

Template:	Foreign governmental entities	Revision no.:	1
Grant Agreement	Grant Management Regime I	Date:	01.03.2016

РЕПУБЛИКА СРБИЈА
УНИВЕРЗИТЕТ У БЕОГРАДУ
ТЕХНОЛОШКО МЕТАЛУРШКИ ФАКУЛТЕТ

GRANT AGREEMENT

BETWEEN

Бр. 2418/1
27. 11. 2018 год.
БЕОГРАД

THE NORWEGIAN MINISTRY OF FOREIGN AFFAIRS

AND

CLEANER PRODUCTION CENTRE OF THE FACULTY OF
TECHNOLOGY AND METALLURGY, UNIVERSITY IN BELGRADE

REGARDING

SRB-18/0005 Further Implementation of EU Regulation on Volatile
Organic Compounds

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THIS AGREEMENT (the Agreement) is entered into between the NORWEGIAN MINISTRY OF FOREIGN AFFAIRS (MFA) and CLEANER PRODUCTION CENTRE OF THE FACULTY OF TECHNOLOGY AND METALLURGY, UNIVERSITY IN BELGRADE (the Partner) (jointly referred to as the Parties).

WHEREAS the Ministry of European Integration of the Republic of Serbia and the Ministry of Foreign Affairs of Norway on 18 January 2018 [specify date] have entered into a Memorandum of Understanding regarding on Bilateral Cooperation, and amended it 27.April 2018 ;>

WHEREAS MFA has decided to comply with the request;

NOW THEREFORE the Parties have agreed as follows:

1 SCOPE AND OBJECTIVES

1.1 This Agreement, including all annexes, set forth the terms and procedures for MFA's financial support to the project titled SRB-18/0005 Cleaner Production Centre - Volatile Organic Compounds (the Project). The Project is further described in the application titled "Further Implementation of EU Regulation on Volatile Organic Compounds", dated 23.11.2018 (the Application) and the estimated costs of the Project are indicated in the budget attached as Annex A.

1.2 The Parties expect the Project to be implemented between 1 December 2018 and 30 November 2020 (the Support Period).

1.3 The expected results of the Project are as follows:

The planned effect(s) on society is: Enforcement of legislation on installations using Volatile Organic Compounds (Impact).

The planned effects for the target group of the Project are: (Outcome).

- Increased level of transposition of Industrial Emissions Directive (2010/75/CE) in Serbia
- Technical preparedness of Serbian Institutions in implementing EU legislation on installations using Volatile Organic Compounds (VOC)
- Increased capacity of VOC operators and local environmental inspectors

The intended target group are Serbian private operators, with a specific focus to SMEs and women/young entrepreneurs, and Institutions responsible for the governance in the field of industrial use of VOCs.

1.4 The full results framework is as set out in Annex B.

1.5 Any significant deviations from or changes to the Application or approved implementation plans or budgets are subject to written agreement between the Parties.

2 REPRESENTATION AND COMMUNICATION

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- 2.1 The Royal Norwegian Embassy in Belgrade is competent to act on behalf of MFA. All communication to MFA regarding this Agreement shall be directed to:

Royal Norwegian Embassy, Sava Business Center, Milentija Popovica 51, 11070 Belgrade, Projects.belgrade@mfa.no

- 2.2 Faculty of Technology and Metallurgy University of Belgrade - The Cleaner Production Centre is competent to act on behalf of the Partner. All communication to the Partner regarding this Agreement shall be directed to:

Faculty of Technology and Metallurgy University of Belgrade - The Cleaner Production Centre Karnegijeva 4, 11060 Belgrade, ippc@tmf.bg.ac.rs

- 2.3 The Parties may give notice of other contact information to replace the above.

- 2.4 MFA's agreement number and agreement title shall be stated in all correspondence regarding this Agreement, including disbursement requests and repayment of unused funds.

3 PROJECT IMPLEMENTATION

- 3.1 The Parties shall communicate and cooperate fully in order to arrange for the successful achievement of Project objectives. To this end, the Parties shall immediately inform each other of any circumstances likely to hamper or delay the successful implementation of the Project.

- 3.2 The Partner shall have the overall responsibility for planning, implementing, reporting and monitoring of the Project, and shall:

- a) implement the Project in accordance with the latest agreed Application, including implementation plan and budget;
- b) exercise the necessary diligence, efficiency and transparency in line with best practise principles;
- c) ensure sound financial management of the Project, including that all Project funds are satisfactorily accounted for;
- d) ensure that the Grant is properly reflected in the plans, budgets and accounting of Serbia;
- e) keep MFA informed of any plans for major organisational changes;
- f) ensure that all permits, import licenses and foreign exchange permissions that are or may be required are granted;
- g) be solely responsible for any adverse effects of the Project;
- h) defray any customs duties, sales taxes and other taxes, fees and levies on all equipment, materials and supplies financed by the Grant and imported into Serbia for the benefit of the Project.

- 3.3 The Partner shall identify, assess and mitigate any relevant risks associated with the implementation of the Project, including the risk of corruption and other financial irregularities, and any potential negative effects that the Project may have on the environment and climate, gender equality and human rights.

4 THE GRANT

- 4.1 MFA shall, subject to Norwegian parliamentary appropriations, provide a financial grant not exceeding NOK 1.857.670 (Norwegian Kroner one million eight hundred fifty seven thousands six hundred seventy) (the Grant).

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- 4.2 The Grant, including accrued interest, shall be used exclusively to finance the actual costs of the implementation of the Project during the Support Period.
- 4.3 The Partner shall acknowledge MFA's support to the Project in all publications and other materials issued in relation to the Project. MFA's logotype will be provided by MFA upon request. All use of MFA's logotype must be approved by MFA.

