

## EEA & Norway grants for renewable energy and energy efficiency in Romania

Funding programme	<b>RO-Energy Programme in Romania (EEA &amp; Norway Grants 2014-2021)</b>
<b>Focus areas:</b>	<p><b>Increased capacity to deliver renewable energy</b> within three main directions:</p> <ul style="list-style-type: none"> <li>- <b>(Call 1) Hydropower</b> - supports projects that have as main concern the increase production of energy produced by Hydro Power Plants, by increasing their reservoir capacity, by renewing them and by training staff to work with new technology and to use it effectively;</li> <li>- <b>(Call 2) Geothermal</b> – supports initiatives that target the use of geothermal energy for supplying public buildings, office buildings, malls, industrial sites and buildings, and private homes as end-beneficiaries, renewal of geothermal utilization facilities, or activities to increase production capacities for geothermal energy;</li> <li>- <b>(Call 3) Other RES (other sources)</b> – supports initiatives that involve the use of bio-based substrates for production of electricity and heating/cooling in local communities, in development and investment in private industrial facilities for waste to energy projects, new small-scale projects that use solar and wind energy for production of electricity for the Applicant's own use.</li> </ul> <p>An Applicant shall submit <b>only one project proposal</b> under each focus area.</p>
<b>Eligible applicants/beneficiaries</b>	<p><b>Large Scheme for Individual projects for focus area increased capacity to deliver renewable energy – Hydropower, Geothermal, Other RES</b></p> <p><b>Eligible applicants</b></p> <p>Any entity, private or public, commercial or non-commercial, and non-governmental organizations, established as legal person in Romania.</p> <p><b>Eligible partners</b></p> <p>Any private or public entity, commercial or non-commercial, registered as legal person in one of the:</p> <ul style="list-style-type: none"> <li>- Donor States (Iceland, Liechtenstein and Norway) or in Romania --&gt; for Hydropower and Geothermal projects;</li> <li>- Norway or Romania --&gt; for projects involving other RES.</li> </ul> <p><b>Small Grants Scheme – SGS1: 'Hydropower, Geothermal and other RES for SMEs and NGOs'</b></p> <p><b>Eligible applicants</b></p> <p>SMEs and NGOs (including social enterprises with economic activities). SME shall be understood as defined within the EC Recommendation (2003/361/EC).</p> <p><b>Eligible partners</b></p> <p>Any private or public entity, commercial or non-commercial, registered as legal person in Norway or in Romania.</p>
<b>Eligible activities/project outcomes</b>	<p><b>Increased capacity to deliver renewable energy – Hydropower, Geothermal, Other RES</b></p> <p><b>Hydropower</b></p> <ol style="list-style-type: none"> <li>1. Refurbishment of existing Hydro Power Plants (HPP) to increase the power generation capacity and production efficiency;</li> <li>2. Construction of new Small-Scale Hydro Power Plants (SSHPP) (&lt;10MW);</li> <li>3. Renewal of hydropower facilities to meet needs for combined solutions (VRE-Variable Renewable Energy);</li> <li>4. Activities to increase reservoir capacity for hydropower generation, as a secondary activity in a project;</li> <li>5. Training of staff as an integrated part of an investment project (secondary activity in the investment project).</li> </ol> <p>Projects on hydropower must contribute directly to these:</p> <ul style="list-style-type: none"> <li>- <i>Outcome indicators:</i></li> </ul>

- Estimated annual CO2 emissions reductions (in tonnes CO2 eq.);
  - Number of jobs created;
  - Energy produced from hydropower sources (in MWh/year).
- **Output indicators:**
- Number of new or refurbished installations for production of hydropower electricity;
  - Installed capacity for production of hydropower electricity (in MW).

### **Geothermal**

1. Development and investments in geothermal energy supplying public buildings, office buildings, malls, industrial sites and buildings, and private homes as end-beneficiaries;
2. Training of staff as an integrated part of an investment project (secondary activity in the investment project);
3. Renewal of geothermal utilization facilities;
4. Activities to increase production capacities for geothermal energy.

