

# **Annex 1**

## **COUNTRY-SPECIFIC SET-UP TO THE FRAMEWORK AGREEMENT**

between

**THE GOVERNMENT OF ROMANIA**

and

**THE SWISS FEDERAL COUNCIL**

on

**THE IMPLEMENTATION OF THE SECOND SWISS  
CONTRIBUTION TO SELECTED MEMBER STATES OF  
THE EUROPEAN UNION TO REDUCE ECONOMIC AND  
SOCIAL DISPARITIES WITHIN THE EUROPEAN UNION**

## **1. General provisions**

- 1.1. This Country-Specific Set-Up is an integral part of the Framework Agreement between the Government of Romania (hereinafter referred to as “Romania”) and the Swiss Federal Council (hereinafter referred to as “Switzerland”) on the implementation of the second Swiss Contribution to selected Member States of the EU to reduce economic and social disparities within the EU (hereinafter referred to as the “Framework Agreement”).
- 1.2. For the purposes of this Country-Specific Set-Up, the definitions in the Framework Agreement shall apply.
- 1.3. This Country-Specific Set-Up (Annex 1 of the Framework Agreement) lays down the thematic and geographical allocations of the Contribution and the specific rules agreed between Switzerland and Romania, as well as the attribution of responsibilities and tasks to entities involved in the implementation of the Swiss-Romanian Cooperation Programme and in the Support Measures respectively.
- 1.4. For specific rules and procedures not provided in the Country Specific Set-Up, the provisions of the Regulations shall apply.

## **2. Roles and responsibilities for the Swiss – Romanian Cooperation Programme**

### **2.1. National Coordination Unit**

Romania has authorised the Ministry of Finance to act on its behalf as National Coordination Unit (NCU) of the Swiss – Romanian Cooperation Programme, through the General Directorate for ECOFIN Preparation and Community Assistance.

The role and responsibilities of the NCU are set out in the Regulations, with an exception for the area of Civic Engagement and Transparency, which will be managed under the responsibility of SDC in coordination with the NCU.

### **2.2. Intermediate Body**

There is no Intermediate Body foreseen. Should an intermediary be necessary, the role and responsibilities will be communicated to the Swiss side and integrated into the programme management system.

### **2.3. Paying Authority**

The Paying Authority is the General Directorate for Non-Reimbursable Financial Mechanisms and Instruments in the Ministry of Investments and European Projects. In addition to its role as Paying Authority, the GDENFMI is designated National Focal Point for the European Economic Area (EEA) and Norwegian Financial Mechanism and holds various roles in a number of EU financed programmes.

The roles and responsibilities of the Paying Authority are set out in the Regulations.

In addition, the Paying Authority is responsible for the control and assessment of suspected irregularities/frauds and their reporting to the NCU, as well as for the recovery of ineligible amounts related to the identified irregularities.

The Paying Authority will have no responsibility for the area of Civic Engagement and Transparency, which will be managed under the responsibility of SDC.

### **2.4. Audit Authority**

The Central Harmonization Unit for Public Internal Audit (CHUPIA) shall act as Audit Authority.

The CHUPIA is a directorate within the Ministry of Finance, headed by a Director and under the direct coordination of the Minister of Finance. The Director of the CHUPIA shall act as the head of the Audit Authority. The CHUPIA is the national authority responsible for the preparation and implementation of the strategy and general normative framework for public internal audit, the coordination and evaluation of the public internal audit activity at national level and also Audit Authority for the European Economic Area and Norway Financial Mechanisms.

The Audit Authority shall be functionally independent of the National Coordination Unit and Paying Authority.

The Audit Authority will have no responsibility for the area of Civic Engagement and Transparency, which will be managed under the responsibility of SDC.

The roles and responsibilities of the Audit Authority are set out in the Regulations.

### 3. Parameters of cooperation

#### 3.1. Thematic allocation

<b>Specific objective &amp; thematic area</b>	<b>Indicative allocation of the Contribution [in CHF millions]</b>
<b>1. Promoting economic growth and social dialogue, reducing (youth) unemployment</b>	
(i) Vocational and professional education and training	10
(ii) Research and innovation	20.4
(iii) Financing for micro, small and medium-sized enterprises	39
<b>2. Managing migration and supporting integration. Increasing public safety and security</b>	
(v) Improving public safety and security	30
<b>3. Protecting the environment and the climate</b>	
(vi) Energy efficiency and renewable energy	60
(vii) Public transport	9.7
<b>4. Strengthening of social systems</b>	
(xi) Health and social protection	10
(xii) Minorities and socially disadvantaged groups	20
<b>5. Civic engagement and transparency</b>	
(xiii) Civic engagement and transparency	18
<b>6. Technical support</b>	
(xiv) Technical Assistance Fund	3.3
(xv) Support Measure Preparation Fund	1.1
Total allocation	221.5

Any unused balances in all the Support Measures of the Swiss-Romanian Cooperation Programme may be transferred to any other approved Support Measure, provided the feasibility is ensured until the end of the eligibility period, by mutual agreement (e.g. confirmed in the minutes of meetings or by correspondence) between the competent authorities mentioned in Art. 6 of the Framework Agreement in the course of the implementation of the Swiss-Romanian Cooperation Programme. For the consequent modification of the Support Measure, Article 4.12 of the Regulations shall apply.

