

## **Annex 2: Rules and Procedures for the overall Swiss-Romanian Cooperation Programme**

Annex 2 is an integral part of the Framework Agreement between the Swiss Federal Council and the Government of Romania concerning the implementation of the Swiss-Romanian Cooperation Programme. Any amendment to this Annex shall be made in writing with the mutual agreement of the competent authorities mentioned in Article 9 of this Framework Agreement.

Annex 2 defines the rules and procedures for the overall Swiss-Romanian Cooperation Programme and describes the responsibilities and tasks of the actors involved except the responsibilities and tasks related to the audits of the Thematic Funds.

Annex 1 defines the conceptual framework of the Swiss-Romanian Programme. The rules and procedures are defined: in Annex 3 for Projects and Programmes; in Annex 4 for Thematic Funds; in Annex 5 for the Project Preparation Facility and the Technical Assistance Fund.

### **1. Monitoring and Supervision**

The Romanian authorities have the final responsibility for monitoring and supervising the overall Swiss-Romanian Cooperation Programme. The monitoring and supervision of Thematic Funds shall be assured by the Swiss Party. The respective monitoring results shall be communicated to the Romanian authorities.

Guidelines for reporting, monitoring and controlling shall be provided by the Swiss Party one month after the signing of the Framework Agreement. These guidelines shall be taken into account in a monitoring and supervision system applied by Romania.

A Monitoring Committee shall be established by the NCU not later than three months after the signing of this Framework Agreement. The Monitoring Committee shall provide guidance in strategic and operational issues. A transparent selection of the Committee members shall allow a balanced, complementary and diversified representation of the various interests.

The Monitoring Committee shall be composed of a maximum of 12 members representing the NCU, relevant ministries, relevant regional and local authorities, non-governmental organisations, as well as social and economic partners. Switzerland shall be informed about the members of the Committee. The Embassy of Switzerland shall have the possibility to participate as an observer.

The Monitoring Committee shall meet periodically, at least twice a year.

## **2. Reporting and Steering**

In order to ensure the efficient steering of the Swiss-Romanian Cooperation Programme, the Parties shall meet regularly. Meetings may be requested by Switzerland or Romania. Meetings shall take place within six weeks of the date of the respective written request.

The main steering event is the annual meeting. The National Coordination Unit (NCU) is responsible for the organisation of the annual meeting. It shall consult the Swiss Embassy on the organisation, the contents, the agenda, the participants and other organisational and logistical matters. The minutes of the annual meeting shall be drafted by the NCU and be submitted to Switzerland for approval within 15 working days after the meeting.

The Intermediate Bodies, the Executing Agencies and other institutions and persons may be invited to the annual meeting whenever this is felt desirable by the NCU or by Switzerland.

The Parties may invite the Commission of the European Union to participate as an observer.

The NCU shall prepare an annual report and transmit it to Switzerland one month prior to the annual meeting. Switzerland shall provide the NCU three months prior to the annual meeting with the part of the report covering the Thematic Funds.

The annual report shall inter alia address:

- General experience and results achieved;
- Progress made in the implementation of the Swiss-Romanian Cooperation Programme in relation to the Conceptual Framework;
- Status of project implementation, including:
  - Statements on approved projects, progress of project identification / preparation and foreseeable commitments;
  - Statistics on tenders, contract awards and successful bidders;
  - Information about important issues with regard to particular projects.
- Status of Thematic Funds (analogue reporting on projects);
- Status of the Project Preparation Facility and the Technical Assistance Fund (analogue reporting on projects);
- Overall financial statement on past and tentative future disbursements and commitments for the overall Swiss-Romanian Cooperation Programme;
- Summary and main conclusions of the financial audits;
- Proposals for the allocation of non-committed funds (if applicable);
- Administrative implementation issues;

- Strategy and activities to inform the public about the Swiss-Romanian Cooperation Programme and the implemented Supporting Measures;
- Further issues to be discussed, recommendations, next steps.

