

22 January 2016

Legal Bulletin



European Funds

In this issue:

1. **Large Infrastructure Operational Programme (LIOP) 2014-2020**
2. **Regional Operational Programme (ROP) 2014-2020**
3. **Competitiveness Operational Programme (COP)**
4. **National Rural Development Programme (NRDP)**
5. **Business Advisory Services (BAS) Programme**
6. **EU Programme for the Competitiveness of Enterprises and SMEs (COSME)**
7. **Erasmus+**
8. **National Credit Guarantee Fund for SMEs (FNGCIMM SA - IFN)**

Funding Sources for Companies

During the period to come, several calls for projects shall be launched in eight funding programmes, as follows:

1. The **Large Infrastructure Operational Programme (LIOP) 2014-2020** was drafted to address Romania's needs for development as identified in the Partnership Agreement 2014-2020 and in line with the Common Strategic Framework and the European Commission Services' Position Paper. LIOP finances activities in four sectors: transport infrastructure, environmental protection, risk management and climate change adaptation, energy and energy efficiency. In order to achieve its targets, 8 Priority Axes were set within LIOP. LIOP benefits of an approximately EUR 11.8 billion financial allocation;
2. The general target of the **Regional Operational Programme (ROP) 2014-2020** is to increase economic competitiveness and improve living conditions of local and regional communities, by supporting the development of the business environment, infrastructure and services, for a sustainable development of regions, so that the latter be capable to efficiently manage their resources and

unlock their potential to innovate and assimilate technological progress. These targets are transposed in 11 priority axes (plus one technical assistance axis), totalling an estimated allocation of EUR 8.25 billion;

3. The **Competitiveness Operational Programme (COP)** supports investments intended to address the needs and challenges entailed by the low level of economic competitiveness, particularly regarding two priority axes (a) insufficient support for research, development and innovation (RDI) and (b) underdeveloped information and communications technology (ICT) infrastructure and implicitly services, thus acting as a generator of horizontal investments in economy and society, which is likely to trigger development and sustainability. The aggregate financial package for such operational programme is set at EUR 1.3 billion;
4. The **National Rural Development Programme (NRDP)** supports the funding of 14 rural development measures with a financial allocation of EUR 9.363 billion for the strategic support of the following objectives: restructuring and growth of viability of agricultural holdings, sustainable management of natural resources and combating climate changes, diversifying economic activities, creating new jobs, improving infrastructure and services for improving the quality of life in rural areas;
5. The **Business Advisory Services (BAS)** Programme is managed by the European Bank for Reconstruction and Development (EBRD) and its purpose is to encourage small to medium sized private companies to use business consultancy and, at the same time, to highlight the importance and benefits of using advisory services for the increase of competitiveness and sustainable development of business in the private sector. In Romania, BAS Programme was set up in 2006, with funding from the Austrian Federal Ministry of Finance;
6. The **EU Programme for the Competitiveness of Enterprises and SMEs (COSME)** pursues the following general objectives: a) improving SMEs' access to funding in the form of equity and debts; an equity facility for growth-phase investment, and a loan guarantee facility which will provide direct or other risk-sharing arrangements with financial intermediaries to cover loans to SMEs; b) improving market access, both on the territory of the European Union and worldwide; providing growth-oriented business support services via the Enterprise Europe Network to facilitate expansion in the Single Market and beyond; c) promoting entrepreneurship: activities will include development of entrepreneurial skills and attitudes, especially among new entrepreneurs, young people and women. COSME's budget amounts to EUR 2.3 billion;

7. **Erasmus+** is the European Union Programme for education, training, youth and sport for the period 2014-2020. With a budget totalling EUR 14.7 billion, the purpose of Erasmus+ is to help develop the skills and employability by providing opportunities for education, training and youth or sport activities;
8. The **National Credit Guarantee Fund for Small to Medium Sized Enterprises (FNGCIMM SA - IFN)** was set up in December 2001 by Government Decision No. 1211/2001 to support the activities of the entrepreneurs (SMEs, cooperative societies and individuals authorized to carry out economic activities according to law). FNGCIMM SA - IFN facilitates access to funding by provision of guarantees for the funding instruments contracted from commercial banks or other sources. As a Romanian joint stock company, wholly owned by the State, which is represented by the Ministry of Public Finance, FNGCIMM SA - IFN is an instrument of the Government of Romania, used in implementing its policies to support development of such sector, which is a priority of the economic and social policy of the Government of Romania.