Projects on geothermal must contribute directly to these:

- **Outcome indicators:**
  - Estimated annual CO2 emissions reductions (in tonnes CO2 eq.);
  - Number of jobs created;
  - Energy produced from geothermal sources (in MWh/year).
- **Output indicators:**
  - Number of new or refurbished installations for production of geothermal energy;
  - Installed capacity for production of geothermal energy (in MW).

### **Other RES (other resources)**

1. Projects that utilise bio-based substrates (manure, waste from food, sludge, slaughter waste, energetic crops, wood waste etc.) for production of electricity and heating/cooling in local communities;
2. Development and investment in private industrial facilities for waste to energy projects;
3. Solar and wind energy: new small-scale projects (up to 1.000 kW installed capacity) and production of electricity for the Applicant's own use;
4. Training of staff as an integrated part of an investment project (secondary activity in the investment project).

Projects on RES must contribute directly to these:

- **Outcome indicators:**
  - Number of new installations for production of renewable energy/electricity from biomass/biogas, wind, photovoltaic or other renewable sources;
  - Estimated annual CO2 emissions reductions (in tonnes CO2 eq.);
  - Number of jobs created;
  - Electric energy produced from other renewable sources including wind, solar, biomass/biogas (in MWh/year).
- **Output indicators:**
  - Number of new or refurbished installations for production of energy/electricity from other RES;
  - Installed capacity for production of energy/electricity from other RES (in MW).

### **Small Grants Scheme – SGS1: 'Hydropower, Geothermal and other RES for SMEs and NGOs'**

This Scheme can provide support for projects that will develop and implement activities within one or more of the following areas:

#### **Hydropower**

1. Refurbishment of existing Hydro Power Plants (HPP) to increase the power generation capacity and production efficiency;
2. Construction of new Small-Scale Hydro Power Plants (SSHPP);
3. Renewal of hydropower facilities to meet needs for combined solutions (VRE-Variable Renewable Energy);
4. Activities to increase reservoir capacity for hydro power generation, as a secondary activity in a project;
5. Training of staff as an integrated part of an investment project (secondary activity in the investment project).