### 3.2. Geographical allocation

At least 50% of the Contribution should go to less-favoured regions as defined in Article 2.7 of the Regulations. For Romania they include 6 out of 8 regions, namely North-East, South-East, South (Muntenia), South-West (Oltenia), North-West and Centre.

### 3.3. Pre-specified parameters per thematic area

#### (i) Vocational and professional education and training

##### Directly selected or pre-identified Support Measures

Support Measure name	Dual VET Programme	
Support Measure type	Programme	
Objectives	Strengthen Romanian dual vocational education and training (VET) system with the involvement of schools and private companies.	
Strategic Focus	The programme aims at strengthening and making the dual VET system in Romania more attractive. It will focus on qualifications, training, and enhancing the participation of the private sector as well as at enhancing permeability and career orientation. The economic sectors will be decided in the inception phase but might include hospitality, logistics and agriculture among others.	
Swiss indicative Commitment	10 million CHF	
Project or Programme Operator	Ministry of Education	
Swiss Support Measure Partner(s)	Swiss Public VET schools, professional associations and expert organisations and Swiss authorities involved in VET	
Other specificities related to the Support Measure	An assessment by a Swiss expert shall guide the development of the Support Measure.	
Geographical focus	Priority Regions	

#### (ii) Research and innovation

##### Directly selected or pre-identified Support Measures

Support Measure name	Research Programme Romania	
Support Measure type	Programme	
Objectives	Contribute to the economic growth and competitiveness of Romania by strengthening the research excellence and innovation capacities of	

	Romanian research organizations, universities and enterprises and by facilitating the research and innovation cooperation with international partners. All programme components will enhance the relations of the Romanian research and innovation communities with leading RDI actors and networks in the European Research Area and improve the alignment with ERA policy objectives.
Strategic Focus	<p>The programme will have three components:</p> <ol style="list-style-type: none"> <li>1. <u>Multilateral Joint Research Projects (MJRP)</u>: Building up long-term sustainable research partnerships between Romanian and Swiss and other European partners with a view to, among other things, encourage joint participation in the EU Framework Programme Horizon Europe. (SDC: 12 Mio)</li> <li>2. <u>Research Infrastructures (ACTRIS, METHAN)</u>: Increasing the Romanian participation in major international Research &amp; Infrastructure networks to boost the scientific research in Romania by providing access to high quality services and data. (SECO: 7.4 Mio)</li> <li>3. <u>Research Infrastructures (ELI-NP)</u>: Increasing the Romanian participation in major international Research &amp; Infrastructure networks to boost the scientific research in Romania by providing access to high quality services and data. (SDC: 1 Mio)</li> </ol>
Swiss indicative Commitment	20.4 million CHF
Project or Programme Operator	Ministry of Research, Innovation and Digitalization
Swiss Support Measure Partner(s)	Swiss research and innovation institutions and agencies, research infrastructure institutions.
Other specificities related to the Support Measure	For the Programme Component on Multilateral Joint Research Projects, the Swiss National Science Foundation will be acting as Programme Component Operator and specific rules, deviating from the Regulations e.g. on financial flows, audit and reporting will be applied and further defined in the Support Measure Agreement.
Geographical Focus	National

**(iii) Financing for micro, small and medium-sized enterprises****Directly selected or pre-identified Support Measures**

Support Measure name	Strengthening SMEs through enhanced access to finance Programme	
Support Measure type	Programme	
Objectives	Develop SMEs, especially in the productive sector, by providing access to financing and thereby enhancing sustainable production and employment.	
Strategic Focus	Increase the added value produced by domestic industries, strengthen their connection to international value chains and improve their environmental footprint.	
Swiss indicative Commitment	39 million CHF	
Project or Programme Operator	Ministry of Entrepreneurship and Tourism	
Swiss Support Measure Partner(s)		
Other specificities related to the Support Measure		
Geographical Focus	National	