5 DISBURSEMENTS

- 5.1 The Grant shall be disbursed in advance instalments based on the financial need of the Project for the upcoming period, which shall not exceed six months. The disbursements shall be made upon MFA's receipt of written disbursement requests from the Partner describing the financial need for the period in question.
- 5.2 Financial need refers to the budgeted expenditures for the upcoming period, less any funds available to the Project from all other sources during the same period.
- 5.3 The financial need shall be documented through an updated financial statement for the Project and a reference to the latest approved implementation plan and budget.
- 5.4 The disbursement requests shall be signed by an authorised representative of the Partner. A confirmation that the Project is being implemented in accordance with the Agreement shall be included in the disbursement requests.
- 5.5 All disbursements are conditional upon the Partner's continued compliance with the requirements in the Agreement, including the timely fulfilment of reporting obligations. Except for the Project's first disbursement, each disbursement is subject to MFA's receipt and approval of the progress report and financial report.
- 5.6 All disbursements will be made in EUR to the following separate bank account with the Serbia's University of Belgrade:

Name of the account: Faculty of Technology and Metallurgy University of Belgrade - The Cleaner Production Centre

Account no.: 840-90790-37

IBAN no.: RS35840000000009079037

Name and address of the bank: Narodna Banka Srbije (National bank of Serbia - NBS), Beograd, Nemanjina 17, Serbia

Swift/BIC code: NBSRRSBGXXX

Currency of the account: EUR

- 5.7 The Partner shall immediately acknowledge receipt of the funds in writing. The amount received shall be stated as well as the date of receipt and the exchange rate applied. The Partner shall make the funds available to the Project without delay.
- 5.8 MFA may in exceptional cases and if considered necessary for the successful implementation of the Project, upon request from the Partner, effect disbursements directly to suppliers under the Project for procurement costs incurred under contracts entered into by the Partner. Such disbursements will only be made against requests accompanied by:
- a) a copy of the contract, if applicable;
 - b) original and specified invoice(s) from the supplier, including enclosures to such invoice;

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- c) a written approval of the invoice by the chief financial officer of [specify name of relevant ministry].

5.9 MFA shall report payments made according to clause 8 above to the Partner.

6 CONTRIBUTION OF THE PARTNER

6.1 The Partner shall provide sufficient and qualified personnel and all financial as well as other resources that may be required, over and above the Grant, in order to implement the Project as planned.

6.2 The financial contribution of the Partner is detailed in the budget in Annex A.

7 IMPLEMENTATION PLAN AND BUDGET

7.1 An updated implementation plan and budget covering the period from [month] to [month] shall be submitted to MFA for approval by [specify deadline] <each year>. The implementation plan and budget shall be set up in a way that allows for direct comparison with the description of the use of funds in the latest approved Application and shall be signed by an authorised representative of the Partner.

7.2 The implementation plan shall be directly related to the results framework and shall specify planned activities and outputs as well as time schedules for the upcoming reporting period.

7.3 The updated budget shall be based on the approved budget and include estimated income to the Project from all sources as well as planned expenditures for the upcoming period. The estimated financial need of the Project in the next reporting period shall be clearly stated.

8 REPORTING ON RESULTS

8.1 A progress report covering the period from December to May shall be submitted to MFA for approval by 20 June, and the period from June to November shall be submitted to MFA for approval by 20 December each year. The progress reports shall describe the results achieved under the Project during the reporting period and shall be set up in a way that allows for direct comparison with the latest approved Application, implementation plan and budget. It shall be signed by an authorised representative of the Partner.

8.2 The progress reports shall, as a minimum, include:

- a) an account of the results achieved so far by the Project, using the format, indicators and targets of the approved results framework. The overview must:
 - show delivered outputs compared to planned outputs;
 - show the Project's progress towards achieving the Outcome;
 - if possible, describe the likelihood of the Impact being achieved.
- b) an account and assessment of any deviations from the latest approved implementation plan and Application;
- c) an assessment of how efficiently Project resources have been turned into outputs;
- d) a brief account of materialised risk factors to the Project and how they were handled in the reporting period and/or will be handled going forward. Identified risks related to the climate and environment, gender equality, corruption and other financial mismanagement and human rights shall always be accounted for.

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9 FINANCIAL REPORTS

- a) A financial report covering the period from December to May shall be submitted to MFA for approval by 20 June, and the period from June to November shall be submitted to MFA for approval by 20 December each year. The final financial report shall cover the entire Support Period and shall be submitted along with the final report referred to in article 11.
- 9.1 The financial reports shall comprise financial statements with a comparison to the latest approved budget for the reporting period, as well as an explanation of any deviations from the budget. It shall be certified by the financial controller as well as by an authorised representative of the Partner.
- 9.2 The financial statements shall be set up in a way that allows for direct comparison with the latest approved budget, using the same currency and budget line items. They shall, as a minimum, include:
- a) the accounting principles applied;
 - b) income from all sources, including bank interest. MFA's contribution shall be specified;
 - c) expenses charged/capitalised in the relevant reporting period;
 - d) expenses charged/capitalised from start-up of the Project to the end of the reporting period;
 - e) unused funds as per the reporting date;
 - f) overhead/indirect costs to be covered by the Grant in accordance with article 4 of the Specific Conditions; balance sheet, when required in accordance with the accounting principles applied;
 - g) explanatory notes including a description of the accounting policies used and any other explanatory material necessary for transparent financial reporting of the Project.
- 9.3 Deviations between the approved budget and the expenses charged/capitalised shall be highlighted with information on both nominal amounts and percentage of each deviation. The Partner shall include a written explanation of any deviations amounting to more than 10 % from a budget line.

10 AUDIT

- 10.1 The Project's annual financial statements shall be audited, and the audit report shall be submitted to MFA within 1 March each year.
- 10.2 Any other document from the auditor significant to the implementation of the Project, as well as the Partner's comments thereto, shall be submitted to MFA within the same deadline.
- 10.3 The audit shall be carried out by an independent chartered/certified public accountant acceptable to MFA. International audit standards such as International Standards of Auditing (ISA) 800, ISA 805, or equivalent shall be applied.
- 10.4 The auditor shall form an opinion on whether the financial statements fairly reflect the financial position of the Project, and whether they are prepared, in all material respects, in accordance with the applicable financial reporting framework, namely:
- a) the accounting principles followed by the Partner, and;
 - b) requirements of Article 9 clause 3.
- 10.5 The audit report shall include:
- a) identification of the Project's total expenses and total income;

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- b) the subject of the audit;
- c) the financial reporting framework applied;
- d) the auditing standards applied;
- e) a statement that the auditor has obtained reasonable assurance about whether the financial statements as a whole are free from material misstatement;
- f) the auditor's opinion.

10.6 The costs of the audit shall be included in the Project budget.

10.7 The audit requirements stated in this Agreement shall be applied on the total Grant including any part of the Grant transferred to other entities.

10.8 MFA may request additional information from the auditor at any time. Such information shall be provided within 30 days of the request.

11 FINAL REPORT

11.1 A final report for the Support Period shall be submitted to MFA for approval within [specify number] months after the end of the Support Period. The final report shall be set up in a way that allows for a direct comparison with the Application and shall be signed by an authorised representative of the Partner.