	<p>Projects on hydropower must contribute directly to these:</p> <ul style="list-style-type: none"> <li>- <b>Outcome indicators:</b> <ul style="list-style-type: none"> <li>o Estimated annual CO2 emissions reductions (in tonnes CO2 eq.);</li> <li>o Number of jobs created;</li> <li>o Energy produced from hydropower sources (in MWh/year).</li> </ul> </li> <li>- <b>Output indicators:</b> <ul style="list-style-type: none"> <li>o Number of new or refurbished installations for production of hydropower electricity;</li> <li>o Installed capacity for production of hydropower electricity (in MW).</li> </ul> </li> </ul> <p><b>Geothermal</b></p> <ol style="list-style-type: none"> <li>1. Development and investments in geothermal energy supplying public buildings, office buildings, malls, industrial sites and buildings and private homes as end beneficiaries;</li> <li>2. Training of staff as an integrated part of an investment project (secondary activity in the investment project);</li> <li>3. Renewal of geothermal utilization facilities;</li> <li>4. Activities to increase production capacities for geothermal energy;</li> <li>5. Training of staff as an integrated part of an investment project (secondary activity in the investment project).</li> </ol> <p>Projects on geothermal must contribute directly to these:</p> <ul style="list-style-type: none"> <li>- <b>Outcome indicators:</b> <ul style="list-style-type: none"> <li>o Estimated annual CO2 emissions reductions (in tonnes CO2 eq.);</li> <li>o Number of jobs created;</li> <li>o Energy produced from geothermal sources (in MWh/year).</li> </ul> </li> <li>- <b>Output indicators:</b> <ul style="list-style-type: none"> <li>o Number of new or refurbished installations for production of geothermal energy;</li> <li>o Installed capacity for production of geothermal energy (in MW).</li> </ul> </li> </ul> <p><b>Other RES (other resources)</b></p> <ol style="list-style-type: none"> <li>1. Small-scale projects that utilise bio-based substrates (manure, waste from food, sludge, slaughter waste, energetic crops, wood waste etc.) for production of electricity and heating/cooling in local communities;</li> <li>2. Development and investment in private industrial facilities for waste to energy projects;</li> <li>3. Solar and wind energy: small scale projects (up to 1,000 kW installed capacity) and production of electricity for Applicant's own use;</li> <li>4. Training of staff as an integrated part of an investment project (secondary activity in the investment project).</li> </ol> <p>Projects on other RES must contribute directly to these:</p> <ul style="list-style-type: none"> <li>- <b>Outcome indicators:</b> <ul style="list-style-type: none"> <li>o Number of new installations for production of renewable energy/electricity from biomass/biogas, wind, photovoltaic or other renewable sources;</li> <li>o Estimated annual CO2 emissions reductions (in tonnes CO2 eq.);</li> <li>o Number of jobs created;</li> <li>o Electric energy produced from other renewable sources including wind, solar, biomass/biogas (in MWh/year).</li> </ul> </li> <li>- <b>Output indicators:</b> <ul style="list-style-type: none"> <li>o Number of new or refurbished installations for production of energy/electricity from other RES;</li> <li>o Installed capacity for production of energy/electricity from other RES (in MW).</li> </ul> </li> </ul>
<b>Type of Call</b>	Call for projects with submission deadline (assessment of all applications and ranking).
<b>Available budget</b>	<p><b>Large Scheme for Individual Projects:</b></p> <p>Total amount available for financing projects for this grant scheme is: <b>EUR 25,100,000.00</b> which is divided between Programme focus areas into the following indicative amounts:</p> <ul style="list-style-type: none"> <li>- 1<sup>st</sup> Call - Hydropower: EUR 7,500,000;</li> <li>- 2<sup>nd</sup> Call - Geothermal: EUR 6,600,000;</li> <li>- 3<sup>rd</sup> Call – Other RES: EUR 11,000,000.</li> </ul>