**(iv) Improving public safety and security****Directly selected or pre-identified Support Measures**

Support Measure name	Public Security and Safety Programme (Internal Affairs)	
Support Measure type	Programme	
Objectives	Strengthen Romania's capacities in the field of public security, the fight against organized crime and the trafficking in human beings as well as enhance disaster preparedness.	
Strategic Focus	<p>The programme will be implemented through three components:</p> <ol style="list-style-type: none"> <li>1. Community policing</li> <li>2. Fight against organized crime and combat trafficking of human beings</li> <li>3. Air rescue and disaster preparedness</li> </ol>	
Swiss indicative Commitment	20 million CHF	

Project or Programme Operator	Ministry of Internal Affairs
Swiss Support Measure Partner(s)	Fedpol, cantonal police forces and recognized specialized institutions in the field of intervention
Other specificities related to the Support Measure	
Geographical Focus	Priority regions

Support Measure name	Public Security and Safety Programme (Justice)
Support Measure type	Programme
Objectives	Strengthen the capacity of the judicial system to effectively combat crime and uphold the rule of law.
Strategic Focus	The programme will focus on two thematic priorities: <ul style="list-style-type: none"> <li>1. Fight organized crime, corruption and financial crime, and to support asset recovery</li> <li>2. Enhance and consolidate a child-friendly justice system</li> </ul>
Swiss indicative Commitment	10 million CHF
Project or Programme Operator	Ministry of Justice
Swiss Support Measure Partner(s)	Federal and cantonal bodies, recognized specialized institutions in the field of intervention
Other specificities related to the Support Measure	A joint assessment of Swiss and Romanian experts shall build the basis for the support measure proposal
Geographical Focus	National

**(v) Energy efficiency and renewable energy**

**Directly selected or pre-identified Support Measures**

Support Measure name	Energy Efficiency and Renewable Energy Programme
Support Measure type	Programme
Objectives	Strengthen energy efficiency and use of renewables in Romanian cities.
Strategic Focus	The programme will be implemented through two components:



	<ol style="list-style-type: none"> <li>1. Financing of investments in larger cities</li> <li>2. Financing of investments in smaller, disadvantaged communities</li> </ol>
Swiss indicative Commitment	60 million CHF
Project or Programme Operator	Ministry of Development, Public Works and Administration
Swiss Support Measure Partner(s)	Swiss energy engineering (design) experts, European Energy Award (EEA) specialists
Other specificities related to the Support Measure	The investments will build on existing planning instruments at municipal level, such as the Sustainable Energy Action Plans (SEAPs). A joint assessment, with the participation of the EEA Secretariat, will define the main elements of the programme in terms of awarding system, quality management and sustainability as well as identify the needs in terms of capacity development. The Assessment will take into account the experiences and lessons learnt of the first Swiss Contribution.
Geographical Focus	Priority regions

#### **(vi) Public transport**

##### **Directly selected or pre-identified Support Measures**

Support Measure name	Improvement of Access to the Bucharest Metro Network Programme
Support Measure type	Programme
Objectives	Identify solutions to improve the access to the Bucharest metro, in particular for people with disabilities and elderly people.
Strategic Focus	<p>The programme will have three steps:</p> <ol style="list-style-type: none"> <li>1. Audit of the current situation and elaboration of a comprehensive strategy to improve access to the metro, which includes a plan of investments</li> <li>2. Preparation of technical designs</li> <li>3. Procurement of equipment and implementation of the identified measures</li> </ol>
Swiss indicative Commitment	9.7 million CHF

Project or Programme Operator	The Ministry of Development, Public Works and Administration
Swiss Support Measure Partner(s)	
Other specificities related to the Support Measure	The programme will be prepared and implemented by METROREX SA. METROREX SA carries out activities of public and strategic interest and it is organized and functions under the Ministry of Transport and Infrastructure.
Geographical Focus	Bucharest

**(vii) Health and social protection**

**Directly selected or pre-defined Support Measures**

Support Measure name	Health Services Programme	
Support Measure type	Programme	
Objectives	Improve citizens' access to Romanian quality health services in remote areas	
Strategic Focus	The programme will aim at improving primary health care in remote areas by fostering cost-efficient outpatient care and decongesting hospital structures. Pilot approaches might be considered such as integrated community health centers for the provision of adequate health services (outpatient) and improved access to emergency services and continued care.	
Swiss indicative Commitment	10 million CHF	
Project or Programme Operator	Ministry of Health	
Swiss Support Measure Partner(s)	Public health actors in Switzerland and other relevant organisations in the area of health care service organisation; Lugano Summer School in Public Health	
Other specificities related to the Support Measure	An assessment shall build the basis for the support measure proposal and involve Swiss experts together with Romanian public health experts.  Applied studies shall document the effect and learnings of the pilots and accompany the implementation of the programme.	
Geographical Focus	Priority regions	

