

EEA Financial Mechanism 2014-2021

Business Development, Innovation and SMEs

Programme SMEs Growth Romania

Small Grants Scheme for Soft measures

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 the Donor States and the 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 Norway, Iceland and Liechtenstein (hereafter referred to as “the Donor States”) and Romania based on business development and innovation.

The **expected outcomes** of the projects financed by this call are:

- Increased competitiveness of Romanian enterprises within the focus areas Green Industry Innovation, ICT and Blue Growth.
- optionally, enhanced business cooperation between donor states entities and beneficiary state entities.

Available amount for financing of projects

Total amount available for financing projects for this small grant scheme is EUR 1,000,000.

Deadline for applications and language Requirements

To be eligible, applications must be submitted to Innovation Norway through the electronical application portal no later than Thursday, October 20th, 2022, 14:00 h 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 of the Programme is enterprises in the private sector, mainly SMEs. For projects solely aiming at **Improving the Capacity for Business Development**, partnerships are not mandatory, but Donor Partnership Projects are strongly encouraged. For projects contributing to the outcome **Strengthening bilateral relations**, Donor Partnerships are mandatory.

1.1 Eligible applicants and partners

Eligible applicants:

- **SMEs¹ established as legal entities in Romania**, registered as legal entities in Romania and functioning in accordance to enforced Romanian legislation on commercial companies, respectively: Law 31/1990 regarding commercial companies, republished, with subsequent modifications);
- **Not-for-profit organisations established as legal persons in Romania**, organized and conducted in accordance with the provisions of Government Ordinance 26/2000 and/or Law 21/1924 on associations and foundations (with subsequent amendments and completions).

Eligible partners: Any public or private entity, commercial or non-commercial and non-governmental organisations, established as a legal person in Norway, Iceland, Liechtenstein or in Romania.

1.1.1 Additional criteria for applicants and partners

- a) the Applicant and Partner(s)) and their legal representatives signing the application have clean criminal and tax records.
- b) 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

¹ as defined in the Commission Recommendation 2003/361/EC <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32003H0361&from=EN>,

An Applicant shall submit only one project proposal under this Call. The same entity can be a partner in one or more other applications.

All projects must directly contribute to the following Outcome indicator: Increased competitiveness of the Romanian enterprises within the focus areas Green Industry Innovation, ICT and Blue Growth.

In addition, all projects must contribute to supporting enterprises to improve capacity for business development. More specifically, projects proposed should target at least one of the following groups:

- Business organizations/clusters that support SMEs to increase their knowledge about topics in fields such as business models, innovation, circular economy, internationalization, Corporate Social Responsibility (CSR).
- Large enterprises that receive business skills support (training, coaching, mentoring etc.).
- SMEs² that receive business skills support (training, coaching, mentoring etc.).
- Start-ups that receive business skills support (training, coaching, mentoring etc.).

Eligible Activities are:

- trainings, coaching, mentoring on topics like sustainable business models, green innovation, circular economy and Corporate Social Responsibility (CSR)
- study trips, workshops, seminars, conferences, experience / good practice sharing events with the aim of boosting environmentally sustainable, ICT-related or blue entrepreneurship
- study trips, workshops, seminars, conferences, experience / good practice sharing events with the aim of enhancing the collaboration, networking and learning within cluster organisations, contributing to environmental sustainability, or related to ICT or blue growth
- business matchmaking events aimed at partnerships for environmentally sustainable, ICT-related or blue business development and capacity building
- Feasibility studies, data collection, analyses directly contributing to or exploring environmentally sustainable, ICT-related or blue business development and -opportunities.
- In addition to one or more of the above, bilateral activities between Romanian and donor states' entities if they directly contribute to developing the capacity of Romanian business.

In addition to one or more of the activities listed above, each project must include also communication activity as part of a successful implementation. Normally, the activity should aim to promote the launch and end of the project, the results obtained, the source of funding for the project.