	<p><b>Small Grant Scheme (SGS 1):</b></p> <p>Total amount available for financing projects for this grant scheme is: <b>EUR 2,000,000</b>, which is divided between Programme focus areas: hydropower, geothermal and other RES for SMEs and NGOs.</p>
<p><b>Minimum and maximum approved grant</b></p>	<p><b>For all three call proposals (Call 1, Call 2, Call 3)</b></p> <ul style="list-style-type: none"> <li>- The <b>minimum</b> amount of grant assistance applied for shall be EUR 200,000;</li> <li>- The <b>maximum</b> amount of grant assistance applied for shall be EUR 2,000,000.</li> </ul> <p><b>For the Small Grant Scheme (SGS 1)</b></p> <ul style="list-style-type: none"> <li>- The <b>minimum</b> amount of grant assistance applied for shall be EUR 50,000;</li> <li>- The <b>maximum</b> amount of grant assistance applied for shall be EUR 200,000.</li> </ul>
<p><b>Eligible costs</b></p>	<p><b>Eligible direct expenditures:</b></p> <ol style="list-style-type: none"> <li>a) <b>The cost of staff</b> assigned to the project, comprising actual salaries plus social security charges and other statutory costs included in the remuneration, provided that this corresponds to the Project Promoter's and Project Partner's usual policy on remuneration;</li> <li>b) <b>Travel and subsistence allowances</b> for staff and volunteers taking part in the project, provided that they are in line with the project promoter's and project partner's usual practices on travel costs;</li> <li>c) <b>Cost of new or second-hand equipment</b> provided that it is depreciated in accordance with generally accepted accounting principles applicable to the Project Promoter and generally accepted for items of the same kind. Only the portion of the depreciation corresponding to the duration of the project and the rate of actual use for the purposes of the project may be taken into account by the Fund Operator. In case the Fund Operator determines that the equipment is an integral and necessary component for achieving the outcomes of the project, the entire purchase price of that equipment may be eligible;</li> <li>d) <b>Costs of consumables and supplies</b>, provided that they are identifiable and assigned to the project;</li> <li>e) <b>Costs entailed by other contracts</b> awarded by a project promoter for the purposes of carrying out the project, provided that the awarding complies with the applicable rules on public procurement;</li> <li>f) <b>Costs arising directly from requirements</b> imposed by the project contract for each project.</li> </ol> <p><b>Purchase of real estate and land</b></p> <p>The cost of purchase of real estate, meaning buildings constructed or under development and the appropriate rights to the land on which they are built, and land not built on <b>may be eligible</b> under the following conditions, without prejudice to the application of stricter national rules:</p> <ol style="list-style-type: none"> <li>a) There shall be a direct link between the purchase and the objectives of the project;</li> <li>b) Purchase of real estate and/or land may not represent more than 10% of the total eligible expenditure of the project, unless a higher percentage is explicitly set in the decision to award the project grant;</li> <li>c) A certificate shall be obtained prior to the purchase from an independent qualified evaluator or duly authorized official entity confirming that the purchase price does not exceed the market value;</li> <li>d) The real estate and/or land shall be used for the purpose and for the period specified in the decision to award the project grant;</li> <li>e) The real estate and/or land may only be used in conformity with the objectives of the project;</li> <li>f) <b>The purchase of real estate and/or land shall be explicitly approved by the Fund Operator prior to the purchase.</b></li> </ol> <p><b>Eligible indirect costs in projects (overheads)</b></p> <p>Indirect costs are all eligible costs that cannot be identified by the Project Promoter and/or the Project Partner as being directly attributed to the project, but which can be identified and justified by its accounting system as being incurred in direct relationship with the eligible direct costs attributed to the project. They may not include any eligible direct costs. Indirect costs of the project shall represent a fair apportionment of the overall overheads of the Project Promoter or the Project Partner. They may be identified according to either of the following methods:</p> <ol style="list-style-type: none"> <li>a) Based on actual indirect costs for those Project Promoters and Project Partners that have an analytical accounting system to identify their indirect costs as indicated above;</li> <li>b) A Project Promoter and Project Partners may opt for a flat rate <b>of up to 25% of total direct eligible costs</b>, excluding direct eligible costs for subcontracting and the costs of resources made available by third parties which are not used on the premises of the Project Promoter or Project Partner, subject to the calculation of the rate on the basis of a fair,</li> </ol>