**(viii) Minorities and socially disadvantaged groups****Directly selected or pre-defined Support Measures**

Support Measure name	Social Inclusion Programme	
Support Measure type	Programme	
Objectives	Reduce economic and social disparities between communities by focusing on decentralized integrated services for disadvantaged communities and social cohesion in selected counties	
Strategic Focus	<p>The programme will have two components:</p> <ol style="list-style-type: none"> <li>1. (main) Integrated social services at local level: In the selected counties and localities (selected on the basis of specific criteria and a call for proposals), priority services that are crucial for socio-economic integration (education, health, economic empowerment and social services) will be identified and implemented by the competent entity and/or a mandated entity, according to the specific needs of the targeted disadvantaged groups. Activities in support of social cohesion will be part of this Programme. Communities will be directly involved in the formulation of needs, services and implementation.</li> <li>2. (secondary) Increased access to university studies for students with disabilities: the pilot approach will develop a centre of excellence in inclusion, training programs as well as draw lessons learnt which will contribute to the development of a national strategy for improving access to education for persons with disabilities</li> </ol>	
Swiss indicative Commitment	20 million CHF	
Project or Programme Operator	Ministry of Labour and Social Solidarity	
Swiss Support Measure Partner(s)	Public Swiss entities and universities, experts and associations in Social services, integration matters, disability, etc.	
Other specificities related to the Support Measure	<p>Component 1) measure will aim at reinforcing local governance and the decentralisation of public services in Romania.</p> <p>Component 2) will be piloted by the National Agency for the Protection of the Rights of the Persons with</p>	

	Disabilities with the collaboration of the University of Bucharest.
Geographical Focus	Priority regions for component 1) and Bucharest for component 2)

**(ix) Civic engagement and transparency**

**Directly selected or pre-defined Support Measures**

Support Measure name	Civic Engagement Programme	
Support Measure type	Programme	
Objectives	Strengthen Romanian civic engagement and Civil Society.	
Strategic Focus	NGO grants for Social Development, Citizens and Communities' Participation and Advocacy as well as Local Sustainable Development	
Swiss indicative Commitment	18 million CHF	
Project or Programme Operator	Directly selected by Switzerland	
Swiss Support Measure Partner(s)	Swiss non-governmental actors	
Other specificities related to the Support Measure	<p>Two windows: larger projects with an integrated approach (0.5 to 1.5 million CHF) and smaller projects addressing grassroots initiatives and capacities needs of smaller CSOs (50'000 to 200'000 CHF), including a specific call in synergy with the Social Inclusion Programme.</p> <p>SDC shall conclude a mandate with the selected programme operator for the area of Civic Engagement and Transparency. The related Support Measure Agreement will include inter alia provisions related to the selection and implementation of the projects, disbursements, financial audit, monitoring and reporting, deviating from the Regulations.</p>	
Geographical Focus	Priority regions	

## 4. Partner State specific rules and procedures

Switzerland and Romania agree to the following specific provisions in derogation / modification / complement / specification of the Regulations:

The following paragraph replaces **Article 3.11 paragraph 2** of the Regulations:

"Within six months of the final reimbursement by Switzerland to the Partner State under the Framework Agreement but not later than nine months after the period of eligibility of expenditures as defined in Article 4 paragraph 3 of the Framework Agreement, the Partner State shall submit a Cooperation Programme Completion Report to the SCO assessing the accomplishment of the objective of the Framework Agreement and a final financial statement on the use of the Contribution, based on the audits of the Support Measures. The structure and content of the Cooperation Programme Completion Report shall be in accordance with the template provided by Switzerland."

The following paragraph is added to **Article 6.1** of the Regulations:

(5) "Having regard to the principle of proportionality, travel costs, including subsistence allowance, may be calculated as a lump sum, on the basis of defined rules approved by the Partner State".

The following paragraph replaces **Article 7.2 paragraph 2** of the Regulations:

"The SCO, or any third party nominated by it, shall have the right to be appointed as co-opted expert and to participate in the meetings of the evaluation committee in addition to the evaluation committee members, according to the provisions of the Romanian legislation on public procurement. The NCU shall notify the SCO at least ten working days in advance of the starting of the evaluation process."