In a separate document, the NCU shall prepare:

- Annual implementation planning;
- Suggestions for amendments to the Annexes of this Framework Agreement (if needed).

Two years after the signing of this Framework Agreement, the Parties shall review the thematic and geographic priorities, and if need be, redirect the initial financial allocations as agreed, and determine the priorities for the not-yet allocated part of the Contribution.

### **3. Compliance and System Audit**

The NCU, the Paying Authority and the Intermediate Bodies shall be subject to a compliance audit. The compliance audit shall examine inter alia existing structures, procedures and controls envisaged for application in the Swiss-Romanian Cooperation Programme. The compliance audit shall be performed in accordance with national law. Switzerland may announce specific requirements to be taken into account.

Compliance audits performed within two years before the signing of this Framework Agreement shall be accepted by Switzerland if audit results are deemed to be satisfactory.

Each year, an annual audit plan and an audit report on the use of funds shall be prepared presenting the results of the audits performed during the previous calendar year. The Swiss-Romanian Cooperation Programme shall be included in the annual system audit of the Central Harmonisation Unit for Public Internal Audit (CHUPIA). Switzerland may announce specific requirements to be taken into account.

The compliance and system audits shall be performed by CHUPIA.

Reports on the compliance and system audits shall be transmitted to the Swiss Embassy within 3 months after the completion of the audits.

### **4. Review and Evaluation**

During implementation of the Swiss-Romanian Cooperation Programme, Romania and/or Switzerland may request a review on, inter alia, procedures applied, actors involved, results achieved (input, output, outcome).

At the end of the Swiss-Romanian Cooperation Programme, Switzerland and/or Romania may request a final evaluation of the entire programme. The costs will be borne by the requesting competent authority.

## **5. Responsibilities and Tasks**

The responsibilities and tasks for the implementation of the overall Swiss-Romanian Cooperation Programme are as follows:

### **5.1 The National Coordination Unit**

The NCU is responsible for ensuring that: the legal and financial framework conditions are set for the successful implementation of the Swiss-Romanian Cooperation Programme; the Supporting Measures are implemented in an efficient and effective way according to agreed schedules; the strategic and operational monitoring, the supervision and the steering of the overall Swiss-Romanian Cooperation Programme as well as the correct use of the financial resources are guaranteed; the public in Romania is well informed about the Swiss Contribution.

The main tasks of the NCU include:

- Ensuring the adoption of the necessary national legal documents for the implementation and monitoring of the overall Swiss-Romanian Cooperation Programme and for all Supporting Measures;
- Relating the Swiss Contribution to other contributions, to the National Strategic Reference Framework and to the Operational Programmes in order to avoid financing overlapping;
- Establishing a Monitoring Committee for the overall Swiss-Romanian Cooperation Programme;
- Developing a monitoring and supervision system taking into account the respective Swiss guidelines;
- Ensuring that the compliance and system audits are carried out;
- Ensuring the building-up of the Project Portfolio according to Annexes 1 and 3 through consultation with line ministries, the organisation of calls for project proposals, the appraisal of project applications and the selection of projects;
- Informing Switzerland about the audit results and irregularities detected and notified by the audit authority;
- Preparing the annual report and the annual implementation planning;
- Organising the annual meeting and other meetings requested by Switzerland and Romania;
- Ensuring publicity on the Swiss Contribution.

### **5.2 Audit Authority**

The Central Harmonisation Unit for Public Internal Audit (CHUPIA) in the Ministry of Public Finance acts as the Audit Authority for the Swiss-Romanian Cooperation

Programme. CHUPIA is responsible for ensuring the efficient and effective functioning of managerial and control systems (compliance audit; system audit). The main tasks of the CHUPIA are to be performed in accordance with national legislation or Law no. 672/2002 on public internal audit, and shall include:

- Ensuring an adequate regulatory framework for auditing that guarantees the required audit coverage and reporting to the Swiss authorities;
- Performing compliance audits at the beginning of the implementation of the Swiss-Romanian Cooperation Programme;
- Performing periodic system audits on the functioning of the management and control systems at the levels of the authorities involved in the Programme management;
- Establishing an annual audit plan based on the risk assessment and on Switzerland's recommendations;
- Providing information in an annual audit report about all audits related to the implementation system of the Swiss-Romanian Cooperation Programme performed during the previous calendar year;
- Controlling the regularity of eligible expenditures based on a 5% representative sample of the operations approved; CHUPIA will initiate and coordinate the operational audits of the public internal audit units within the IBs; the public internal audit units within the IBs will perform operational audits on the approved projects for both the beneficiaries under their coordination and for the IBs themselves when acting as beneficiaries. The public internal audit units will draft and send to CHUPIA the reports on the performed operational audits and they will inform CHUPIA regarding any identified irregularities;
- Notifying the NCU about any irregularities detected during the audits;
- Providing assistance in its field of competence to auditors mandated by Switzerland.

### **5.3 Monitoring Committee**

The Monitoring Committee is responsible for monitoring the implementation of the Swiss-Romanian Cooperation Programme.

The main tasks of the Monitoring Committee include:

- Establishing the selection criteria of projects taking into account Switzerland's comments;
- Commenting on the selection criteria for Activities applied in the Thematic Funds;
- Commenting on the documentation for calls for proposals;
- Reviewing the selection processes for Supporting Measures;
- Monitoring compliance with regulations and procedures;

- Periodically reviewing progress in the implementation of the Supporting Measures and the achievement of their objectives;
- Monitoring the achievement of the objectives at the level of the overall Swiss-Romanian Cooperation Programme;
- Examining and commenting on the annual report on the implementation of the Swiss Contribution prepared by the NCU;
- Commenting on the efficiency and effectiveness of the use of the financial resources available in the framework of the Swiss Contribution.

#### **5.4 Swiss Embassy and Swiss Contribution Office**

The Swiss Embassy in Bucharest will include a Swiss Contribution Office and is responsible for ensuring that: the Swiss-Romanian Cooperation Programme is managed by the Parties in an efficient and effective manner; the required data for decision making on the Swiss side is provided; the Supporting Measures proposed take into account Swiss expectations; information about the Contribution is provided to the interested parties.

The main tasks of the Swiss Embassy include:

- Facilitating contacts, assuring the liaison and the networking between partners;
- Informing and giving advice to partners on the procedures and conditions of the Contribution;
- Transmitting official information and proposals to and from the Swiss authorities;
- Explaining the Swiss position on strategic and operational issues;
- Organising, together with the NCU, missions of Swiss delegations;
- Participating in meetings on the overall Swiss-Romanian Cooperation Programme;
- Providing information to the general public on the Swiss-Romanian Cooperation Programme and the Contribution;
- Participating in the Monitoring Committee as an observer.

#### **5.5 Swiss Agency for Development and Cooperation (SDC) and State Secretariat for Economic Affairs (SECO)**

On the Swiss side, SDC and SECO are responsible for the implementation of the Swiss-Romanian Cooperation Programme.

The main tasks of SDC and SECO include:

- Ensuring the strategic and operational steering of the overall Swiss-Romanian Cooperation Programme;

- Participating in the annual meetings organised by the NCU;
- Engaging in a regular dialogue with the NCU and the other partners involved on the identification and the implementation of Supporting Measures as well as on the progress of the overall Swiss-Romanian Cooperation Programme;
- Deciding on overall Swiss-Romanian Cooperation Programme issues;
- Commenting on selection criteria for Projects;
- Deciding on selection criteria for Thematic Funds, taking into account comments by Romania;
- Approving the documentation for calls for proposals;
- Supervising the overall development of the Swiss-Romanian Cooperation Programme through field visits and reviews;
- Networking with the national and international actors relevant to the implementation of the Swiss-Romanian Cooperation Programme;
- Administrating the Swiss-Romanian Cooperation Programme on the Swiss side.

SDC and SECO may delegate some of these tasks to the Swiss Embassy.