

**MEMORANDUM OF UNDERSTANDING
ON THE IMPLEMENTATION OF THE NORWEGIAN
COOPERATION PROGRAMME FOR ECONOMIC GROWTH AND
SUSTAINABLE DEVELOPMENT IN ROMANIA**

Between

THE GOVERNMENT OF ROMANIA

hereinafter referred to as "Romania"

and

THE GOVERNMENT OF THE KINGDOM OF NORWAY,

hereinafter referred to as "Norway"

together hereinafter referred to as the "Parties"

The Parties,

WHEREAS the Agreement of 25 July 2007 on the participation of the Republic of Bulgaria and Romania in the European Economic Area (hereinafter the “EEA Enlargement Agreement”) is applicable provisionally as of 1 August 2007;

WHEREAS the Agreement of 25 July 2007 between the Kingdom of Norway and Romania on a Norwegian Cooperation Programme for Economic Growth and Sustainable Development in Romania, establishing a Norwegian Cooperation Programme for promoting social and economic development in Romania through bilateral co-operation projects between the Parties (hereinafter the “Cooperation Programme”), is applicable provisionally as of 1 August 2007;

WHEREAS the EEA Enlargement Agreement and the Cooperation Programme will strengthen relations between Norway and Romania to the mutual benefit of their peoples;

WHEREAS the enhanced co-operation between Norway and Romania will contribute to securing a stable, peaceful and prosperous Europe, based on good governance, democratic institutions, the rule of law, respect for human rights and sustainable development;

WHEREAS the Parties agree to establish a managerial framework for cooperation and targeted fields of intervention in order to ensure the effective implementation of the Cooperation Programme;

DETERMINED to apply maximum transparency and accountability in the implementation of the Cooperation Programme, and to make all reasonable efforts to prevent and combat any irregularities

HAVE DECIDED to conclude the following Memorandum of Understanding:

Article 1

(Objective)

This Memorandum of Understanding sets out a managerial framework and targeted fields of intervention for the effective implementation of the Cooperation Programme.

The Cooperation Programme is established on the basis of the Agreement between the Kingdom of Norway and Romania on a Norwegian Cooperation Programme for Economic Growth and Sustainable development in Romania (“the Agreement”), attached for information purposes as Annex I to this Memorandum.

Article 2

(Managerial framework)

1. The Parties establish a *Joint Committee* composed of representatives of the Parties. The Joint Committee shall supervise the implementation of the Agreement and shall at least meet semi-annually. Each Party may at any time, through a notice to the other Party, request that a meeting of the Joint Committee be held.
2. Innovation Norway shall be responsible for the operation of the Cooperation Programme on behalf of Norway. *Innovation Norway shall i.a.* promote partnerships between eligible applicants, receive and assess applications, conclude grant agreements, monitor projects and report annually to the Joint Committee. Further rules, procedures and guidelines for the implementation of the Cooperation Programme will be issued by Norway. Grant decisions shall be made by Norway.
3. The Ministry of Economy and Finance shall act as the Romanian National Focal Point (NFP). The NFP shall be responsible for the coordination of the Cooperation Programme on the Romanian side, and shall work closely with Innovation Norway in order to promote the Programme and partnerships between eligible applicants from the Parties. The NFP shall provide information and advice to potential project partners and beneficiaries in Romania, and ensure a transparent and inclusive implementation of the Programme. Upon request from Innovation Norway, the NFP shall assist in the monitoring, auditing and evaluation of the Programme. The NFP shall immediately report to Innovation Norway any suspected or actual cases of fraud, corruption or other irregularities, and shall in such cases contribute to efficient and prompt investigation by the Romanian authorities. Further provisions for the role of the NFP may be agreed in the Joint Committee.
4. The Parties establish a *Consultation Committee* composed of Innovation Norway (chair), the NFP and representatives of the Parties. The Consultation Committee shall meet regularly to discuss the implementation of the Cooperation Programme, and may invite representatives of the private sector, the civil society, academia or other interested parties to take part. The Consultation Committee shall report semi-annually, or as often as deemed necessary, on its work to the Joint Committee.

5. An explanatory note on the decision making process is attached as Annex II to this Memorandum. Annex II may, within the limits of the Agreement, be adjusted or amended after consultations either in the Joint Committee or through written procedure.

Article 3

(Focus areas)

Within the Priority Sectors referred to in Article 4 of the Agreement the Parties agree to concentrate particularly on the focus areas set out in Annex III to this Memorandum.

Annex III may, within the limits of the Agreement, be adjusted or amended by the Joint Committee in the semi-annual meetings referred to in Article 2, or otherwise by written procedure.

Article 4

(Eligibility of applicants)

All public or private sector bodies and non-governmental organisations (NGOs) constituted as legal entities in the Parties may apply for assistance, provided that a partnership has been established with at least one entity from the other Party. Innovation Norway shall, in consultation with the NFP, adopt guidelines on the further criteria that will be applied for the selection of eligible partnerships.

Article 5

(Governing Principles)

The Parties agree to communicate and cooperate fully to facilitate a successful implementation of the Cooperation Programme. The Parties agree to apply the highest degree of transparency and accountability in the implementation of the Programme, as well as objectives and principles of good governance, sustainable development and gender equality.

The Parties agree to cooperate on preventing mismanagement and corruption during the implementation of the Programme.

The Parties shall endeavour to make available information regarding other relevant programmes and financial contributions with a view to facilitating best practice and necessary coordination.

Article 6

(Auditing and Access)

Projects under the Cooperation Programme may at any time be audited by the Office of the Auditor General of Norway.

Romania shall ensure that the Norwegian Ministry of Foreign Affairs, Innovation Norway or anyone mandated to perform monitoring or auditing tasks on their behalf, and the Office of the Auditor General of Norway, have upon request, prompt, full and unimpeded access to all information, documents, persons, locations and facilities, public or private, relevant to the implementation of the Cooperation Programme. The NFP shall, upon request, ensure that the above mentioned authorised representatives are accompanied by relevant personnel and provide them with the necessary assistance. Requests under this Article shall be sent at least two weeks before the planned visit.

Article 7

(Remedies)

Payments under the Cooperation Programme may be suspended and a demand for reimbursement of disbursed funds may be issued, if systematic or widespread shortcomings regarding the management of the Cooperation Programme occur, or in cases of breach of a grant agreement, financial mismanagement, misrepresentation of facts, fundamental change of circumstances or suspected or actual cases of irregularities or fraud, or if such cases have not been adequately reported, investigated or remedied. A decision to suspend payments shall be reviewed when it has been made clear that the circumstances leading to the decision do no longer apply. Further provisions to this effect will be included in the grant agreements.

Article 8

(Liability)

The responsibility of Norway and Innovation Norway under the Cooperation Programme is limited to providing funds in support of projects in accordance with the relevant grant agreements. No liability will be assumed to Romania, the NFP, the project partners or any third parties by Norway or Innovation Norway.

Article 9

(Duration)

This Memorandum of Understanding shall enter into force on the day the EEA Enlargement Agreement enters into force. It shall be applied provisionally from the day of signature.

For the Government of Romania

For the Government of the
Kingdom of Norway

