Project output indicators:

- Number of unelectrified households provided with electricity solutions<sup>4</sup>.

### 1.3 Minimum and maximum grant for each project

#### SGS-6.1(a): Electrification of households

Minimum amount of grant assistance applied for shall be EUR 30.000.

Maximum amount of grant assistance applied for shall be EUR 200.000.

#### Call 6.1(b): Electrification of households

Minimum amount of grant assistance applied for shall be EUR 200.000.

Maximum amount of grant assistance applied for shall be EUR 2.000.000.

### 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.

#### 1.4.1 Grant rate for entities involved in economic activities

For entities involved in economic activities, the grant rate will be determined based on the applicable provisions of **Commission Regulation 651/2014<sup>5</sup> 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 maximum 90%, depending on the type of state aid awarded, size of the Applicant and other elements included in the provisions of the Regulation which are relevant for the respective project. Applicants should not expect to receive the maximum grant rates possible according to the state aid rules.

The Applicant should provide reasoning on how the envisaged project activities and the corresponding costs fulfil the criteria for each of the relevant state aid categories.

For these Calls the following categories of **state aid** will be applicable:

- Aid to SMEs:

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<sup>3</sup> The target value for focus area Electrification of households is **2.700 persons**

<sup>4</sup> The target value for focus area Electrification of households is **2.000 households**

<sup>5</sup> Known also as General Block Exemption Regulation [GBER] <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014R0651&from=EN>

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- **art. 18 Aid for consultancy in favour of SMEs**
- Aid for environmental protection:
  - **art. 41 Investment aid for the promotion of energy from renewable sources**
  - **art. 48 Investment aid for energy infrastructure**
- Training aid
  - **art. 31 Training aid**

Exceptionally, financial support to economic operators could be awarded as *de minimis* support in line with the Commission Regulation (EC) No 1407/2013 (max. EUR 200.000 over three fiscal years). The maximum grant rate applied will be 90%.

#### **1.4.2 Grant rate for non-economic operators**

- For non-economic operators (e.g. public authorities and NGOs without economic activities), proposing projects which do not fall under state aid provisions (Regulation 651/2014) the grant rate will be maximum 100% of the total eligible expenses for the project, without exceeding the maximum amount that may be granted to a project.

## **1.5 Eligible expenditures**

**IMPORTANT:** The assessment of the grant awarded 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 these Calls will prevail.

#### **1.5.1 First and final dates for eligibility of expenditure**

Costs within projects are 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 September 2023**. 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 to 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 three months 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. above:

- 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;  
As an alternative, unit costs (hourly rates) can be set in accordance with the rules for application of corresponding scales of unit costs applied under schemes for grants funded entirely by Romania for the Project Promoter and/or the Partner, or Norway/Iceland/Liechtenstein for the Donor Partner, for similar types of project and entities involved.
- 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 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 continue to use the equipment for the benefit of the overall objectives of the project for the same period;
- b) keeps the equipment properly insured against losses such as fire, theft or other normally insurable incidents both during project implementation and for at least five years following the completion of the project; and
- c) sets aside appropriate resources for the maintenance of the equipment for at least five years following the completion of the project.

### 1.5.3.2 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 Partner may opt for a flat rate of up to 15% of direct eligible staff costs.

### 1.5.3.3 Excluded costs

The following costs shall not be considered eligible in accordance with article 8.7 of the regulation on EEA and Norway Grants.

- 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;
- h) excessive or reckless expenditure.

#### Other excluded costs:

- Preliminary technical design / Feasibility Study is not be considered an eligible expense. Project or investment feasibility needs to be demonstrated before Innovation Norway decides on awarding a grant.

## 2 Assessment of projects and selection procedure

The Fund Operator (Innovation Norway) 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 Romanian or 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. Innovation Norway may decide to use external experts in the assessment process. In such cases that involves making all the submitted information available to the external experts.