1. LARGE INFRASTRUCTURE OPERATIONAL PROGRAMME (LIOP) 2014-2020

1.1. PRIORITY AXIS 6, SPECIFIC OBJECTIVE 6.1 - PRODUCTION

Objective of the Programme	Promoting actions aimed at increasing the renewable energy generation, with focus on less exploited renewable resources, <i>i.e.</i> biomass, biogas and geothermal energy, but also supporting actions for the enhancement of the distribution grid in order to take over the energy generated from renewable sources.
Eligible Applicants	<ul style="list-style-type: none"> • Administrative and territorial units; • Intra-Community Development Associations; • Business undertakings operating in the field of energy generation and trade.
Funding Value	<ul style="list-style-type: none"> • Maximum EUR 50,000,000 (aggregate eligible value of the project); • Maximum EUR 15,000,000 (value of the funding from European funds).
Eligible Activities	<ul style="list-style-type: none"> • Execution and/or upgrade of the electricity and/or heat generation capacity operating on biomass and biogas;

	<ul style="list-style-type: none"> • Execution and/or upgrade of the heat generation capacity operating on geothermal energy.
Co-Funding of the Beneficiary	<ul style="list-style-type: none"> • 2% of the eligible project costs for administrative and territorial unit beneficiaries; • 20% of the eligible project costs for micro and small-sized enterprise beneficiaries; • 30% of the eligible project costs, for medium-sized enterprise beneficiaries; • 40% of the eligible project costs for large enterprise beneficiaries.
Launching of the Call for Projects/ Deadline for Project Submission	January 2016 (continuous submission/project sessions)

1.2. PRIORITY AXIS 6, SPECIFIC OBJECTIVE 6.1 - DISTRIBUTION

Objective of the Programme	Extending and upgrading the electricity distribution grids, by works aimed at enhancing the electricity grid upstream from the connection point of the additional generation capacities.
Eligible Applicants	Electricity distribution / transmission operators who receive energy generated from renewable sources.
Funding Value	<ul style="list-style-type: none"> • Maximum EUR 50,000,000 (aggregate eligible value of the project); • Maximum EUR 3,000,000 (value of the funding from European funds).
Eligible Activities	<ul style="list-style-type: none"> • Upgrading the electricity distribution grids with a nominal voltage up to 110 Kv; • Extending the electricity distribution grids with a nominal voltage up to 110 kV; • Other activities / equipment than the above may be deemed eligible provided that the applicant proves that they are absolutely necessary for the implementation of the industry energy consumption monitoring systems,

	according to the specific objectives of the distribution sector.
Co-Funding of the Beneficiary	0%
Launching of the Call for Projects/ Deadline for Project Submission	January 2016 (continuous submission/project sessions)

1.3. PRIORITY AXIS 6, SPECIFIC OBJECTIVE 6.2.

Objective of the Programme	<ul style="list-style-type: none"> • Reducing the energy consumption of industrial users; • Promoting actions aimed at implementing energy consumption monitoring systems with the industrial users.
Eligible Applicants	Energy intensive industry companies (with consumptions exceeding 1,000 toe/year), which require the implementation of monitoring systems that enable rapid identification of solutions to reduce technological consumptions, and in relation to which a device should quantify the positive effects of the implementation of the measures to increase energy efficiency.
Funding Value	Maximum EUR 200,000 (value of the funding from European funds)
Eligible Activities	Procurement of: <ul style="list-style-type: none"> • Installations/equipment required for the achievement of systems to monitor the energy consumption of industry enterprises, which exceed 1,000 toe/year, in order to immediately reduce losses and quantify the potential to save and locate the implementation points in order to maximize efficiency in relation to the measures aimed at increasing energy efficiency which may later be applied to the user;

	<ul style="list-style-type: none"> • Monitoring systems (hardware and software): sensors for measuring instruments and/or measuring instruments and control devices for industrial process data; • RTU (Remote Terminal Units) - Unit used to collect data from industrial processes or field, data communication system; • Master station (the station reached by all communications and connected to all equipment and subsystems); • Data processing computer system recommending solutions or actions, and/or optimizing such actions; • Other equipment.
Co-Funding of the Beneficiary	<ul style="list-style-type: none"> • 20% of the eligible project costs for micro and small-sized enterprise beneficiaries; • 30% of the eligible project costs, for medium-sized enterprise beneficiaries; • 40% of the eligible project costs for large enterprise beneficiaries.
Launching of the Call for Projects/ Deadline for Project Submission	January 2016 (continuous submission/project sessions)