	<p>equitable and verifiable calculation method or a method applied under schemes for grants funded entirely by the Beneficiary State for similar types of project and project promoter;</p> <p>c) A Project Promoter and Project Partners may opt for a flat rate of up to 15% of direct eligible staff costs.</p>
<b>Funding conditions</b>	<p>The grant rate may vary from 10% to 90%, depending on the type of aid awarded, type and size of the Applicant and other elements included in the provisions of the Regulation which are relevant for the respective project.</p> <p>For entities involved in economic activities, the grant rate will be determined based on the applicable provisions of Commission Regulation 651/20142 declaring certain categories of aid as compatible with the Internal market in application of Articles 107 and 108 of the Treaty, as amended by Commission Regulation 2017/1084. For these Calls the following categories will be applicable:</p> <ol style="list-style-type: none"> <li>1. <b>Regional Aid</b>, articles 13 and 14 – grant rate according to the Regional Map3;</li> <li>2. <b>Aid to SMEs:</b> <ul style="list-style-type: none"> <li>- art. 17 Investment aid to SMEs;</li> <li>- art. 18 Aid for consultancy in favour of SMEs;</li> <li>- art. 19 Aid to SMEs for participation in fairs.</li> </ul> </li> <li>3. <b>Research and Development and Innovation</b> - experimental development <ul style="list-style-type: none"> <li>- art. 25 Aid for research and development projects.</li> </ul> </li> <li>4. <b>Innovation aid for SMEs:</b> <ul style="list-style-type: none"> <li>- art. 28 Innovation aid for SMEs.</li> </ul> </li> <li>5. <b>Training aid:</b> <ul style="list-style-type: none"> <li>- art. 31 Training aid.</li> </ul> </li> <li>6. <b>Aid for environmental protection:</b> <ul style="list-style-type: none"> <li>- art. 36 Investment aid enabling undertakings to go beyond Union standards for environmental protection or to increase the level of environmental protection in the absence of Union standards;</li> <li>- art. 37 Investment aid for early adaptation to future Union standards;</li> <li>- art. 38 Investment aid for energy efficiency measures;</li> <li>- art. 39 Investment aid for energy efficiency projects in buildings;</li> <li>- art. 40 Investment aid for high-efficiency cogeneration;</li> <li>- art. 41 Investment aid for the promotion of energy from renewable sources;</li> <li>- art. 46 Investment aid for energy efficient district heating and cooling;</li> <li>- art. 47 Investment aid for waste recycling and re-utilisation;</li> <li>- art. 48 Investment aid for energy infrastructure;</li> <li>- art. 49 Aid for environmental studies.</li> </ul> </li> </ol> <p>Grant rate for non-economic operators:</p> <ul style="list-style-type: none"> <li>- For public entities, proposing projects which do not fall under state aid provisions (Regulation 651/2014) the grant rate will be maximum 85% of the total eligible expenses for the project, without exceeding the maximum amount that may be granted to a project;</li> <li>- For NGO's, proposing projects which do not fall under state aid provisions (Regulation 651/2014) the grant rate will be maximum 90% of the total eligible expenses for the project, without exceeding the maximum amount that may be granted to a project. For NGOs proposing investment projects related to economic activity, the grant rate will be less than 90%.</li> </ul> <p>Exceptionally, financial support will be awarded as de minimis support in line with the Commission Regulation (EC) No 1407/2013 (max. EUR 200,000 over three fiscal years).</p>
<b>Full calendar and competition information</b>	<ul style="list-style-type: none"> <li>- Deadline: <b>Thursday 14<sup>th</sup> of March 2019</b></li> </ul>
<b>Evaluation period</b>	<ul style="list-style-type: none"> <li>- (Estimated) About 4-6 months after the deadline for submission.</li> </ul>
<b>Bilateral Partner</b>	<ul style="list-style-type: none"> <li>- An eligible partnership, called "<i>Donor Partnership Project</i>", shall consist of at least one legal entity from Romania and one from a Donor State (Norway, Iceland, Liechtenstein);</li> <li>- The other eligible partnership, called "<i>Partnership Project</i>", is defined as cooperation between a Project Promoter in Romania and at least one legal entity in Romania;</li> <li>- The partner should be actively involved in, and effectively contributing to, the implementation of the project, and it should share with the Project Promoter a common economic or social goal which is to be realized through the implementation of the project. The simple provision of services does not qualify as a project partnership;</li> <li>- Eligible partners are legal entities in accordance with the legislation in force in Norway, Iceland, Liechtenstein or Romania;</li> <li>- Depending on the project objectives, the Norwegian partners can be: Private Entities; Public Entities; Institutions of Higher Education; Research Organizations; NGOs.</li> </ul>