The result of the experts' evaluation shall be a ranking list that forms the basis of the Fund Operator's Selection Committee's discussion. The Selection Committee will make the final decision to reject or approve the applications.

Prior to the final decision, the FMO, the DPPs, any other Programme partners and the NFP shall be provided with the ranked list at reasonable time to give their input.

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.

For more details please look up the document "*Project assessment criteria and methodology*" published together with these Calls on the Programme website.

## 2.1 Selection 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 and good business practice, sustainable development and gender equality, 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. Administrative criteria

1.1. The Application Form has been filled in according to the instructions given in these Calls for Proposals, and in the Electronic Application Form, the Application Form Guidelines **and** all mandatory documentation is attached to the application.

1.2. The application and the mandatory supporting documents are submitted and presented in Romanian or English; certificates issued by national authorities and certified financial annual accounts issued in Romanian language can be submitted and presented in the Romanian language.

1.3. For project applications submitted in English (via the Electronic Application Portal): the appropriate *electronic Application Form* has been used, corresponding to the type of Call/Programme and type of Applicant (economic or non-economic operator) and country,

**or**

For project applications submitted in Romanian (via the Programme email address): the correct *template for the project Application Form* has been used.

### 2. Eligibility criteria

#### a) Applicant

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- 2.1. The Applicant is registered as legal person in Romania and the entity fits in one of the categories of eligible applicants, as listed in these present Calls.
- 2.2. The Applicant has been established for at least the period of time set out in these Calls, *section 1.1 Eligible Applicants and Partners*.
- 2.3. The Applicant and its legal representative signing the Application have clean criminal and tax records.
- 2.4. The Applicant is not an undertaking in difficulty (*applicable only to entities subject to state aid rules*). 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*.
- 2.5. The Applicant is not bankrupt, entered in judicial administration or under liquidation, have suspended business activities, is the subject of proceedings concerning those matters, or is in any analogous situation arising from a similar procedure provided for in the national legislation.
- 2.6. The Applicant has not 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 detrimental to financial interests, without evidence of substantial correction measures taken in the past years.

**b) Project Partner(s)**

- 2.7. The Project Partner(s) is established as legal entity in Romania or in one of the eligible Donor State(s).
- 2.8. The Project Partner(s) must have been established for at least the period of time set out in these Calls, *section 1.1 Eligible Applicants and Partners*.
- 2.9. The Project Partner(s) and its legal representative signing the Partnership Agreement have clean criminal and tax records.
- 2.10. The Project Partner(s)’ main activity is closely related to the activities in which its contribution is proposed.
- 2.11. In the case of a Partnership Project, a draft Partnership Agreement has been attached to the Application Form.

**c) Project**

- 2.12. The proposed project fits into the focus area of this Call and within the eligible activities defined in the present Calls text.
- 2.13. Grant maximum and minimum amounts and maximum possible grant rates are complied with.
- 2.14. The project implementation period is no longer than the deadline for cost eligibility mentioned in this Call for Proposals, *section 1.5.1 First and final dates for eligibility of expenditure*.
- 2.15. No overlapping/double funding arises from the applications for a similar project from EU/EEA/International Financial Institution/Bilateral or other sources.
- 2.16. The project is in compliance with both EU and national legislation of Romania (in particular state aid, public procurement and environment requirements).
- 2.17. Compliance with plans - the extent to which the project is in compliance with national, regional and local policies, strategies, plans and programmes in Romania.
- 2.18. Incentive effect – work on the project did not start before the submission of the current application for grant.
- 2.19. Documents evidencing the capacity of the Applicant in relation to the property the project will be implemented on. On a case-by-case basis, one or both types of documents below will be needed for a project:

- The approval of the household owner/permanent resident to install on the property the necessary equipment used to provide the household with electricity (template provided by Innovation Norway).
- *(only for projects that will build renewable power plants with the purpose to electrify several households):* Documents evidencing the capacity of the Applicant as an owner or grantee with a superficies right (sale-purchase contract/preliminary contract, contract of concession granting the superficies right) to the property the project is to be implemented on/in; the contracts should refer to the Applicant's capacity in connection to the property the project is to be implemented in/on. The validity of concession contracts with a superficies right should be at least 10 years after the project completion date; if the concession contract does not set forth the Applicant's right to execute construction works, one shall attach an authenticated declaration of the land owner (in the original), acknowledging that they agree on the execution of works set forth in the project on the land; the preliminary sale-purchase contract is valid until signing the funding contract; the concession contracts aforementioned shall be concluded with the administrative-territorial units according to legal stipulations; such deeds may be presented upon signing the Project Contract.

2.20. The resolution/decision of the decision-making body (the general assembly of shareholders/stockholders, of the sole shareholder, of the Board of Directors, Local/County Council etc.), mentioning the agreement on contracting funding, the own contribution required for the implementation of the project, the person in charge with the project, the person designated to represent the Applicant in the relationship with the Fund Operator (signed and stamped).

### 3. Technical and financial selection criteria

3.1. **Relevance** - the extent to which the project meets the Programme expected outcome and the eligible activities set out in this Call for Proposals.

3.2. **Technical viability and feasibility** - the extent to which the project is mature, i.e.

- o the project is technically viable and feasible in terms of technical solution meets the project objectives and specific outcomes;
- o the technical solution is documented and consistently described as regards equipment performance - technical description of all the project components; projects with Preliminary technical design, Feasibility Study and/or Technical Project drawn up by the time the project application is submitted may receive higher scores;
- o the Applicant has the technical capacity to implement the project;
- o feasible time schedule for the project implementation;
- o the project application includes the calculation of the Energy Generation Cost for the period under review, EGC<sup>6</sup> (EUR/MWh<sub>e</sub>).
- o the Applicant has identified and listed in the project application all necessary permits and licenses according to the national legislation;
  - Note: the list of the necessary permits, licences etc. will be presented in the mandatory attachment at the project application, as applicable:*
    - either in the "Business plan" (for the Applicants which are economic operators),
    - or in the "Project Document" (for the Applicants which are not economic operators), section "Legal environment".
- o assessment of the renewable source potential as regards energy production.

*Note: the summary of the assessment of the renewable source potential, as regards energy production, will be presented in the mandatory attachment to the project application, as*

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<sup>6</sup> The methodology of calculation of the Energy Generation Cost (EGC) indicator is presented in Call Annex III.

*applicable:*

- *either in the “Business plan” (for the Applicants which are economic operators),*
- *or in the “Project Document” (for the Applicants which are not economic operators), section “Project description”.*

- 3.3. **Innovation level** - the extent to which the project includes innovation, either on enterprise level, sector level, national level or international level.
- 3.4. **Releasing effect** - the extent to which the project would not be executed without a grant.
- 3.5. **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 (e.g. key resources, core activities, production).
- 3.6. **Financial capacity and operating risk** - 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.
- 3.7. **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.
- 3.8. **IPR status (Intellectual Property Rights)** - immaterial resources available for the proposed project.
- 3.9. *(Only applicable for enterprises)* **Project profitability** – The extent to which the project has potential for profitability.
- 3.10. **Good Business Practice** - the extent to which the Applicant<sup>7</sup> (and Partner(s)) adhere to Good Business Practice as defined by the OECD guidelines and UN Guiding Principles on business and human right, including zero-tolerance towards corruption (initiatives on Applicant level).
- 3.11. **Project risks** - the extent to which the project is adequately supported by a risk management plan. The Applicant should have identified and assessed the relevant risk factors that may affect the achievement of the project expected outcome and described how they intend to mitigate the risks. There may be different types of risks, i.e. financial risk, technical/technological risk, market risk, HR risk, time schedule, environmental and more.
- 3.12. **Sustainability** - the project incorporates clear sustainability measures, i.e. the durability of the project after the implementation date.
- 3.13. **Partnership’s quality (if applicable)** - the extent to which the Partnership Agreement includes clear division of roles, tasks, responsibilities and cash flow has been agreed upon; assessment of Partner(s) involvement in the preparation, implementation and sharing of the project results; each partner has a significant contribution to the project activities.
- 3.14. **Cross-cutting issues** - the extent to which the project complies with relevant cross-cutting issues identified in the Application Form: good governance and good business practice, sustainable development and gender equality.
- 3.15. **Socio-Economic impact** - the extent to which the project has added value, i.e. the socio-economic profitability; this may involve recruitment of unemployed labor, settlement in a region, improved

