THE COOPERATION PROGRAMME BETWEEN SWITZERLAND AND ROMANIA

PROJECT AGREEMENT

BETWEEN
SWITZERLAND
REPRESENTED BY
THE STATE SECRETARIAT FOR ECONOMIC AFFAIRS (SECO)

AND

THE GOVERNMENT OF ROMANIA

REPRESENTED BY
THE MINISTRY OF PUBLIC FINANCE,
AS THE NATIONAL COORDINATION UNIT (NCU)

AND BY
THE MINISTRY OF ECONOMY THROUGH THE DEPARTMENT FOR SMEs, BUSINESS
ENVIRONMENT AND TOURISM
AS THE INTERMEDIATE BODY (IB)

CONCERNING
THE GRANT
FOR
THE PROJECT “ROMANIAN-SWISS PROGRAM FOR SMEs”
TO BE IMPLEMENTED DURING THE PERIOD
16.01.2014 – 16.01.2019
The Government of Switzerland and the Government of Romania

Having regard to the friendly relations between the two countries,

Desirous of strengthening these relations and the fruitful co-operation between the two countries,

Intending to promote further the social and economic development in Romania,

Referring to the Framework Agreement between the Swiss Federal Council and the Government of Romania concerning the implementation of the Swiss-Romanian cooperation programme to reduce economic and social disparities within the enlarged European Union, concluded on 7 September 2010,

Considering the Swiss Grant for the Romanian-Swiss Program for SMEs in Romania,

have agreed as follows:

**Article 1**

**Definitions**

In this Project Agreement, unless the context otherwise requires, the following terms shall have the following meaning:

“Framework Agreement” means the Agreement between the Swiss Federal Council and the Government of Romania concerning the implementation of the Swiss-Romanian Cooperation Programme to reduce the economic and social disparities within the enlarged European Union, concluded on 7 September 2010;

“Contribution” means the non-reimbursable financial contribution granted by Switzerland under the Framework Agreement;

“Project Agreement” means the Agreement between the State Secretariat for Economic Affairs (SECO) and the Ministry of Public Finance acting as the National Coordination Unit (NCU) and the Ministry of Economy through the Department for SME’s, Business Environment and Tourism acting as the Intermediate Body which lays down the rights and obligations of the Contracting Parties regarding the implementation of the Project;

"National Coordination Unit" (NCU) means the Romanian unit in charge of the coordination of the Swiss-Romanian Cooperation Programme. In reference to the Framework Agreement, Art. 9, Romania has authorized the Ministry of Public Finance to act on its behalf as the NCU for the Swiss-Romanian Cooperation Programme;

“The Project” means the Romanian - Swiss Program for investment loans for small and medium-sized enterprises (SMEs) in four priority sectors: manufacturing, health-care services, tourism, commercialization of systems/equipment specific for energy savings and those using renewable energy resources to streamline their activities;
“Grant” means the non-reimbursable financial contribution granted by Switzerland under this Project Agreement;

“Contracting Parties” of the Project Agreement means the Romanian Government, represented by the NCU and the Intermediate Body on the one side and the Swiss Government, represented by SECO on the other side;

“Paying Authority” (PA) means the institution established in the Ministry of European Funds through the Mechanisms and Nonrefundable Financial Instruments General Directorate, ensuring appropriate financial control within the Swiss-Romanian Cooperation Programme;

“Intermediate Body” (IB) is the Ministry of Economy through the Department for SMEs, Business Environment and Tourism through the Directorate for Implementing Programs for SMEs acting under the responsibility of the NCU with regard to the Executing Agency implementing this Project;

“Executing Agency” (EA) is the Department for SMEs, Business Environment and Tourism through the Directorate of Policies for SMEs and Cooperatives mandated to implement the Project financed under this Project Agreement.

"The Bank" means a partner in the Program which is responsible to carry out the credits for the eligible selected SMEs. The Bank represents the selected credit institution within this Project, namely CEC Bank SA, and its affiliates in Romania. The Bank is the provider of the investment loans and will make available its own resources in order to provide the co-financing in the amount of 30% of each investment loan.