11.2 The final report shall, as a minimum, include:

- a) the items listed for the progress reports described in Article 8 covering the entire Support Period;
- b) an assessment of the Project's effect on society (Impact);
- c) a description of the main lessons learned from the Project;
- d) an assessment of the sustainability of the achieved results under the Project.

12 FORMAL MEETINGS

12.1 The Parties may agree to hold formal meetings if/when required. Details regarding agenda and procedures will be agreed upon by the Parties.

13 REVIEWS AND OTHER FOLLOW-UP MEASURES

13.1 If the Partner or another interested party initiates a review or evaluation of activities wholly or partly funded by the Grant, MFA shall be informed. The Partner shall forward a copy of the report of any such review or evaluation to MFA without undue delay.

14 PROCUREMENT

14.1 All procurement under the Project shall be undertaken by the Partner and be completed in accordance with Annex C as well as any statutory requirements applicable in the jurisdiction of the Partner.

15 PROJECT ASSETS

15.1 The Partner shall have full ownership to all equipment, consumables and intellectual property rights procured or developed by use of the Grant, unless otherwise described in the Application. All matters associated with equipment, consumables and intellectual property rights are the

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exclusive responsibility of the Partner. However, significant use of such equipment, consumables and intellectual property rights for purposes outside the Project shall be subject to MFA's prior approval.

- 15.2 MFA shall have a non-exclusive and royalty-free license to use all intellectual property rights procured or developed by use of the Grant. MFA may assign this right to any individual or organisation at its own discretion.
- 15.3 Transfer of ownership of any equipment, consumables and/or intellectual property rights during the Support Period shall be executed in accordance with the national legislation of the Partner and be made at market terms. Ownership may not be transferred to an employee of the Partner or its cooperating partner, or anyone related to or connected with an employee, if such a relation could lead to a conflict of interest as described in Article 16 clause 2.
- 15.4 Before a transfer is decided, the Partner shall assess whether it may have an impact on the Project and, where appropriate, consult with MFA. Any income from a transfer shall accrue to the Project, and shall be reported in the financial statement of the Project.
- 15.5 The Partner shall prepare records of transfer of ownership for any equipment, consumables and intellectual property rights. The records shall comprise information on the object of transfer, the original purchase price paid by the Partner, price offers received, the final sales price and the name of the purchaser. The record shall be submitted to MFA along with the first progress report due after the sale.
- 15.6 If the activities of the Project do not continue after the end of the Support Period or after termination of the Agreement, the Partner shall inform MFA about the remaining equipment and goods that have been purchased by use of the Grant. MFA may require that such assets be sold. Such sale shall be completed in accordance with the procedures described above. Income from the sale shall be repaid to MFA unless otherwise agreed by the Parties.
- 15.7 The Grant may not be used to purchase or construct real property (land or buildings) unless specifically agreed upon between the Parties in writing.

16 CONFLICT OF INTEREST

- 16.1 The Parties shall take all necessary precautions to avoid any conflicts of interest in all matters related to the Project.
- 16.2 Conflict of interest refers to any situation where the impartial and objective exercise of the functions of anyone acting on behalf of the Parties is, or may be, compromised for reasons involving family, personal life, political or national affinity, economic interest or any other connection or shared interest with another person.
- 16.3 If a conflict of interest occur, the affected Party shall, without delay, take all necessary measures to resolve the conflict, e.g. by replacing the person in question or by obtaining independent verification of the terms of the proposed decision or transaction.
- 16.4 If the conflict of interest cannot be resolved and if it relates to a decision or transaction of significance to the Project, the affected Party shall immediately notify the other Party. The Parties shall discuss in order to reach an understanding on the appropriate measures to be taken.

17 FINANCIAL IRREGULARITIES

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- 17.1 The Parties shall practise zero tolerance towards any financial irregularities within and related to the Project. The zero tolerance policy applies to all staff members, consultants and other non-staff personnel, contractor, implementing partners and beneficiaries of the Grant.
- 17.2 Financial irregularities refers to all kinds of:
- a) corruption, including bribery, nepotism and illegal gratuities;
 - b) misappropriation of cash, inventory and all other kinds of assets;
 - c) financial and non-financial fraudulent statements;
 - d) all other use of Project funds not in accordance with the Agreement and the latest agreed Application, implementation plan and budget.
- 17.3 The Parties are firmly committed to prevent, detect and manage financial irregularities and shall therefore:
- a) organise their operations and internal control systems in a way that financial irregularities are prevented and detected;
 - b) cooperate fully to prevent, stop and handle financial irregularities within and related to the Project;
 - c) require that all staff involved in, and any consultants, suppliers and contractors financed under the Project refrain from financial irregularities.
- 17.4 The Parties shall immediately inform each other of any indication of financial irregularities and of the measures initiated to handle the situation.
- 17.5 The Parties shall cooperate fully in the investigations of such events, whether the investigation is led by MFA or the Partner.
- 17.6 The Parties shall consider prosecution and/or other reasonable sanctions towards any person and/or legal entity suspected of financial irregularities within or in relation to the Project.
- 17.7 MFA may apply any measure as referred to in Article 20 clauses 1 and 2, with immediate effect and irrespective of Article 20 clause 3, if MFA determines that any financial irregularities have occurred. Any repayment claim may also include interest, investment income or any other financial gain obtained as a result of the financial irregularity.

18 TRANSPARENCY

- 18.1 The Parties shall distribute copies of this Agreement, as well as any subsequent amendments thereof, to all individuals and institutions involved in the Project or otherwise in need of information on its content.
- 18.2 The Partner shall publish the following in a dedicated and easily accessible place of its internet site:
- a) a copy of this Agreement
 - b) the title and value of any contracts and/or sub-agreements of more than NOK 500 000 (or the equivalent in local currency) which are to be financed by the Grant;
 - c) names and nationalities of the respective agreement parties and, if relevant end any further sub-grantees or contractors in receipt of Project funds;

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If internet publication is impossible, all the information in clause 3 shall be published by other appropriate means. The Partner shall give MFA precise information on where the publication is made.

Publication shall take place as soon as possible, and at the latest within six months after the contracts and/or sub-agreements were entered into.

Any deviations from this clause 18.2 shall be agreed by the Parties in writing.

- 18.3 The Parties shall make other project documentation, including the Application and all agreed reports, available to anyone upon request. Requests for disclosure may be denied if such disclosure is prohibited by national legislation, confidentiality obligations and/or if it may be detrimental to the Partner's legitimate interests.