1.4. PRIORITY AXIS 6, SPECIFIC OBJECTIVE 6.4.

Objective of the Programme	<ul style="list-style-type: none"> • Increasing the primary energy consumption savings for the primary energy generated by high-efficiency co-generation systems; • Promoting actions to reduce carbon emissions and increase energy efficiency by installing new capacities/ upgrading the high-efficiency co-generation capacities.
Eligible Applicants	<ul style="list-style-type: none"> • Industry companies which register energy consumptions exceeding 200 toe/year, and can prove that they require useful heat for industrial processes with a duration of minimum 4,000 h/year; • The appointed representative of an industrial park industrial which registers energy consumptions exceeding 200 toe/year, and can prove that they require useful heat for industrial processes with a duration of minimum

	4,000h/year, for investments in high-efficiency co-generation capacities.
Funding Value	<ul style="list-style-type: none"> • Maximum EUR 50,000,000 (aggregate eligible value of the project); • Maximum EUR 6,000,000 (value of the funding from European funds).
Eligible Activities	<ul style="list-style-type: none"> • Execution/ upgrade of high-efficiency co-generation power plants (maximum 8 MWe) operating on natural gas and biomass at the level of enterprises; • Execution/ upgrade of high-efficiency co-generation power plants using residual gas from industrial processes at the level of enterprises.
Co-Funding of the Beneficiary	<ul style="list-style-type: none"> • 20% of the eligible project costs for micro and small-sized enterprise beneficiaries; • 30% of the eligible project costs, for medium-sized enterprise beneficiaries; • 40% of the eligible project costs for large enterprise beneficiaries.
Launching of the Call for Projects/ Deadline for Project Submission	January 2016 (continuous submission/project sessions)

1.5. PRIORITY AXIS 4, SPECIFIC OBJECTIVE 4.1.

Objective of the Programme	Protecting and restoring biodiversity and soils and promoting ecosystem services, inclusively by Natura 2000 and green infrastructure.
Eligible Applicants	Research institutes/ Universities/ NGOs/ Custodians/ Managers of protected natural areas / Authorities of the central/local public administration.
Funding Value	<ul style="list-style-type: none"> • Maximum EUR 50,000,000 (aggregate eligible value of the project); • Value of the funding from European funds will not be specified in the applicant's guide.

Eligible Activities	<ul style="list-style-type: none"> • Drafting the management plans/ sets of conservation measures / action plans for the protected natural areas (including those located in the marine environment) and for the species of Community interest uncovered by previous projects (as provided in Government Emergency Ordinance No. 57/2007, as subsequently amended); • Implementing the management plans / sets of conservation measures / action plans for the protected natural areas and for the approved species of Community interest (including those located in the marine environment); • Actions to supplement knowledge on biodiversity and ecosystems (monitoring and assessment of species and habitats, including invasive species etc.).
Co-Funding of the Beneficiary	0%
Launching of the Call for Projects/ Deadline for Project Submission	January 2016 (continuous submission/project sessions)

2. REGIONAL OPERATIONAL PROGRAMME 2014-2020

PRIORITY AXIS 1, INVESTMENT PRIORITY PI 2.1

Objective of the Programme	Strengthening the SMEs' market position in competitive fields identified in the National Competitiveness Strategy and the Regional Development Plans.
Eligible Applicants	The business companies or cooperatives falling under the category of micro enterprises, set up by 1 January 2014, at the latest, which had at least one full-time employee during this period.
Funding Value	Between EUR 25,000 and EUR 200,000 (the eligible value of the project)

Eligible Activities	<ul style="list-style-type: none"> • Construction/extension/upgrade of production/services premises belonging to micro enterprises, including any related general utilities (water supply, sewerage, gas supply, heat supply, electricity supply, fire prevention); • Purchase of technological equipment, machines, working facilities, furniture, IT and office equipment, falling under the category of fixed assets; • Purchase of specific installation/ equipment to obtain energy savings, and systems using renewable/ alternative sources to render the activity requested to be funded more effective, up to 15% of the eligible project value; • Investments in intangible assets: patents, licenses, trademarks, software, other similar rights and assets; • Investments in creation of websites presenting own activity and products or services, including on-line marketing tools.
Co-Funding of the Beneficiary	0%
Launching of the Call for Projects/ Deadline for Project Submission	March 2016