"The Guarantor" means the National Fund for Credit Guarantees for Small and Medium Enterprises which implements its policies to support the development of the SMEs sector as a priority of economic and social policy of Romania. It provides, upon request, partial guarantees for the individual investment loans.

"Final Beneficiaries" mean the small and medium enterprises (SMEs) which receive financial support by way of investment loans under the Project.

"Project Completion" means the end of the physical realization of the project, including the submission of the completion report and other relevant documents as stipulated in Art. 3.7 to the Embassy of Switzerland.

“Audit Authority” (AA) means the unit established in the Ministry of Public Finance responsible on the Romanian side for the control of the use of financial resources of the Swiss-Romanian Cooperation programme.
Article 2
Objectives and Scope of the Project

2.1 The objective of the Project is to respond to the existing credit gap on the Romanian financial market by providing up to 284 investment loans, which may be backed by preferential guarantees, to debt-seeking SMEs in the following sectors: manufacturing, health-care services, tourism, commercialization of systems/equipment specific for energy savings and those using renewable energy resources.

2.2 The Project has to be implemented according to the following documents, forming the list of Annexes:
   - The confirmation of the Project approval by the SECO Decision Letter dated 30.09.2013 (annex 1)
   - The Final Project Proposal (annex 2)
   - The updated budget (annex 3)
   - The Project Logframe (annex 4)

The Annexes 1 – 4 constitute an integral part of the Project Agreement.

2.3 The Project Agreement shall be implemented in compliance with the Framework Agreement and its Annexes.

Article 3
Amount and Utilization

3.1 The total cost of the Project amounts to CHF 28,524,286 [twenty eight million five hundred twenty four thousand two hundred eigthy six Swiss francs]. The estimated eligible cost of the Project amounts to CHF 28,524,286 [twenty eight million five hundred twenty four thousand two hundred eigthy six Swiss francs]. Out of this amount, costs for the financial audits and Program advertisement amount to CHF 110.000, out of which VAT in the amount of CHF 21.290.32 is eligible.

3.2 Switzerland shall provide a Grant in Swiss Francs amounting to maximum CHF 20,000,000 (twenty million Swiss francs) to Romania for the implementation of the Project defined in Art. 2.
3.3 The Grant shall cover a maximum of 70% of the total eligible costs of the Project in Swiss Francs. This percentage shall never be exceeded during the project implementation except for the costs of the financial audits and Program advertisement activities which are 100% eligible. The NCU shall ensure the timely provision by the EA of the prefinancing of all project costs, except the co-financing by the Bank of 30% of each investment loan granted to an eligible final beneficiary in Swiss Francs and the provision of a partial guarantee by the Guarantor from Romanian sources for said investment loan as appropriate.

3.4 As stipulated in Art. 7 paragraph 1 of the Framework Agreement, the Value Added Tax (VAT) shall be considered as an eligible cost only if it is genuinely and definitively borne by the Executing Agency. VAT, which is recoverable, by whatever means, shall not be considered eligible even if it is not actually recovered by the Executing Agency.

3.5 As stipulated in Art. 7 paragraph 2 of the Framework Agreement, other levies, taxes or charges, in particular direct taxes and social security contributions on salaries and wages, shall constitute eligible costs only if they are genuinely and definitively borne by the Executing Agency.

3.6 The following costs shall not be eligible for grant support: expenditures incurred before the signing of the present Project Agreement by all parties.

3.7 The final date for eligibility of costs corresponds with the end of the Project as per Art. 22 paragraph 2 or 3, respectively. Eligibility of costs for the Completion Report and the Final Financial Audit ends twelve months after Project completion. The Final Reimbursement Request shall include the Completion Report and the Final Financial Audit. At the latest, all Reimbursement Requests shall be submitted by 7 November 2019.

3.8 At latest twelve months before the completion of the project, namely by April 16 2018, SECO and the NCU shall mutually agree on the use of any unutilised portion of the Grant. For the use of any such savings, priority is given to the extension of an already existing Project activity or a new defined project activity within the Project.