19 VERIFICATION

- 19.1 Representatives of Norway may at all times carry out independent reviews, field visits, evaluations and other control measures to verify that the Grant has been used in accordance with the Agreement.
- 19.2 The Partner shall facilitate such control measures by providing all information and documents necessary to carry out the relevant initiative, as well as ensuring the unrestricted access of such representatives to any premises, records, goods and documents requested.
- 19.3 The Partner shall ensure that the representatives have access to the auditor of the Project, as well as to the auditor's assessments of all relevant information pertaining to the Project. The Partner shall release the auditor from any confidentiality obligations in order to facilitate such access.
- 19.4 The rights and obligations of this Article shall remain in force for five years following the end of the Support Period or after termination of the Agreement.

20 RESERVATIONS

- 20.1 MFA reserves the right to withhold disbursements at any time in case the Partner fails to fulfil its obligations under this Agreement and/or if there is suspicion of financial irregularities.
- 20.2 MFA reserves the right to terminate the Agreement with immediate effect and/or claim repayment of all or parts of the Grant in the event of material breach of this Agreement by the Partner. Material breach of the Agreement shall include, without limitation, the following:
- a) all or part of the Grant has not been used in accordance with the Agreement and/or approved implementation plans and budget,
 - b) the use of the Grant has not been satisfactorily accounted for,
 - c) the Partner has, after having been granted an extended deadline, failed to provide the agreed reports,
 - d) financial irregularities, grave professional misconduct or illegal activity of any form have taken place within the Project,
 - e) the Partner has failed to inform MFA of indication of financial irregularities within the Project in accordance with Article 17 above.
- 20.3 Before withholding disbursements, claiming repayment or terminating this Agreement, the Parties shall consult with a view to reaching a solution on the matter.

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21 LIABILITY

- 21.1 Neither of the Parties shall be held liable for damage, injury or loss of income sustained by the other Party or its agencies, staff or property as a direct or indirect consequence of the Project. No claim for compensation or increases in payment in connection with such damage, injury or loss of income will be accepted.
- 21.2 The Partner shall assume sole liability towards third parties, including liability for damage, injury or loss of income of any kind sustained by them as a direct or indirect consequence of the Project. The Partner shall indemnify MFA against any claim or action from the Partner's employees or third parties in relation to the Project.

22 DURATION, AMENDMENT AND TERMINATION

- 22.1 The Agreement shall enter into force on the date of the last signature, and shall remain in force until all obligations arising from it have been fulfilled, or until it is terminated in accordance with this Article. Whether the obligations shall be considered fulfilled, will be determined through consultations between the Parties and confirmed by MFA in a completion letter.
- 22.2 The Agreement may be amended. Any such amendment must be agreed upon in writing between the Parties and shall become an integral part of the Agreement.
- 22.3 Each Party may terminate the Agreement upon three months written notice. If the Project cannot continue without the financial support of MFA, the Partner shall exert its best efforts to discontinue or scale down the Project promptly and in an orderly and financially sound manner.

23 RETURN OF INTEREST AND UNUSED FUNDS

- 23.1 Upon completion of the Support Period or upon termination of this Agreement, any unused funds that total more than NOK 500 shall be repaid to MFA as soon as possible and at the latest within 6 months. The repayment shall include any interest which have not been used for Project purposes, and other financial gain accrued on the Grant. This does not apply in case of termination where such funds have been irrevocably committed by the Partner in a legally binding agreement entered into with any third parties prior to the receipt of the notice of termination.
- 23.2 Repayments shall be made to the following bank account:
- Name of the account: Royal Norwegian Embassy in Belgrade
Account no.: 26510000005483946
IBAN no.: RS35265100000000198319
Name and address of the bank: Raiffeisen Bank ad Beograd
Swift/BIC code: RZBSRSBG
- 23.3 The transaction shall be clearly marked: "Unused funds". The name of the Partner shall be stated, along with the MFA's agreement number and agreement title.

24 DISPUTE RESOLUTION

- 24.1 Any dispute concerning this Agreement shall be settled by consultations between the Parties.

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IN WITNESS WHEREOF the undersigned, acting on behalf of their respective Party, have signed the Agreement in two -2- originals in the English language, whereof the Parties keep one each. In the event of any discrepancies between this English language version and any later translations, the English language version shall prevail.

Place: Belgrade

Date: 26 November 2018



for the Norwegian Ministry of Foreign Affairs,

Arne Sannes Bjørnstad

Ambassador

Embassy in Belgrade



for the Faculty of Technology and Metallurgy
University of Belgrade

The Cleaner Production Centre,

Petar Uskoković

Dean

Attachments:

Annex A: Approved budget for the Project

Annex B: Results framework

Annex C: Procurement Provisions

Budget
Further Implementation of EU
Regulation on Volatile Organic
Compounds

ALL YEARS

Currency: EUR

Costs	Unit	# of units	Unit rate	Costs	2018 payments		2019 payments		2020 payments	
					Co-funding (SEPA funds)	Amount requested from Embassy	Co-funding (SEPA funds)	Grant disbursement requests	Co-funding (SEPA funds)	Amount to be requested from the Embassy
1. Human Resources										
1.1 Project Manager - 35% of working time	Per month	24	1200	28,800.00		7,200.00		14,400.00		7,200.00
1.2 Key Technical Expert (International expert) - 45% of working time	Per month	24	1600	38,400.00		9,600.00		19,200.00		9,600.00
1.3 Project Technical Assistant - 70% of working time	Per month	24	450	10,800.00		2,700.00		5,400.00		2,700.00
1.4 Project Administrative Assistant - 10% of working time	Per month	24	110	2,640.00		660.00		1,320.00		660.00
1.5 Local expert 1 (technical expert)	Per day	85	250	21,250.00		10,500.00		7,000.00		3,750.00
1.6 International expert 1 (legal expert)	Per day	10	500	5,000.00		5,000.00		0.00		0.00
1.7 Local expert 2 (technical expert)	Per day	45	250	11,250.00		3,000.00		4,500.00		3,750.00
1.8 Local expert 3 (technical expert)	Per day	30	250	7,500.00		0.00		7,500.00		0.00
1.9 International expert 2 (technical expert)	Per day	55	500	27,500.00		6,000.00		16,500.00		5,000.00
1.10. IT expert (local expert)	Per day	60	250	15,000.00	15,000.00	0.00	10,000.00	0.00	5,000.00	0.00
Subtotal Human Resources				168,140.00	15,000.00	44,660.00	10,000.00	75,820.00	5,000.00	32,660.00
3. Travel										
3.1. Travel of project staff and experts										
3.1.1 International travel (missions of International experts to Serbia)	Per flight	7	500	3,500.00		1,500.00		1,500.00		500.00
3.1.2 Accommodation for international experts in Serbia	Per night	31	80	2,480.00		1,120.00		1,040.00		320.00
3.1.3 Perdiem for international experts	Per day	31	70	2,170.00		980.00		910.00		280.00
3.1.4 Local transportation (gasoline and tolls)	per km	7020	0.146	1,024.92		0.00		512.46		512.46
3.1.5 Perdiems for local travel	Per day	80	25.18	2,014.40		0.00		1,007.20		1,007.20
3.2 Travel of project beneficiaries										
3.2.1 International travel	per flight			0.00		0.00		0.00		0.00
3.2.2 Local travel	per person/trip			0.00		0.00		0.00		0.00
3.2.3 Per diems	per person/day			0.00		0.00		0.00		0.00
Subtotal Travel				11,189.32	0.00	3,600.00	0.00	4,969.66	0.00	2,619.66
4. Investments, equipment and supplies										