The following paragraph replaces **Article 8.3 paragraph 1** of the Regulations:

"In exceptional cases, e.g. for Support Measures benefiting civil society organisations or other institutions with limitations for pre-financing, or for activities performed by Swiss Support Measure Partners, Switzerland may notwithstanding Article 8.1 paragraph 2, pre-finance or reimburse advance payments by the Partner State to Executing Agencies. Such advance payments are to be agreed in the relevant Support Measure Agreement and subject to paragraphs 2 and 3 and to the provision of sufficient proof for the execution of the advance payment by the Partner State and to the provision of the Partner State's co-financing in accordance with the respective Support Measure Agreement."

The following paragraph replaces **Article 9.2** of the Regulations:

1. An external Audit Organization shall carry out financial audit of the Support Measure. The financial external audits reports shall be in accordance with ISA. The auditor is required to examine and conclude on the following matter:
  - (i) Accuracy, completeness and veracity of the accounts;
  - (ii) Legality and regularity of expenditure;
2. The costs for the audits performed at paragraph 1 are eligible for reimbursement and are included in the Support Measure budget.

3. As regards to the audits of the management and control systems of the Programme Operators, these will be performed by the Audit Authority. The first audits, shall, in principle, be performed before the first Swiss reimbursement under the Support Measure Agreement, in respect of which the Programme Operator assumes management and control functions, is made. The Audit Authority is required to examine and conclude on the existence, adequacy and effectiveness of the management and control system.
4. The Audit Authority shall also carry out audits on Support Measures to verify declared expenditures. The declared expenditure shall be audited based on a representative sample and, as a general rule, on statistical sampling methods. The size of the sample shall be sufficient to enable the Audit Authority to draw up a valid audit opinion.

A non-statistical sampling method may be used on the professional judgment of the Audit Authority, to be duly justified in the audit strategy, in accordance with internationally accepted audit standards and in any case where the number of Projects or Programme Components for a year is insufficient to allow the use of a statistical method.

The non-statistical sampling method shall cover a minimum of 10% of Projects or Programme Components for which expenditure has been declared during a year and a minimum of 15% of the expenditure which has been declared during a year.

The following paragraph replaces **Article 9.3 paragraph 4** of the Regulations:

"The reporting period for the Annual Audit Report is the previous accounting year (running from 1 January to 31 December), with the exception of the first report. The first report shall cover the period from the date on which the Framework Agreement is signed until the 31 December of the following year.

The following paragraph replaces **Article 11.1 paragraph 2** of the Regulations:

"Irregularities may include, but are not limited to, unjustified utilisation of funds, corruption, theft, embezzlement, fraud or other crimes against property, documents forgery, sexual exploitation, abuse and harassment (SEAH)<sup>1</sup>, violations of public procurement rules. Minor and non-recurring administrative mistakes resulting from unintentional negligent behaviour are not Irregularities."

The following paragraph replaces **Article 11.2** of the Regulations:

1. "The NCU and PA shall make every effort possible to prevent, detect, and remedy Irregularities occurring within the framework of the Cooperation Programme. Any suspected and actual incidents of Irregularities shall be investigated promptly and efficiently and properly remedied, including making financial corrections that may be appropriate in accordance with Article 11.4.
2. Switzerland reserves the right to demand specific and/or additional measures to prevent, detect and remedy Irregularities
3. The NCU and PA shall establish a complaint mechanism that shall be capable of effectively receiving, processing and deciding on complaints about suspected or actual Irregularities in relation to the Cooperation Programme.

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<sup>1</sup> Consistent with UNGA Resolution A/RES/73/148 for the definition of sexual harassment and UNSG Bulletin ST/SGB/2003/13 for the definition of sexual exploitation and abuse.

4. If the NCU or PA receives complaints regarding SEAH, Switzerland will be immediately informed. The SCO, NCU and PA will enter into a dialogue in order to assess the relevance and impact on the implementation of the Support Measure linked with the complaint. The NCU will take all reasonable and adequate steps to ensure that SEAH is not tolerated.

The NCU ensures that any agreements with the Executing Agencies that relate to the execution of the Support Measures comply with these obligations.

5. Information on how to submit a complaint shall be prominently placed on the website of the NCU and the PA. The Partner State and the involved entities shall take appropriate measures to protect the privacy of whistle-blowers.
6. Any complaints involving suspected or actual Irregularities shall be reported to the SCO in accordance with Article 11.3 paragraph 2. Upon request, the NCU shall submit a list of all the complaints received to the SCO.
7. The NCU and PA shall, upon request by Switzerland, examine complaints that were received by Switzerland.
8. The Partner State shall be liable for any financial loss and/or any other damage resulting from Irregularities that have occurred within the framework of the Cooperation Programme”.

The PA is added next to the NCU in all the clauses of **Articles 11.3 and 11.4**

In the event of a conflict between the Regulations and these specific provisions, the specific provisions of this Annex shall prevail.