3. COMPETITIVENESS OPERATIONAL PROGRAMME 2014-2020

PRIORITY AXIS 1, Action 1.2.1

Objective of the Programme	Achievement of new or significantly improved products, technologies/processes and/or services.
Eligible Applicants	<ul style="list-style-type: none"> • Innovative start-up and spin-off enterprises: an enterprise set up according to law No. 31/1990, which has been in operation for no more than 3 years in the year when the project is submitted; • Spin-offs: enterprises to be set up based on a result obtained by public research organizations (a research and development or a higher-education institution).

Funding Value	Maximum RON 840,000 and cannot exceed the equivalent in RON of EUR 200,000
Eligible Activities	Research and development activities (industrial research and/or experimental development): <ul style="list-style-type: none"> • Purchase of research and development services (industrial research and/or experimental development) • Purchase of innovation advisory services regarding: technological support; technological transfer; • Purchase, protection and sale of industrial property rights; • Use of standards; • Purchase of innovation support services regarding: trials and tests in specialized laboratories; quality marking, testing and certification; market surveys; • Activities related to the putting into production and manufacturing of a product/ process/ technology / service; • Procurement of raw and other materials required for the achievement of the project (for research and development activities and activities related to the putting in production and manufacturing of a product/ process/ technology/ service); • Information and advertising activities related to the project; • Activities related to the setting up and registration of the spin-offs.
Co-Funding of the Beneficiary	Minimum 10%
Launching of the Call for Projects/ Deadline for Project Submission	Call for projects with continuous submission

4. NATIONAL RURAL DEVELOPMENT PROGRAMME 2014-2020, Sub-measure 4.3

Objective of the Programme	<ul style="list-style-type: none"> • Investments in the development, upgrade or adaptation of agricultural and forest infrastructure; • Improving the forest access infrastructure.
Eligible Applicants	<ul style="list-style-type: none"> • Private legal entities /other forms of organization; • Forest owners and/or their associations, set up according to the laws in force; • Administrative and territorial units and/or their associations, forest owners, set up according to the laws in force; • Manager of State-owned public forest land, set up according to the laws in force.
Funding Value	Maximum EUR 1,500,000/project
Eligible Activities	Expenditure with the construction, extension and/or upgrade of forest roads .
Co-Funding of the Beneficiary	0%
Launching of the Call for Projects/ Deadline for Project Submission	Call not launched

5. BAS ROMANIA PROGRAMME FOR THE FINANCING OF BUSINESS ADVISORY SERVICES - THE AUSTRIAN FEDERAL MINISTRY OF FINANCE

Objective of the Programme	<ul style="list-style-type: none"> • To assist the growth and competitiveness of Romanian private companies by co-financing locally-sourced business advisory projects; • To assist the development of the local industry of consulting services by encouraging Romanian companies to use business advisory services.
-----------------------------------	---

Eligible Applicants	Companies operating in the services sector and the production sector.
Funding Value	Maximum EUR 10,000
Eligible Activities	<ul style="list-style-type: none"> • Restructuring / reorganization; • Feasibility surveys; • Identifying commercial and strategic partners; • Advising on the development of the business plan; • Implementing and improving the management information systems (MIS); • Marketing advisory services; • Technical advisory services; • Energy audits and balances; • Environmental balances; • Design and upgrade of production lines; • Other advisory services.
Co-Funding of the Beneficiary	Minimum 25%
Launching of the Call for Projects/ Deadline for Project Submission	Continuous submission

6. EU PROGRAMME FOR THE COMPETITIVENESS OF ENTERPRISES AND SMES - COSME (THE EUROPEAN UNION)

Objective of the Programme	Reduction of market gaps related to the funding of SMEs.
Eligible Applicants	<ul style="list-style-type: none"> • Small to medium sized enterprises; • Clusters; • Public authorities.
Funding Value	Variable