Article 4
Reimbursement Procedures

4.1 The Grant shall be disbursed in accordance with the Framework Agreement, Annex 3, chapters 2 (Project Implementation Procedures) and 3 (Payment and Reimbursement Procedure) and the updated Budget referred to in Article 2.2 (annex 3).

4.2 Disbursements shall be made by SECO based on Reimbursement Requests submitted by the PA as well as the reports pursuant to Article 10, verified and approved by the IB, in the form of reimbursements of eligible costs incurred within the Project. Project costs shall be pre-financed by the EA, except the co-financing for credits which is the responsibility of the Bank and the provision of a partial guarantee by the Guarantor. Switzerland shall reimburse the eligible pre-financed funds as per Article 3.2 and 3.3 into the account mentioned in Art. 4.6 upon receipt and approval of the Reimbursement Requests as well as the reports pursuant to Art. 10.
4.3 The Reimbursement Requests sent to Switzerland by the PA shall be in Swiss Francs, whereas the PA shall convert the local currency into Swiss Francs at the daily exchange rate of the National Bank of Romania at the date of the preparation of the Reimbursement Request.

4.4 Reimbursement Requests referred to in Article 4.3 must be received by Switzerland within three months after the end of the covered reporting period, according to Art. 10.

4.5 At Project completion:

A final reimbursement shall be made by Switzerland after fulfilment of all contractual obligations of Romania, after the receipt of the Final Reimbursement Request submitted to Switzerland by the Paying Authority as well as the corresponding Interim Report, the Project Completion Report and Final Financial Audit Report.

4.6 All payments related to this Project Agreement shall be transferred by Switzerland in Swiss Francs to the PA account n° IBAN RO34NBOR3216800814CHFXXX, bank code NBORROBU at the National Bank of Romania, 25, Lipscani Street, district 3, Bucharest, Romania.

4.7 If non-eligible expenses are identified during the Project implementation period or after its completion, the PA is entitled to apply the provisions of G.O no. 66/2011 with its amendments, in order to recover the amount from the beneficiary of funds, namely the Executing Agency, and reimburse it to SECO.

Article 5
Procurement

5.1 The Bank has been selected prior to the submission of the Final Project Proposal in accordance with the Romanian law and regulations and in compliance with EU rules. Tender dossiers have been consulted with the Swiss authorities in line with the stipulations of the Framework Agreement. The representative of Switzerland has expressed his non-objection to the factual content of the evaluation report and the selection process.

5.2 As the Program provides investment loans which are to be repaid by the Final Beneficiaries, the Final Beneficiaries are not obliged to follow public procurement rules.

5.3 For tenders conducted by the Executing Agency, a confirmation of compliance with the relevant procurement rules and an English translation of the official tender evaluation report or a short description of the tender process for information purposes shall be provided to SECO by the NCU within 30 calendar days after the award of the contract. In line with Art. 6 paragraph 5 of the Framework Agreement, both Parties agree to provide all such information pertaining to the tender process and beyond the documents listed above that the other Party may reasonably request.

5.4 Switzerland shall have the right to conduct an audit of procurement practices and procedures in general.
5.5 A fair competition and equal treatment of potential contractors from Romania and from abroad shall be ensured in all tender activities.

5.6 If breach of procurement national framework is identified, the PA is entitled to apply financial correction according to the G.O no. 66/2011, with its further amendments, to the Executing Agency.

Article 6
Responsibilities of the IB

6.1 The IB is responsible for the implementation, controlling and evaluation of the Project as well as for the use of the Grant in accordance with this Project Agreement, and as stated in the Annex 2 of the Framework Agreement. The IB ensures the compliance of the Executing Agency with this Project Agreement as well as with the Framework Agreement.