JUSTIFICATION of the Budget
Project: Further Implementation of EU
Regulation on Volatile Organic
Compounds

	Clarification of the Budget Items	Justification of the estimated costs
1. Human Resources	Provide a narrative clarification of each budget item demonstrating the necessity of the costs and how they relate to the action (e.g. through references to the activities and/or results in the Description of the Action).	Provide a justification of the calculation of the estimated costs. Note that the estimation should be based on real costs.
1.1 Project Manager (35% of working time)	The Project manager (CPCS) will assume overall responsibility for the successful implementation of project activities and the achievement of planned project outputs. The Project manager will coordinate the day-to-day management of the project and will ensure adherence to the work plan. Main responsibilities will include advising on, and monitoring of, all technical aspects of the project implementation, as well as the financial control over the project execution. Activity 0 in the Activity plan	Estimation is calculated for the 35% of the working time and based on the average income of the Project Manager in the last 3 months. The presented amount is gross sum (all taxes included)
1.2 Key Technical Expert (International expert, 45% of working time)	The Key technical expert (CPCS) will provide strategic guidance in his areas of expertise (VOC/IED). The Key expert will organize and/or provide, with Project manager, training and guidance to the task teams. He will be responsible for verifying the work for the various task teams, ensuring the technical validity of their work and products. He will be responsible for compiling the products of the task team work and for producing the final reports agreed with the Project manager. Activities 0-3 in the Activity plan	Estimation is calculated for the 45% of the working time and based on the average income of the Key Technical Expert in the last 3 months. The presented amount is gross sum (all taxes included)
1.3 Project Technical Assistant (70% of working time)	Due to the high number of VOC installations, the Technical assistant will support the project team, as well as SEPA and inspection in mapping, contacting and communication with VOC operators. The technical assistant will be responsible for the final list of VOC installations and to provide them with necessary information on the project activities, as well as to support them in preparation of the application for the register. Activities 1-3 in the Activity plan	Estimation is calculated for the 70% of the working time and based on the average salaries for the similar positions. The presented amount is gross sum (all taxes included)
1.4 Project Administrative Assistant (10% of working time)	The Administrative assistant (CPCS) will support Project manager in preparation of relevant contracts and invoices, organization of trainings (catering, interpretation), preparation of training materials, maintaining of web site, preparation and printing of project brochure. Activity 0 in the Activity plan	Estimation is calculated for the 10% of the working time and based on the average income of the Assistant in the last 3 months. The presented amount is gross sum (all taxes included)
1.5 Local expert 1 (technical expert)	<ul style="list-style-type: none"> Local expert 1 will work in strict cooperation with MEP and Key Technical Expert on legal gap assessment on VOC, preparation of a set of amendments to Serbian legal framework necessary to fill the identified gaps and preparation of the draft Regulation on activities using VOC. Activity 1, tasks 1.1, 1.2 and 1.3 in the Activity plan. In strict cooperation with Local expert 2 and Key technical expert to design a structure of the Register of VOC installations (part related to the control of compliance of VOC installations with the legal obligations set by new legal framework). Activity 2, task 2.2 in the Activity plan. Preparation of the training material, preparation and delivery of presentations at 10 workshops. Activity 3, tasks 3.1 and 3.2 in the Activity plan. 	<ul style="list-style-type: none"> 40 working days for the activity 1: 15 wd for the task 1.1 (December 2018 - February 2019), 10 wd for the task 1.2 (February - March 2019) and 15 wd for the task 1.3 (March - May 2019). 20 working days for the activity 2, task 2.2 (May 2019 - October 2019). 25 working days for the activity 3: 10 wd for the task 3.1, preparation of the training materials (April - May 2020) and 15 wd for the task 3.2, preparation and delivery of presentations (May - November 2020). The daily rate is in line with other funded projects and presents a gross sum
1.6 International expert 1 (legal expert)	International expert 1 will support local expert in preparation of the amendments to Serbian legal framework and in preparation of the draft Regulation on activities using VOC. Expert will be responsible that legal acts are fully complying with Chapter V of IED. Activity 1, tasks 1.2 and 1.3 in the Activity plan	10 working days for the activity 1: 5 wd for the task 1.2 (February 2019 - March 2019) and 5 wd for the task 1.3 (April - May 2019). The daily rate is in line with other funded projects and presents a gross sum