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<sup>7</sup> The principles mentioned in the “Guidelines on cross-cutting issues and good business practice” are applicable to (and should be observed by) all Project Applicants/Promoters (i.e. Corruption, Violation of human rights, Poor working conditions, the Environment etc.), regardless whether they are a business, a public institution, NGO or other form of legal establishment.

environment, development of a local business environment/technological environment, competence development of individuals and companies, level and consequences of implementation and/or innovation, etc.

## 2.2 Selection and award

The selection criteria above will be scored in a rating from zero to six points (0 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.

After the assessment of the project applications and consultation on the ranked list has been performed, Innovation Norway will make the final grant decision. Applicants (Project Promoter(s)) will be notified of the decision of the Innovation Norway to support or reject their application. Innovation Norway will send a Project Contract/Reasoned Refusal to the Project Promoter.

## 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 Detailed 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 Letter is considered to be withdrawn, unless a prolongation of the deadline is granted by Innovation Norway in writing.

The Project Contract shall contain, as a minimum, provisions on the following:

- a) obligations regarding reporting that enables Innovation Norway to comply with its reporting obligations to the Financial Mechanism Office and to 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 obligations regarding information and communication;
- j) the right of Innovation Norway 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 by Innovation Norway;

- 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 the 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 Project Contract, including the Special conditions, and of the Standard Terms and Conditions on EEA/Norway Grants Programmes operated by Innovation Norway.

### 3 Implementation of projects

All general provisions and requirements related to the implementation of projects are set out in the Standard Terms and Conditions, published together with these Calls for Proposals. Specific provisions and requirements will be set out in the Special Conditions for each Project Contract.

### 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 (including the advance payment) submitted by the Project Promoter to the Fund Operator shall be in Euro (€).

### 5 Procedure for submission of application

Only electronic applications, submitted:

- either in **English** via Innovation Norway's Application Portal,
- or in **Romanian** at the Programme email address [RO.Energy@innovationnorway.no](mailto:RO.Energy@innovationnorway.no) (Applicants must use the project *Application Form* template),

will be accepted. The Application Form must be accompanied by the **mandatory attachments** listed in Annex I of these Calls for Proposals.

The electronic Application Form and templates for the mandatory attachments are available on Innovation Norway's Programme website <https://www.innovasjon Norge.no/roenergy>

## 6 Queries

Questions or further need for clarifications shall be sent in writing - in Romanian or English- to the Programme's e-mail address [RO.Energy@innovation Norway.no](mailto:RO.Energy@innovation Norway.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 attachments

1. Expected outcomes of the implementation of the project (template)
2. Detailed Activity Based Budget (DABB) and financial projections for the project, in signed PDF format and Excel file (template)
3. Disbursement Plan (template)
4. Project Implementation Plan (template)
5. Procurement Plan (template)
6. Letter of Commitment (template)
7. Project Document (to be submitted only by non-economic operators, e.g. public authorities and NGOs without economic activities) - (template)  
**or**  
Business Plan (to be submitted only by entities involved in economic activities) - (template)
8. Draft Partnership Agreement (if relevant) (template)
9. CVs of the project management team (template)
10. Communication Plan (template)
11. Self-declaration re. undertaking in difficulty (template)
12. Self-declaration regrading clean tax and criminal record of the Applicant and of its legal representative(s) (template)  
*If applicable (projects implemented in partnership):* Self-declaration regrading clean tax and criminal record of the Partner(s) and of its legal representative(s) (template)
13. If the Applicant is a Small or Medium Enterprise (SME)<sup>8</sup>: Self-declaration re. SME (template)
14. Relevant Registration Certificates and statutory documents
  - a) *Applicants – undertakings:*
    - certificate of status ('Certificat Constatator') issued by the Romanian Trade Register Office (which should include extensive information about the enterprise's up to date status).