6.2 In the frame of this Project Agreement, the IB shall:
- Supervise and steer the implementation of the Project in accordance with this Project Agreement and the Implementation Agreement and carry out the necessary controls;
- Ensure that all procurement documents provided by the EA in accordance with this Project Agreement and the Implementation Agreement are submitted to the NCU;
- Ensure that the EA respects all SECO requests submitted through the NCU and provides all the information regarding the Project implementation and post-completion obligations;
- Review and approve interim / final reports received from the EA, verify the existence of the supporting documents attached and the existence of the audit reports in accordance with this Project Agreement and the Implementation Agreement;
- Verify the VAT eligibility according to art. 3.4;
- Check if the EA provided the pre-financing and the Bank the co-financing in the percentage stipulated in art. 3.3;
- Verify all the documents related to a payment claim, approve it by issuing the Payment Approval Note and submit the corresponding documents to the PA;
- Notify any suspicion of irregularity/fraud to the PA;
- Verify the administrative capacity of the EA, execute administrative, technical and on the spot missions and report the results to the NCU;
- Ensure the efficient and correct use of the Grant;
- Ensure storing of all relevant documents related to this Project implemented within the Swiss-Romanian Cooperation Programme for 10 years after the completion of this Project.
- Ensure that the Swiss Party will immediately be informed through the NCU about any deviations or delays in the procurement process according to the art. 6.5 of the Framework Agreement and art. 2 point 3, Annex 3, of the Framework Agreement.
- Ensure that the Swiss party will receive confirmation of compliance with the relevant procurement rules as foreseen in art. 2 point 3 Annex 3 of the Framework Agreement.
Article 7
Responsibilities of NCU

7.1 The NCU shall supervise and steer at a general level the implementation of the Project in accordance with this Project Agreement and the Implementation Agreement and carry out the necessary controls;

7.2 In the frame of this Project Agreement, the NCU shall:
- Ensure the compliance of the Executing Agency with this Project Agreement as well as with the Framework Agreement;
- Ensure that the IB observes the responsibilities stipulated in art 6;
- Ensures that all procurement documents provided by the EA in accordance with this Project Agreement and the Implementation Agreement are submitted to SECO;
- Verify the administrative capacity of the EA, execute technical and on the spot missions;
- Ensure the efficient and correct use of the Grant;
- Ensure storing of all relevant documents related to this Project implemented within the Swiss-Romanian Cooperation Programme for 10 years after the completion of this Project.

7.3 The NCU shall ensure that an Implementation Agreement is concluded with the Department for SMEs, Business Environment and Tourism through Directorate of Policies for SMEs and Cooperatives that shall be assigned as the Executing Agency for this Project. This Implementation Agreement shall comply with the Project Agreement and with the Framework Agreement. The same shall apply to any other contract subscribed in the framework of the implementation of the Project.

7.4 The NCU undertakes to support, advise and inform the Swiss Embassy (or SECO) with regard to project-related issues. The NCU undertakes to inform the Swiss Embassy immediately in writing with regard to any developments that could seriously jeopardise the implementation of the Project. In case of any irregularity, the NCU shall immediately inform the Swiss Embassy. In the event of the threat of any irreparable disadvantage, the NCU shall immediately undertake to apply the requisite precautions.

7.5 The NCU, the IB and the Executing Agency will at all time clearly state that they are acting within the framework of the Swiss-Romanian Cooperation Programme to reduce economic and social disparities within the enlarged European Union. All publications must refer to the Project as a “Swiss-Romanian Project”. The general public in Romania will be informed adequately about the Project and the support provided by Switzerland.

7.6 All communications to SECO with regard to this Project Agreement shall be directed to the Swiss Embassy in Bucharest which generally represents SECO towards the NCU and the IB.
Article 8
Project Organisation

8.1 A Project steering committee shall be established for the supervision of the Project implementation.

8.2 Strategic decisions related to the Project are taken by the Project steering committee.

8.3 The Project steering committee shall hold at least one meeting per year. If deemed necessary by one of the members of the steering committee, additional meetings are to be held. The Steering Committee and its meetings shall be organised by the Executing Agency, which also shall act as secretariat. The steering committee will be chaired by the NCU.

8.4 Members of the steering committee are representatives of the following parties:
   a. National Coordination Unit
   b. Intermediate Body
   c. Switzerland (observer status)
   d. Executing Agency
   e. Paying Authority
   f. the Bank
   g. the Guarantor

The steering committee may invite experts in the field to participate in the meetings if the members consider this useful or necessary.