1.7 Local expert 2 (technical expert)	<ul style="list-style-type: none"> To define all technical requirements of VOC operators and the scheme of responsibilities (implementation, monitoring, reporting, control) in line with Chapter V of IED. Activity 2, task 2.1 in the Activity plan. In strict cooperation with local expert 1 and Key technical expert to design a structure of the Register of VOC installations (part related to obligation that VOC installations have to fulfill in relation to their inclusion in the Register of VOC installations and to each yearly report required by the Directive). Activity 2, task 2.2 in the Activity plan. Preparation and delivery of presentations at 10 workshops. Activity 3, task 3.2 in the Activity plan. 	<ul style="list-style-type: none"> 25 working days for the activity 2: 10 wd for the task 2.1 (February - May 2019) and 20 wd for the task 2.2 (May 2019 - October 2019). 15 working days for the activity 3, task 3.2: preparation and delivery of presentations (May - November 2020). The daily rate is in line with other funded projects and presents a gross sum
1.8 Local expert 3 (technical expert)	<p>To cooperate with local and international experts in preparation of the structure of the Register of VOC installations. To give necessary outputs to IT expert in preparation of IT module for yearly reporting of VOC including form of solvent management plan. To selected several installations (SMEs) and collect data in order to test the IT module. Together with IT expert responsible for functioning of IT module. Activity 2, task 2.3 in the Activity plan.</p>	<p>30 working days for the activity 2, task 2.3 (October 2019 - April 2020). The daily rate is in line with other funded projects and presents a gross sum</p>
1.9 International expert 2 (technical expert)	<ul style="list-style-type: none"> To support local experts in design of the structure of the Register of VOC installations (proper identification of VOC installations, proper calculations of mass balance, design of solvent management plan and form of other reports in line with IED requirements). Activity 2, tasks 2.1 and 2.2 in the Activity plan. To support the local team of experts in delivery of first 3 workshops and preparation of training material. Activity 3, tasks 3.1 and 3.2 in the Activity plan. 	<ul style="list-style-type: none"> 30 working days for the activity 2: 10 wd for the task 2.1 (March - May 2019) and 20 wd for the task 2.2 (May 2019 - November 2019) 25 working days for the activity 3: 15 wd for the task 3.1, preparation of the training materials (March - May 2020) and 10 wd for the task 3.2, preparation and delivery of presentations (May - July 2020) The daily rate is in line with other funded projects and presents a gross sum.
1.10 IT expert (local expert)	<ul style="list-style-type: none"> Project IT experts will prepare the necessary back- and front-end software to be installed on the existing SEPA hardware and to implement the identified procedures (prepared as the result of the task 2.2). Together with local technical expert 3 responsible for function of the IT module. Activity 2, task 2.3 in the Activity plan. Training of operators on use of the IT module. Activity 3, tasks 3.1 and 3.2 in the Activity plan. 	<ul style="list-style-type: none"> 40 working days for the activity 2, task 2.3 (October 2019 - April 2020) 20 working days for the activity 3, task 3.2: preparation and delivery of presentations (May - November 2020) The daily rate is in line with other funded projects and presents a gross sum
Subtotal Human Resources		
3. Travel		
3.1. Travel of project staff and experts		
3.1.1 International travel	<p>INTERNATIONAL TRAVELS ARE MISSIONS OF INTERNATIONAL EXPERTS TO SERBIA.</p> <ul style="list-style-type: none"> One mission of the Legal international expert 1 in February 2019 in order to work on the draft Regulation. Activity 1, tasks 1.2 and 1.3 Three missions of the Technical international expert 2 in the period March – December 2019 (estimated for March, May and October), work with the team of local experts on the Activity 2, tasks 2.1 and 2.2 Three missions of the Technical international expert 2 in the period May – July, 2020 (estimated for May, June and July), delivery of presentations at 3 workshops. Activity 3, task 3.2 - 12 nights in total (4 per mission) 	<p>The price of the return ticket, economy class is given as average (500 EUR). According to the plan there will be 7 travels (one mission of INSTE1 and 6 missions of INSTE2)</p>
3.1.2 Accommodation for international experts in Serbia	<p>Accommodation of international experts during missions to Serbia:</p> <ul style="list-style-type: none"> One mission of the Legal international expert 1 in February 2019 in order to work on the draft Regulation. Activity 1, tasks 1.2 and 1.3 - 4 nights Three missions of the Technical international expert 2 in the period March – December 2019 (estimated for March, May and October), work with the team of local experts on the Activity 2, tasks 2.1 and 2.2 - 15 nights in total (5 nights per mission) Three missions of the Technical international expert 2 in the period May – July, 2020 (estimated for May, June and July), delivery of presentations at 3 workshops. Activity 3, task 3.2 - 12 nights in total (4 per mission) 	<p>According to the Faculty Rulebook on the travel expenses, the costs of 4* hotel can be covered and the maximum price of 80 EUR per night. 31 nights are calculated based on the planned visits of international experts: 31*80=2480 EUR</p>

3.1.3 Perdiem for international experts	<p>Perdiem of international experts during missions to Serbia:</p> <ul style="list-style-type: none"> • One mission of the Legal international expert 1 in February 2019 in order to work on the draft Regulation, Activity 1, tasks 1.2 and 1.3 - 4 days • Three missions of the Technical international expert 2 in the period March – December, 2019 (estimated for March, May and October), work with the team of local experts on the Activity 2, tasks 2.1 and 2.2 - 15 days in total (3 days per mission) • Three missions of the Technical international expert 2 in the period May – July, 2020 (estimated for May, June and July), delivery of presentations at 3 workshops, Activity 3, task 3.2 - 12 days in total (4 days per mission) 	<p>According to the Faculty Rulebook on the travel expenses, employed international experts engaged on the project may be paid per diem for the gross amount up to 70 EUR (net 58.8 EUR) and in accordance with the project budget, 31 per diems are calculated based on the planned visits of international experts: $31 \times 70 = 2170$ EUR</p>
3.1.4 Local transportation	<p>In order to cover different regions in Serbia, local experts and inspection will visit VOC installations in 10 different towns in Serbia and collect necessary data for the testing of IT module (Activity 2, task 2.3). In the same towns 10 trainings will be performed, Activity 3, task 3.2. Those towns are: Novi Sad, Nis, Kragujevac, Cacak, Kraljevo, Subotica, Vrsac, Zrenjanin, Vranje, Zaječar. The plan may change after the detail mapping of operators and consultations with local inspectors</p>	<p>Reimbursement for the use of own car can be paid in the amount of 10% of the prescribed price for a liter of fuel per kilometer and it is 0.127 EUR/km (price of fuel with amortization). Total km for return trips from Belgrade to selected towns for the task 2.3 is 3 510 km $(190+480+280+380+170+150+700+500)$, so the costs for fuel is $3,510 \text{ km} \times 0.127 \text{ EUR/km} = 445 \text{ EUR}$. The tolls for return trips are 67.19 EUR, so the total cost is 512 EUR with average price of 0.146 EUR/km. For the 10 workshops, task 3.2, the costs will be the same which gives the total cost of $2 \times 512 \text{ EUR} = 1,024 \text{ EUR}$ (for 7,020 km)</p>
3.1.5 Perdiems for local travel	<p>In total 20 local travels are planned, 10 within the task 2.3 and 10 within the task 3.2. It is assumed that in average 2 CPSC staff and 2 local experts will attend.</p>	<p>According to the national standards, per diem for local travel for the Faculty employees is 19.5 EUR and for external experts engaged in the Project costs are 30.86 EUR (19.5 EUR plus 20% taxes and 26% insurance). It is assumed that in average 2 CPSC staff and 2 local experts will be on site: $20 \times 2 \times 19.5 + 20 \times 2 \times 30.86 = 2,014 \text{ EUR}$. The average cost of per diem is 25.18 EUR</p>
3.2 Travel of project beneficiaries		
3.2.1 International travel		
3.2.2 Local travel		
3.2.3 Per diems		
Subtotal Travel		
4. Investments, equipment and supplies		
4.1 Purchase of equipment or supplies		
4.1.1 Furniture, IT equipment, etc.		
4.2 Procurement of works and services		
4.2.1 Construction works etc.		
4.2.2 Rent of equipment		
4.2.1 Projector, translation eq., car, etc.	<p>Renting of equipment for interpretation at 3 workshops, activity 3, tasks 3.2</p>	<p>100 EUR per workshop, 300 EUR in total for 3 workshops</p>
Subtotal Equipment		
5. Office costs		
5.1 Office rent	<p>Office material and material for the workshops</p>	
5.2 Consumables		
5.3 Accounting services	<p>Services of the accounting department of the Faculty during the project implementation (24 months)</p>	<p>50 EUR per month, 1200 EUR total for 24 months Reimbursement for the employees at the accounting department for additional work during the project implementation (6 accounting and one procurement officer): 415 EUR*24 months=9,960 EUR</p>
5.4 Other services		
5.5 Bank charges	<p>Costs of telephone, electricity and utilities. According to the Faculty decision for office rent, costs of all services (telephone, electricity, heating, ...) are paid based on the m2 of the rented space; participation in utility costs based on the area of rented space</p>	<p>According to the invoices in 2017, the average cost per m2 for all services was 2.3 eur. The project office has 29 m2, so the monthly costs will be in average $2.3 \times 29 = 67 \text{ EUR}$; in total is $67 \text{ EUR} \times 24 \text{ months} = 1,608 \text{ EUR}$</p>
Subtotal Office costs		<p>Estimated</p>