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<sup>8</sup> definition of Small and Medium-sized Enterprises (SMEs) available at:  
[https://ec.europa.eu/growth/smes/sme-definition\\_en](https://ec.europa.eu/growth/smes/sme-definition_en)

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Energy Programme in Romania, Calls for Project Proposals: *SGS-6.1(a) and Call 6.1(b)*,  
Focus area: *Electrification of households*, v.1.1

- 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) *Applicants – public:*
    - incorporation documents demonstrating that the Applicant is a public authority/entity in Romania, registered in Romania.
  - d) *Partners:*
    - registration certificate (or similar), issued by the competent authority in the Donor State (Iceland, Liechtenstein or Norway)/Beneficiary State (Romania);
    - latest approved Statute (or similar), which proves that the Partner's main activity is closely related to the activities in which its contribution is proposed.
15. Certified annual financial accounts of the Applicant for 2018 and 2019 (in Romanian) - which bears the Applicant's signature (electronic or handwritten) and the fiscal's authority registration number (index).
  16. The balance sheet as per 31 December 2020, certified by the legal representative and their financial officer.
  17. Applicant's Annual report (year 2020), which includes information such as the organisation's activities and results achieved in 2020.
  18. *(If applicable i.e. Applicant does not recover VAT)* Self-declaration on eligibility of VAT (template)
  19. Approval of the household owner/permanent resident to install on the property the necessary equipment used to provide the household with electricity (template)
  20. List of unelectrified households proposed to be electrified (template)
  21. *(Only for project applications submitted in Romanian)* Project Application Form (template)

## ANNEX II – Essential readings

Please find below the list of documents which are relevant for the present Calls and are available on the Fund Operator's Programme webpage <https://www.innovasjon Norge.no/en/start-page/eea-norway-grants/funding-options/>

1. Standard Terms and Conditions for EEA/Norway Grants programmes operated by Innovation Norway;
2. Project Assessment Criteria and Methodology - focus area Electrification of households;
3. Guidelines on Cross-Cutting Issues and Good Business Practice;
4. Communication Guidelines;
5. Conversion Guidelines for Emissions;
6. Glossary of Terms;
7. Guideline for Detailed Activity Based Budget (DABB) and Financial Forecast.

## ANNEX III – The Cost-Benefit Analysis – preparation instructions

Revenue generating projects will have attached a Cost-Benefit Analysis (CBA). Instructions to prepare the Cost-Benefit Analysis (CBA) and a template are provided by Innovation Norway – see Essential reading Call document no. 7. *Guideline for Detailed Activity Based Budget (DABB) and Financial Forecast.*

The indicator Energy Generation Cost in the analysis period (EGC) shall be calculated based on the following formula:

$$EGC = \frac{\sum_{t=1}^n [(I_t + M_t + F_t)(1+r)^{-t}]}{\sum_{t=1}^n [E_t(1+r)^{-t}]}$$

(EUR/MWh<sub>e</sub>)

Where:

- EGC = cost of electricity produced in the analysis period, n
- I<sub>t</sub> = investment expenditure in year t
- M<sub>t</sub> = operation and maintenance expenditure in year t
- F<sub>t</sub> = fuel expenditure in year t
- r = reference rate
- n = analysis period (implementation period plus operation period)
- E<sub>t</sub> = electricity produced in year t