IMPORTANT NOTE:

1.3 Minimum and maximum grant for each project

- The minimum amount of grant assistance applied for shall be EUR 10,000.
- 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 project grant rate will depend on the type of the state aid awarded, profitability of the project, the general financing standing of the Applicant and other elements in the provisions of the Regulation which are relevant for the respective project.

² Small and medium-sized enterprises, as defined in the EU Recommendation 2003/361/EC

The Project Promoter shall provide or obtain the remaining co-financing in the form of cash (own resources or bank loan) All eligible expenditures of a project can form the basis of the required co-financing. The Project Partner, if applicable, may also provide co-financing. All eligible expenditures of a project can form the basis of the required co-financing.

The applicable rules on public procurement and on state aid, procedural and substantive, shall be complied with. 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 this call the following categories will be applicable and relevant for the Applicant:

1. De minimis aid

De minimis aid within the meaning of the European Commission's Regulation (EU) No. 1407/2013 of 18 December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid (OJ L 352, 24.12.2013) - (max. EUR 200,000 over three fiscal years).

The maximum grant rate applied for should not exceed 90%.

2. Aid to SMEs, Articles 18

Aid for consultancy in favour of SMEs as per the applicable provisions of Commission Regulation 651/2014³ declaring certain categories of aid as compatible with the Internal Market in application of Articles 107 and 108 of the Treaty on the Functioning of the EU, as amended by Commission Regulations 2017/1084, 2020/972 and 2021/1237.

The maximum grant rate applied for should not exceed 50%.

3. Training aid, Article 31.

As per the applicable provisions of Commission Regulation 651/2014⁴ declaring certain categories of aid as compatible with the Internal Market in application of Articles 107 and 108 of the Treaty on the Functioning of the EU, as amended by Commission Regulations 2017/1084, 2020/972 and 2021/1237.

The maximum grant rate applied for should not exceed 70%.

Grant rate for non-economic operators:

For not-for-profit organisations, proposing projects which do not fall under state aid provisions (Regulation 651/2014) the grant rate will be maximum 90% of the total eligible expenses for the project, without exceeding the maximum amount that may be granted to a project.

1.5 Eligible expenditures

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 later set in the Project Contract. The Project Contract shall set the final date of eligibility of costs, which will in no event be later than December 31st, 2023.

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:

³ Known also as General Block Exemption Regulation [GBER] <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:02014R0651-20210801&from=EN>

⁴ Known also as General Block Exemption Regulation [GBER] <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:02014R0651-20210801&from=EN>

- 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 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) costs of consumables and supplies, if they are identifiable and assigned to the project.
- d) Fees, travel (including subsistence allowances) and accommodation costs related to participation in conferences, seminars, training courses, workshops, study visits and other events envisaged under the project;
- e) Costs related to conducting studies and analyses.
- f) Costs of conferences, seminars and workshops (rent of facilities, catering, interpretation and translation of working materials, etc.).
- g) Costs related to promotional and informational activities.
- h) 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.
- i) costs arising directly from requirements imposed by the project contract (e.g. Dissemination of information, specific evaluation of the project, audits, translations, reproduction) for each project.

1.5.3.2 Eligible indirect costs in projects (overheads)

Indirect costs are all eligible costs for projects, 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 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.

1.5.3.3 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.
- h) costs for purchase of a new or second-hand equipment.
- i) any other costs incurred before the date of the grant awarded, or, if different, the date set in the project contract; and
- j) operational expenses.

2 Assessment of projects and selection procedure

The Fund Operator will assess the applications based on the selection criteria below. If needed, the Fund Operator may request additional information from the applicant at any time during the assessment process.

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

Each of the assessment criteria may be a critical success factor, i.e. a weak score within one criterion can jeopardize the success of the whole project application and lead to the rejection of the application without further in-depth assessment of other criteria.

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.