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6. Other activity costs		
6.1 Printing of publications		
6.2 Translation, interpreters	Design and printing of brochure with basic guidance for VOC operators and project results, ■■■ copies (brochure with app ■■■ pages)	■■■
6.3 Event costs	Interpreters for 3 workshops with international expert, Activity 3, task 3.2	100 EUR per hour, one workshop is app 6 hours, 600 EUR per event
6.3.1 Rent of venue		
6.3.3 Refreshments	Catering for total of 400 people: 10 workshop for operators and inspectors (app 40 people per workshop), Activity 3, task 3.2	12 EUR/person/workshop; 12EUR*40*10=4,800 EUR
6.4 Other		
Subtotal Other activity costs		
Subtotal direct eligible costs		
7. Audit costs		
7.1 Expenditure verification (Audit)	Two expenditure audits, one after the first year and one at the end of the project	Cost of one audit is ■■■■
Total costs		

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RESULTS FRAMEWORK:

LEVEL	EXPECTED RESULT	INDICATORS	Indicator Data			Data source of verification	Comments
			BASELINE Y0	TARGET YEAR 1 Y1	FINAL TARGET Y2		
IMPACT	Enforcement of legislation on installations using VOC	<ul style="list-style-type: none"> Nr. of involved VOC operators (which submitted basic data to SEPA) 	18% (180 operators)	35%	70% (700 operators)	SEPA	Calculated on an estimated total of 1,000 VOC operators
		<ul style="list-style-type: none"> Nr. of identified VOC operators 	5% (50 operators)	35%	70% (700 operators)	SEPA	Calculated on an estimated total of 1,000 VOC operators
		<ul style="list-style-type: none"> Nr. of inspections on VOC installations 	0	20	50	MEP – Sector for control and surveillance; Municipalities – Local environmental inspection	Based on yearly plan of inspection, starting from 2019
		<ul style="list-style-type: none"> Reduction of VOC used by installations subject to Ch. V of IED 	0	-5%	-20%	SEPA, reduction schemes submitted by operators	Reduction will be calculated as percentage related to the amount of VOC reported in the reduction scheme/total amount of registered VOC
OUTCOME 1	Increased level of transposition of Industrial Emissions Directive (2010/75/CE) in Serbia	Level of transposition	Partial	Full transposition	Full transposition	<ul style="list-style-type: none"> - Legal gap assessment - Progress report to the EU 	Results of the preliminary legal gap analysis show that Chapter V of IED is partially transposed into the national legislation. Thus, some provisions have to be updated, mostly in relation to monitoring requirements,

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								substantial change to existing installation and public access to information. Also, wording of some national provisions should be strengthened to reflect the scope of the Directive's provisions and some of the transposed provisions need to be corrected in order to be in line with the implementation plan.
<i>OUTPUT 1.1</i>	Updated Legal Gap Assessment on VOCs	Nr. of provisions which have to be updated	-	100% requirements of the Directive assessed	100% requirements of the Directive assessed	- Legal gap assessment		
<i>OUTPUT 1.2</i>	Set of amendments to legal framework related to VOCs	Nr. of amendments to legal framework related to VOCs	-	100% compliance with the requirements of the Directive	100% compliance with the requirements of the Directive	- Legal gap assessment - Progress report to the EU	Transposition of the remaining provisions will be achieved through the amendments of the Law on Air Protection and amendments of the VOC Regulation by the end of 2019	
<i>OUTPUT 1.3</i>	Draft Legal Act (Regulation) for full transposition of Ch. V of IED	Level of transposition	Chapter V of IED partially transposed	Chapter V of IED fully transposed	Chapter V of IED fully transposed	- Progress report to the EU - Negotiation position for chapter 27	According to the NPAA, the revised Regulation on VOC will be adopted in the last quarter of 2019	

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OUTCOME 2	Technical preparedness of Serbian Institutions in implementing EU legislation on installations using VOC	Nr. of operators which submitted data for the VOC Register	-	10%	50%	SEPA	Calculated as percentage of electronic forms submitted/ number of total VOC operators
OUTPUT 2.1	Structure and procedures for the preparation of a Register of VOC installations in Serbia	Number of importers of VOC chemicals	NA	50%	100%	SEPA, Chamber of Commerce	Based on the reports provided by the Custom offices and Chamber of Commerce
OUTPUT 2.2	IT module for yearly reporting of VOC installations to SEPA	Reporting system for VOC operators agreed with MEP and SEPA	NA	-	300	Project reports, list of participants	
OUTCOME 3	Increased capacity of VOC operators and local environmental inspectors	Perceived quality of the trainings	-	-	4	Project reports	Calculated as the average rate given by trainees at the end of the training workshops, where the rating range will be from 1 (not good) to 5 (very good)

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		entrepreneurs trained				of participants	
OUTPUT 3.1	Training plan for VOC operators	Number of VOC activities covered by the training	-	-	20	Training plan and material	Based on the list of VOC activities provided by Chapter V of IE Directive
OUTPUT 3.2	10 training courses delivered	Number of courses delivered	-	-	10		
OUTPUT 3.3	1 Video-course on LED requirements for VOC operators and environmental inspection	Number of video-courses realized	-	-	1		

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ANNEX C: PROCUREMENT IN THE CONTEXT OF PROJECTS FINANCED BY THE NORWEGIAN MINISTRY OF FOREIGN AFFAIRS

The Partner applies its own procurement rules if they offer guarantees equivalent to internationally accepted standards. If the rules do not offer equivalent guarantees, or in specific cases, the MFA and the Partner will agree on the use of other procurement procedures offering such guarantees. In this case, the rules to be followed are set forth in the Grant Agreement.