8.5 The steering committee shall:
   a. Discuss operational and financial parts of the Project Reports
   b. Recommend possible modifications of the Project plan and budget
   c. Propose any measures considered necessary to fully achieve the planned Project objectives
   d. Provide guidance with regards to the applicable national laws and regulatory policies.

8.6 Switzerland has the right to mandate a back-stopping consultant to provide technical support for the implementation and monitoring of the Project.

Article 9
Monitoring and Review

9.1 The NCU shall ensure the establishment of a monitoring system that allows to assess periodically the status of achievement of the proposed Project objectives. The system should be based on the Project reports as mentioned in Art. 10 below and should be the base of the annual reports on the Swiss-Romanian Cooperation Programme as stipulated in Art. 8 of the Framework Agreement.
Article 10
Reporting

10.1 Interim Reports shall cover a period of 6 (six) months and are due to Switzerland not later than three months after the end of the period covered. The first Interim Report shall cover the period from the signing date of the present agreement to June 30, 2014. In general, Interim Reports support payment claims and are therefore to be presented to Switzerland with the corresponding Reimbursement Request. They include information on financial and physical progress, name and address of companies that have delivered goods or services, compare actual with planned expenses and provide an update on progress status, while confirming the co-financing. Any deviation has to be justified and corrective measures suggested. Interim Reports shall also include information on the number and amount of disbursed loans in the reporting period, disaggregated along the following parameters: economic sector distribution/business activity, gender (% of successful female applicants), average loan size, median interest rate, non-performing loans (%), effective losses during the reporting period and cumulated up to date, outlook regarding the pipeline of prospective loans during the forthcoming reporting period; number and amount of guarantees provided, amounts of guarantees called during the reporting period and cumulated up to date.

10.2 Annual Project Reports are due to Switzerland not later than three months after the end of the calendar year. The first Annual Project Report shall cover the period from January 16th, 2014 to December 31, 2014 and is due not later than 31 March 2015. Annual Project Reports have an operational part that describes the progress of the Project and include a financial part (Financial Report) having a summary data on financial progress for the reporting year as well as cumulative data to date. They compare actual with planned expenses and progress, based on quantified targets for output and where possible outcome indicators on the basis of the logframe (annex 4). Any deviation has to be justified and corrective measures suggested. It shall also contain an updated Project execution time schedule as well as an updated budget for the year ahead. Annual Project Reports are not linked to Reimbursement Requests. Annual Project Reports shall include also the following information: cumulated number and amount of disbursed loans up to date, disaggregated along the following parameters: sector distribution, gender (% of successful female applicants), average loan size, median interest rate, non-performing loans (%), effective losses; cumulated number and amount of guarantees provided up to date; cumulated amount of guarantees called up to date; cumulated number of jobs supported, i.e. sustained and/or created, and, if possible gender disaggregated, up to date.

10.3 The Project Completion Report is due not later than three months after the end of the implementation of the Project. The Project Completion Report - together with the last Interim Report and the conclusions of the Final Financial Audit - is the base for the payment of the final reimbursement. The Project Completion Report has an operational part that documents and comments the overall achievement of outputs and outcomes against the original plan on the basis of the logframe (annex 4), the compliance with principles such as cross cutting themes and sustainability, and suggests lessons learned and conclusions. It contains a financial part (Final Financial Report) having a summary of financial data for the whole project and compare effective with planned expenses.
10.4 The financial parts of the Interim Reports, Annual Project Reports and of the Project Completion Report, based on invoices or documents of equivalent value, are to be presented in local currency. Summary and cumulative financial data in the Annual Reports as well as in the Project Completion Report shall additionally be presented in Swiss Francs, calculated at the exchange rates indicated in the reimbursement requests submitted to SECO, or correspondingly in the Implementation Agreement, pertaining to the covered reporting period.

**Article 11**

**Audit**

11.1 In accordance with the annual audit planning agreed upon with Switzerland, the Audit Authority established at the level of the Ministry of Public Finance shall perform audits in accordance with the respective national law. In doing so, they shall verify the correct use of funds, make recommendations to strengthen the control system and report any actual or alleged fraud or irregularity to the NCU. The NCU shall immediately inform SECO.