<p>Eligible Activities</p>	<ul style="list-style-type: none"> • Guarantees for loans to SMEs which have difficulties to obtain loans from the banking system; • Capital for venture capital funds which provide investments to SMEs undergoing expansion and growth; • Free of charge practical information and direct services to companies in search for partners, funding, information on new markets, or on EU laws or programmes; • Cooperative networking or exchange of experience actions for those drafting the relevant policies, in order to reduce the administrative burden on SMEs and improve the framework conditions for business; • Setting the reference items and preparing surveys for the improvement of knowledge and monitoring of industrial sectors at European or global level, or the SMEs policies in Europe.
<p>Co-Funding of the Beneficiary</p>	<p>Variable</p>
<p>Launching of the Call for Projects/ Deadline for Project Submission</p>	<p>2016</p>

7. ERASMUS+ Programme (the European Union)

<p>Objective of the Programme</p>	<p>Improvement of youth employability by acquirement of additional skills valued by the employers, and improvement of language skills.</p>
<p>Eligible Applicants</p>	<ul style="list-style-type: none"> • Public authorities • Companies/enterprises; • Public/private institutions; • Schools; • Universities; • Non-governmental organizations.
<p>Funding Value</p>	<p>Variable</p>

<p>Eligible Activities</p>	<p>Actions managed by the National Agency for Community Programmes in the Field of Education and Vocational Training:</p> <ul style="list-style-type: none"> • Mobility projects; • Strategic partnerships; • Structured dialogue - youth's meetings with youth policymakers. <p>Actions managed by the Education, Audiovisual and Culture Executive Agency in Brussels:</p> <ul style="list-style-type: none"> • "Knowledge Alliances"; • "Sector Skills Alliances"; • Development of institutional capacity in the youth field.
<p>Co-Funding of the Beneficiary</p>	<p>Variable</p>
<p>Launching of the Call for Projects/ Deadline for Project Submission</p>	<p>2016</p>

8. PROGRAMME FOR ASSISTANCE TO BENEFICIARIES OF PROJECTS IN PRIORITY AREAS FOR THE ROMANIAN ECONOMY, FUNDED FROM THE STRUCTURAL INSTRUMENTS OF THE EUROPEAN UNION ALLOCATED TO ROMANIA. NATIONAL CREDIT GUARANTEE FUND FOR SMALL TO MEDIUM SIZED ENTERPRISES

<p>Objective of the Programme</p>	<p>Accelerating absorption of European funds by provision of financial resources and guarantee of loans required for project co-financing.</p>
<p>Eligible Applicants</p>	<p>Entities implementing projects funded from EU structural instruments:</p> <ul style="list-style-type: none"> • Administrative and territorial units; • Accredited public higher education institutions; • Accredited public research and development institutions;

	<ul style="list-style-type: none"> • Regional/local water supply and sewerage operators.
Funding Value	<p>The guaranteed funding may amount up to maximum 15% of the total value of the project, excluding interest and bank fees and other amounts owed by the beneficiary under the loan agreement.</p>
Eligible Activities	<p>Accelerating absorption of European funds by provision of financial resources and guarantee of loans required for project co-financing.</p> <p>Entities implementing projects funded from EU structural instruments:</p> <ul style="list-style-type: none"> • Administrative and territorial units; • Accredited public higher education institutions; • Accredited public research and development institutions; • Regional/local water supply and sewerage operators. <p>The National Credit Guarantee Fund for Small to Medium Sized Enterprises (FNGCIMM) is authorized to issue guarantees in the name and on behalf of the State for the financing parties granting loans for project implementation.</p>
Co-Funding of the Beneficiary	-
Launching of the Call for Projects/ Deadline for Project Submission	-

Editors

The Structural Funds Division pools our lawyer's expertise in technical assistance in various areas of practice, such as management of projects financed from public funds, public procurement, environmental projects, infrastructure, State aid/competition, representation of parties in court in disputes occurring in relation to projects financed from European funds, and legal assistance and representation of the management authorities or participants in various procedures for the award of public procurement contracts. Our firm's assets regarding consultancy on structural funds consist of our specialist divisions in each operational programme, extended skills of our team of lawyers and consultants, thorough knowledge of the institutional operation mechanism, and the necessary principles and requirements for a successful implementation of projects. The Structural Funds' expertise consist in granting the necessary advice for obtaining financing and implementing the projects financed under the aforementioned programmes, including the drafting of the applications for funding and the final project reports, and assisting the clients in all stages of the projects funded from European funds.



Dan Borbely
Partner
+4 021 204 88 98
dan.borbely@tuca.ro



Cristina Ana
Head of the firm's EU Funds practice group
+4 021 204 88 90
cristina.ana@tuca.ro