Notwithstanding the above, all procurements carried out by the Partner in the context of the Project shall comply with the principles and provisions set forth in this Annex C.

1 INTRODUCTION

- 1.1 This Annex C sets out procurement rules and principles which shall be applied by the Partner when procuring goods, services or works to Projects financed by the Ministry of Foreign Affairs (MFA). Stricter rules may supplement the compulsory minimum rules set forth in this Annex C.
- 1.2 The MFA may carry out ex post checks on the Partner's compliance with the rules set forth in this Annex C.
- 1.3 Failure to comply with the rules set forth in this Annex C shall render the Project expenditure ineligible for MFA funding and may lead to withholding funds or claim for repayment in accordance with article 20 of the Grant Agreement.
- 1.4 Contracts shall not be split artificially to circumvent the procurement thresholds. All monetary amounts referred to in this Annex C are amounts excluding value-added tax (VAT).
- 1.5 The procurement provisions shall also apply to any procurements to be carried out by the Partner's cooperation partners or others. The Partner shall be responsible for compliance regardless of whether the procurement is carried out by the Partner itself or its cooperation partners or others.

2 BASIC PRINCIPLES

- 2.1 If a Project requires procurement by the Partner, the contract must be awarded following a tender procedure to the most economically advantageous tender (i.e. to the tenderer obtaining the best score based on price and quality), or, as appropriate, to the tenderer offering the lowest price. In doing so, the Partner shall avoid any conflict of interests and respect the following basic principles:
 - a) **Competition:** The procedures applied and the award of contracts shall be based on fair competition.

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- b) **Equal treatment and non-discrimination:** Participation in tender procedures shall be open on equal terms to all natural and legal persons. During the entire procurement and the award of contracts, the Partner shall not discriminate against candidates/tenderers or groups of candidates/tenderers.
- c) **Transparency and ex-ante publicity:** As a general rule, tender procedures shall be based on prior publication. Where the Partner does not launch an open tender procedure, it shall justify the choice of tenderers that are invited to submit an offer.
- d) **Objective criteria:** The Partner shall evaluate the offers received against objective criteria, which enable the Partner to measure the quality of the offers and shall take into account the price (the offer with the lowest price shall be awarded the highest score for the price criterion). The criteria shall be set out beforehand and shall be relevant to the contract in question.
- e) **Notoriety:** The Partner shall keep sufficient and appropriate records and documentation with regard to the procedure, its evaluation and award.

3 ELIGIBLE TENDERERS

3.1 Tenderers must provide information on their legal form and ownership structure.

3.2 Tenderers shall be excluded from participation in a procurement procedure if:

- a) they are bankrupt or being wound up, are having their affairs administered by the courts, have entered into an arrangement with creditors, have suspended business activities, are subject of proceedings concerning those matters, or are in any analogous situation arising from a similar procedure provided for in national legislation or regulations. However, tenderers in this situation may be eligible to participate insofar as the Partner is able to purchase supplies on particularly advantageous terms from either a supplier which is definitively winding up its business activities, or the receivers or liquidators of a bankruptcy, through an arrangement with creditors, or through a similar procedure under national law;
- b) they or persons having powers of representation, decision-making or control over them have been convicted of an offence concerning their professional conduct by a final judgment;
- c) they have been guilty of grave professional misconduct; proven by any means which the Partner can justify;
- d) they have not fulfilled obligations relating to the payment of social security contributions or taxes in accordance with the legal provisions of the country in which they are established, or with those of the country of the Partner or those of the country where the contract is to be performed;

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- e) they or persons having powers of representation, decision-making or control over them have been convicted for fraud, corruption, involvement in a criminal organisation or money laundering by a final judgment;
 - f) they make use of child labour or forced labour and/or practise discrimination, and/or do not respect the right to freedom of association and the right to organise and engage in collective bargaining pursuant to the core conventions of the International Labour Organization (ILO).
- 3.3 Tenderers shall confirm in writing that they are not in any of the situations listed above. Even if such confirmation is given by a tenderer, the Partner shall investigate any of the situations listed above if it has reasonable grounds to doubt the contents of such confirmation.
- 3.4 Contracts shall not be awarded to tenderers which, during the procurement procedure:
- a) are subject to a conflict of interests;
 - b) are guilty of misrepresentation in supplying the information required by the Partner as a condition of participation in the tender procedure, or fail to supply this information.

4 GENERAL PROCUREMENT RULES

- 4.1 The tender documents shall be drafted in accordance with best international practice. The Partner may voluntarily use the models published in the Practical Guide on the EuropeAid (EU) website.
- 4.2 The Partner shall take into account universal design and the potential environmental impact of any planned procurements.
- 4.3 All invitations to submit tenders shall state that offers will be rejected if any illegal or corrupt practises have taken place in connection with the award. All contracts concluded under the Project shall state that the Partner may terminate the contract if it finds that illegal or corrupt practises have taken place in connection with the contract award or execution.
- 4.4 The time-limits for receipt of tenders and requests to participate must be sufficient to allow interested parties a reasonable and appropriate period to prepare and submit their tenders.
- 4.5 An evaluation committee must be set up to evaluate applications and/or tenders of a value of NOK 500 000 or more on the basis of the exclusion, selection and award criteria. This committee must have an odd number of members, at least three, with all the technical and administrative capacities necessary to give an informed opinion on the tenders.

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- 4.6 For contracts with a value exceeding NOK 100 000, the Partner shall compile a written record with documentation of all assessments and decisions during all steps of the procurement process from the planning stage until the signing of the contract. Upon request by the MFA, the Partner shall deliver its written record to the MFA and grant the MFA access to all relevant information and documentation related to the procurement procedure and practices applied.