11.2 An external certified Audit Organisation shall carry out intermediary Financial Audits. The costs are eligible for reimbursement and are included in the Project budget. The intermediary external financial audit reports shall be transmitted to the Swiss Embassy together with every Intermediary Reimbursement Request.

11.3 The external certified Audit Organisations shall ensure that the Audit Authority has access to the documentation elaborated by them during their control and audits carried out within the Swiss-Romanian Cooperation Programme.

11.4 Terms of Reference for the intermediary and final Financial Audits are to be agreed with Switzerland.

11.5 At Project completion, an external certified Audit Organisation shall carry out a Final Financial Audit. This financial audit shall cover the entire project implementation period. The conclusions and recommendations shall be transmitted to the Swiss Embassy together with the Project Completion Report and the Final Reimbursement Request by the PA at the latest three months after the end of the implementation period of the Project mentioned in art. 22 paragraph 2 or 3 respectively.

11.6 The NCU shall ensure that the EA appoints an external Audit Organisation of recognised professional reputation and in line with the International Standards on Auditing (ISAs) issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants.
The objective of the audit of financial statements of the Project is to enable the external certified Audit Organisation to express an opinion whether the financial statements are prepared, in all material respects, in accordance with an applicable financial reporting. Thus, financial statements need to be prepared in accordance with one, or a combination of the international accounting standards, the national accounting standards or another authoritative and comprehensive financial reporting framework which has been designed for use in financial reporting and is identified in the financial statements. The external certified Audit Organisation shall conduct the financial audit in accordance with International Standards on Auditing (ISA), issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC), to obtain reasonable assurance that the financial statements taken as a whole are free from material misstatement, whether due to fraud or error. Results of any previous audits shall be taken into consideration. The Audit Organisation shall take into account additional requirements that may be suggested by the NCU or by Switzerland.

In addition to the Audit Organisation's report on the financial statements, the external certified Audit Organisation is expected to provide the Executing Agency with a management letter concerning any material weaknesses in accounting and internal control systems detected by the external certified Audit Organisation and formulate appropriate corrective measures. The copy of such letter shall be presented to the NCU and IB. Audit arrangements with the external certified Audit Organisation shall be effective for the whole Project duration unless it is terminated, amended or superseded with appropriate justifications.

The NCU shall transmit the comments of the AA regarding the results of the Audits. The NCU or the PA shall transmit the results and the proposed recommendations of the intermediary Financial Audit and of the Final Financial Audit to the Swiss Embassy.

Switzerland shall have the right to request additional external financial reviews.

Article 12
Right of Examination

Switzerland, as well as any third party appointed by it, shall have the right to visit the Project, conduct a comprehensive assessment or evaluation, and shall be granted full access to all documents and information related to the Project settled by this Project Agreement, during its implementation and 10 years after its completion. The NCU, IB, PA and the EA shall, upon request, ensure that the above mentioned authorised representatives are accompanied by the relevant personnel and are provided with the necessary assistance.
Article 13
Liability

SECO does not assume any risk or responsibility whatsoever for any damages, injuries, or other possible adverse effects caused by the Project, including, but not limited to inconsistencies in the planning of the Project, other project(s) that might affect it or that it might affect, or public discontent.

Article 14
Common Concern

The Contracting Parties share a common concern in the fight against the misuse of funds, which jeopardizes good governance and the proper use of resources needed for development, and, in addition, endangers fair and open competition based upon price and quality. They declare, therefore, their intention to combine their efforts to fight the misuse of funds and, in particular, declare that whoever asks for, lets himself/herself be promised or accepts an advantage for acting or refraining from acting in the context of a mandate or contract within the framework of this Project Agreement, will be considered to have committed an illegal act which shall not be accepted. Any actual case of this kind shall constitute sufficient grounds to justify termination of this Project Agreement, the annulment of the procurement or resulting award, or for taking any other corrective measure laid down by applicable law.