<p><b>Partnership Agreement</b></p>	<ul style="list-style-type: none"> <li>- Partnerships are not mandatory, but Donor Partnership Projects will be awarded additional points during project assessment;</li> <li>- Partnerships must be signed before applying as a partnership agreement, which will set out the structure of the collaboration;</li> <li>- Romanian – Norwegian partnerships are encouraged to apply for all types of funds offered.</li> </ul>
<p><b>Technical and financial selection criteria</b></p>	<p><b>Relevance</b> - the extent to which the project meets the Programme expected outcome and the eligible activities set out in this Call for Proposals;</p> <p><b>Overall objectives</b> - the extent to which the project contributes to the overall objectives of EEA and Norway Grants 2014-2021 (reduction of economic and social disparities in the EEA Area and strengthening the bilateral relations between the Beneficiary State and the Donor State (s);</p> <p><b>Cross-cutting issues</b> - the extent to which the project complies with relevant cross-cutting issues identified in the Application Form; good governance and good business practice, sustainable development and gender equality;</p> <p><b>Internal factors</b> - the extent to which the Applicant (and Partner(s)) have the necessary resources to implement the project; internal factors are the factors over which the Applicant may influence with strategic choices (e.g. key resources, core activities, production);</p> <p><b>Technical viability and feasibility</b> - the extent to which the project is mature, i.e. technically viable and feasible in terms of technical solution meets the project objectives and specific outcomes, the Applicant has the technical capacity to implement the project, time schedule;</p> <p><b>IPR status (Intellectual Property Rights)</b> - Immaterial resources available for the proposed project;</p> <p><b>Good Business Practice</b> - the extent to which the Applicant (and Partner(s)) adhere to Good Business Practice as defined by the OECD guidelines and UN Guiding Principles on business and human right, including zero-tolerance towards corruption (initiatives on Applicant level);</p> <p><b>Market and competitive situation</b> – quality of market analysis, under the balance of demand and offer of products or services; ability to sell products/services that meet demand requirements (price, quality, quantity) and, at the same time, ensure profits over time; Note: A qualitative market analysis contains competition identification, strengths and weaknesses, the competitive advantage of the Applicant, in terms of marketing, operational and organizational information.</p> <p><b>Partnership’s quality</b> – the extent to which the Partnership Agreement include clear division of roles, tasks, responsibilities and cash flow; assessment of Partner(s) involvement in the preparation, implementation and sharing of the project results; each partner has a significant contribution to the project activities;</p> <p><b>Financial capacity</b> - the extent to which the Applicant (and possible Partners) have the necessary co-financing and financial capacity to implement the project and support its costs;</p> <p><b>Operating risk</b> – the assessment of Applicant’s financial situation and debt service capabilities;</p> <p><b>Project risks</b> - the extent to which the project is adequately supported by a risk management plan; The Applicant should have identified and assessed the relevant risk factors that may affect the achievement of the project expected outcome and described how they intend to mitigate the risks. There may be different types of risks, i.e. financial risk, technical/technological risk, market risk, HR risk, time schedule, environmental and more;</p> <p><b>Project profitability</b> –the extent to which the project has potential for profitability; The projects profitability will be based on the ratios NPV (Net Present Value) and IRR (Internal Rate of Return);</p> <p><b>Socio-Economic impact</b> - the extent to which the project has added value, i.e. the socioeconomic profitability; This may involve recruitment of unemployed labour, settlement in a region, improved environment, development of a local business environment/technological environment, competence development of individuals and companies, level and consequences of implementation and/or innovation, etc.;</p> <p><b>Releasing effect</b> - the extent to which the project would not be executed without a grant; Grants shall not be greater than what is necessary for the execution of the project. In all cases, an economic reasoning about the grading of the support shall be based on the relationship between expected profitability and risk, both in relation to state aid rules and in relation to the amount of support needed to trigger the project;</p> <p><b>Innovation level</b> – the extent to which the project includes innovation, either on enterprise level, sector level, national level or international level;</p> <p><b>Costs estimates and funding</b> - the extent to which the project have clear and well documented cost estimates and a financing plan. The budget is correctly elaborated and correlated with project activities, allocated and estimated resources;</p> <p><b>Sustainability</b> - the project incorporates clear sustainability measures, i.e. the durability of the project after the implementation deadline.</p>

*Information presented in this presentation is based on the official Applicant's Guide for the funding programme, as published by the Fund Operator, hence our liability is limited in the context thereof.*

- ▶ To benefit from a preliminary verification of your project's eligibility, please provide us with a few relevant details in [our online questionnaire](#), and we will contact as soon as possible.
- ▶ For any details or additional information, please contact us.

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