Selection Criteria

Below are listed the administrative criteria (1) and the eligibility criteria (2) for applications under this call. A "no" assessment corresponding to any of the criteria will disqualify the project application from further assessment and will lead to the rejection of the application.

1. Administrative Criteria

- The project application (incl. the annexes and supporting documents) has been submitted in English by the deadline set in this call.
- The project application (incl. the annexes) has been submitted electronically through the application portal.

2. Eligibility Criteria

- The requested grant amount is within the limits set in this call for proposals.
- The proposed implementation period is within the permissible limits set in the call for proposals.

3. Evaluation criteria

The financial and technical assessment criteria presented below will be scored on a scale from 0 (zero) to 6 (six) points, where 0 is the lowest (a criterion is not fulfilled at all) and 6 is the highest score. After each criteria below, the weighted average in the overall ranking is provided as a percentage. The weighted average for each criterion will constitute the basis for ranking the project applications.

- **Capacity** of the Applicant (including human resources, sound financial management and technical feasibility) is appropriate to carry out the project successfully; weighted average: 30 %.
- **Relevance** of the application (the need for the project is clearly demonstrated; the project and any (bilateral) partnerships are directly contributing to achieving the programme objectives, outcomes and outputs, and the target groups and eligible activities are in line with those set for this Call; the cost-benefit-ratio is clearly demonstrated, risks are assessed and relevant responses have been outlined); weighted average: 40%.
- **Transparency** (full and honest accounting of all facts, information, and context regarding expenditure and activities of the project, as well as applicant and partners to enable the Fund Operator to take a justified and fair assessment decision); weighted average: 15 %.
- **Sustainability** (the project commits to, and includes measure to ensure economic, environmental and social sustainability); weighted average: 15 %.

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 FMO and the National Focal Point.
- b) the maximum amount of the project grant in euro and the maximum project grant rate.
- c) the list of eligible expenditures.
- d) the first and final dates of eligibility of expenditures.
- e) requirements for the submission of proof of expenditure.
- f) provision on modifications of the project.
- g) provisions that ensure timely access for the purposes of monitoring, audits and evaluations.
- h) provisions that ensure that obligations regarding information and communication are complied with.
- i) the right of the Fund Operator to suspend payments, make financial corrections and request reimbursement from the project promoter.
- j) resolution of disputes and jurisdiction.
- k) waiver of responsibility.
- l) a detailed budget, with itemised costs and unit prices.
- m) provisions concerning termination, compensation and damages in case of termination of the project.
- n) when applicable, reference to the donor partnership agreement.
- o) provisions that ensure that obligations regarding record keeping.

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 and 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.

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 and in accordance with the provisions stated therein, within one month of the submission of a request for advance payment 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 their 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 its 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.

More background information about the EEA and Norwegian Financial Mechanisms is available at: www.eegrants.org.

ANNEX I – List of mandatory documents

1. Detailed Activity Based Budget (template).
2. Relevant Registration Certificates and statutory documents
 - a) Applicants:

SMEs

 - certificate of status ('certificat constatator') issued by the Romanian Trade Register Office (which should include extensive information about enterprise's up to date status)

Not-for-profit organisations

 - law court decision for the establishment of the organisation
 - latest approved statute
 - law court decision regarding the latest version of the statute (if the case).
 - b) Partners:
 - relevant registration certificate (or similar), issued by the competent authority in the Donor State/Beneficiary State.
3. Self-declaration of the Applicant (and Partner(s) – if relevant) (template).
4. CV's for project management team (template).
5. Letter of Commitment (template).
6. Draft Partnership Agreement (if relevant) (template).
7. Expected outcomes of the implementation of the project (template).
8. Balance sheet and profit and loss accounts for 2021 of the Applicant, which bears Applicant's signature (electronic or handwritten) and fiscal authority registration number (index)

ANNEX II – Essential reading

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. Guidelines on Cross-Cutting Issues
3. Communication Guidelines
4. Glossary of Terms