Article 15
Irregularities Clause

15.1 In case of irregularities, as defined by the Romanian legislation - Government Ordinance no.66/2011, with its further amendments, as well as defined in the document "System of Reporting on Irregularities for the Swiss-Romanian Cooperation Programme ", wilfully or negligently caused in the implementation of the Project Agreement and Annexes thereto, Switzerland is entitled to:

a) stop reimbursements immediately
b) instruct the NCU to stop payments from the Swiss Contribution
c) ask repayment of illegitimately paid reimbursements at any stage of the Project

Prior to making such decision, Switzerland and NCU shall enter into a dialogue to ensure that it is based on accurate and correct facts.

15.2 SECO shall immediately and in written form communicate the reasons for their respective instructions to the NCU and the other actors involved.

15.3 The PA is responsible for the control and assessment of the suspected irregularities/frauds and their reporting to NCU, according to the system agreed between the Swiss and the Romanian parties, as well as for the recovery of ineligible amounts related to the identified irregularities.
Article 16
Post-Completion Obligations

16.1 The NCU shall provide information on the outcomes as defined in annex 4 (Logframe). An ex-post evaluation of the Project may be carried out by Switzerland.

16.2 Switzerland has neither responsibility for nor obligation to ensuring the maintenance, the repair or the undertaking of any measures for ensuring the safety and protection of persons, equipment, installations, of all objects on site or in the vicinity.

16.3 The Contracting Parties shall keep all documents concerning this Agreement and its implementation for 10 years after completion of this Project.

Article 17
Language

All correspondence with Switzerland, including operational, financial and audit reports as well as Project documents and any other papers related to the Project, shall be in English.
Article 18
Competent Authorities

For the Government of Romania:
The Ministry of Public Finance
National Coordination Unit
17, Apolodor Street, district 5
Bucharest
Romania

Paying Authority:
The Ministry of European Funds
Mechanisms and Nonrefundable Financial Instruments General Directorate
44, Mircea Voda Bvd, district 4
Bucharest
Romania

Intermediate Body:
The Ministry of Economy through the Department for SMEs, Business Environment and Tourism- Directorate for Implementing Programs for SMEs
11 Poterasi Street, district 4
Bucharest
Romania
Article 19
Settlement of Disputes

In accordance with Art. 11 paragraph 2 of the Framework Agreement, any dispute which may result from the application of this Project Agreement shall be solved by diplomatic means.

Article 20
Modifications and Amendments to the Project Agreement

20.1 Any amendment to this Project Agreement and its annexes shall be made in writing with the mutual agreement of the Contracting Parties and according to their respective procedures.

20.2 Any increase of the Project budget, any significant changes within the budget (reallocation of more than 10% of a budget item to another) as well as any strategic changes or conceptual adjustments to the Project shall be discussed with and approved by Switzerland. The actual reimbursements are made according to the Reimbursement Requests sent to Switzerland by the Paying Authority.
Article 21
Termination, Suspension

21.1 This Project Agreement can be terminated at any time by one of the Contracting Parties upon a six-month prior written notice. Prior to making such a decision, the Contracting Parties shall enter into a dialogue to ensure that it is based on accurate and correct facts. The Contracting Parties shall decide by mutual agreement on any consequences of the termination.

21.2 If either Contracting Party considers that the aims of the Project Agreement can no longer be achieved or that the other Contracting Party is not meeting its obligations, it shall have the right to suspend immediately the application of this Project Agreement by giving the other Contracting Party a written notice on the grounds.

Article 22
Entry into Force, Duration

22.1 This Project Agreement shall enter into force on the date of its signing by the Contracting Parties and shall remain in force until 10 years have elapsed after the date of the completion of the Project.

22.2 The Project shall be implemented in 60 months, starting on January 16, 2014.

22.3 In case of a delay of more than six months this Agreement needs to be amended.

Done in Bucharest on ................, in three authentic copies in the English language.

For the State Secretariat for Economic Affairs

Jean-Hubert LEBET
Ambassador

For the Ministry of Public Finance

Daniel CHIŢOIU
Vice Prime Minister, Minister of Public Finance

For the Ministry of Economy through the Department for SMEs, Business Environment and Tourism

Maria GRAPINI
Minister Delegate for SMEs, business environment and tourism