



**FUND FOR BILATERAL RELATIONS AT NATIONAL
LEVEL FOR BULGARIA
WITHIN THE EEA FM AND NFM 2009-2014**

GUIDELINES FOR APPLICANTS

- **PRIORITY 3: NUCLEAR ENERGY
DECOMMISSIONING**

OCTOBER 2013

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List of abbreviations

CA	Certifying Authority
AA	Audit Authority
CoM	Council of Ministers
EEA	European Economic Area
NFM	Norwegian Financial Mechanism
EEA FM	European Economic Area Financial Mechanism
FMC	Financial Mechanism Committee
FMO	Financial Mechanism Office
FBRNL	Fund for Bilateral Relations at National Level
MoU	Memorandum of Understanding
MEUFD	Monitoring of EU Funds Directorate
NFD	National Fund Directorate
NFP	National Focal Point
OIP	Other Instruments and Programmes
PO	Programme Operator
PPA	Public Procurement Act

I. Introduction

The Fund for Bilateral Relations at National Level within the EEA FM and NFM 2009-2014 (FBRNL) was established to strengthen bilateral relations between the Donor states and the Republic of Bulgaria during the programme preparation and its implementation. The FBRNL serves as financial support of broad initiatives and informative activities and also for complementary, preparatory and supportive initiatives and documents with aim to create or strengthen the base for future cooperation.

The present Guidelines for Applicants have been developed in conformity with the approved Work Plan and the Implementation System on the implementation of the FBRNL within the EEA FM and NFM 2009-2014 and have to ensure the high-quality management of the FBRNL priority areas and implementation based on principles of transparency, accountability and sound financial management. This document comprises the rules for preparation and submission of project initiatives, assessment, selection and implementation of project initiatives financed under priority area 3: Nuclear Energy Decommissioning as per the Work Plan approved by the donors.

II. Management structure for the FBRNL

The *Other Instruments and Programmes* Unit at the Monitoring of EU Funds Directorate within the administration of the Council of Ministers acts as the National Focal Point within the EEA FM and NFM 2009-2014. Based on the Regulations on the implementation of the EEA FM and NFM 2009-2014 (hereinafter referred to as “Regulations”) and the Agreement for the financing of Technical Assistance and Fund for Bilateral Relations at National Level, the National Focal Point (NFP) has been entrusted with the implementation of the FBRNL. The NFP will have the overall responsibility for the management and monitoring of implementation of the FBRNL.

III. Objectives of FBRNL and of priority 3: Nuclear Energy Decommissioning projects, results and outcomes

III.1. Objective of FBRNL

The objective of the Fund for Bilateral Relations at National Level within the EEA FM and NFM 2009-2014 is to promote and strengthen bilateral relations between the Republic of Bulgaria and the Donor states in priority areas of common interest to share knowledge, expertise, good practices and achieve shared results.

More specifically:

- Within the overall objective of the EEA FM and NFM 2009-2014 to reduce economic and social disparities in the European Economic Area the main objective of the FBRNL is to add value through new or enhanced institutional partnerships between Donor state and Bulgarian partner institutions or organisations in order to contribute to the solution of specific development challenges.
- The Donors contribution is an important element of the bilateral relations between the Donor states and Bulgaria. It enhances the bilateral relations in many aspects, including establishing

bilateral institutional partnerships, promoting donors presence and visibility as well as making good use of the donors knowledge and experience.

III.2. Objective of priority 3: Nuclear Energy Decommissioning

With a view of promoting the development of partnership initiatives and exchanges and increased learning and interaction between Bulgarian eligible applicants and Donor State counterpart entities in areas of strategic importance where specific mutual interest, common concern and concrete cooperation opportunities have been identified, the FBRNL provides support for **partnership projects** prepared on the basis of: established partnership between eligible Bulgarian and donor state entities with key responsibilities in the area of nuclear facilities decommissioning, identified and agreed clear project ideas, relevant to the objectives of the EEA FM and NFM, incl. activities, participants, budget, outputs and results.

Objectives:

To support the exchange of good practices, experience and knowledge between Bulgarian and Norwegian authorities in the field of decommissioning, related but not limited to:

- Decommissioning of nuclear facilities – regulatory basis, research and development efforts, gaps in current practices, key areas for future interventions;
- Nuclear and radiation safety - solutions and the way forward to contributing to a sustainable improvement to the level of nuclear safety.;
- Preparation of recommendations and guidelines for decommissioning of nuclear facilities.

In accordance with the agreements signed by the Bulgarian Government and the European Commission, Kozloduy units 1 and 2 were closed at the end of 2002 and units 3 and 4 at the end of 2006. Activities for the decommissioning of the WWER-440 power reactors at the Kozloduy Nuclear Power Plant started in the late 1990s. The activities included the development of decommissioning-related regulations and the elaboration of initial strategies for decommissioning the reactors. After 2000 a technical design for decommissioning of Kozloduy units 1 and 2 was developed. Legislative changes also occurred: A new Nuclear Safety Act was adopted in 2002 and, subsequently, changes were made to the related secondary legislation. Today, Bulgaria has a well-developed and complete legislative and regulatory basis for decommissioning and advanced technical and safety documentation and experience concerning the decommissioning of the WWER-440 units.

III.3. Results and expected outcomes

The priorities under FBRNL as a whole should contribute to the following outcomes:

- *Shared results*

The bilateral cooperation at national level should have an added value to the contribution to solving a particular issue through sharing experience, knowledge, know-how and technology and working together for joint results such as the development of policies, laws, strategies or new knowledge or practice.

- *Improved knowledge and mutual understanding*

Increased cooperation and joint initiatives bring people and institutions together and create space for improved knowledge and mutual understanding between individuals, institutions and the wider public. The cooperation should contribute to increased knowledge of the EU and EEA, the European values as a whole as well as increased knowledge and understanding of each other's countries.

- *Wider effects*

Wider effects might happen as a result of institutions working together and finding common ground for extending their cooperation beyond the project. The wider effects represent an important added value and have an impact on bilateral relations. In the area of bilateral cooperation there is not necessarily a proportional relationship between size of investment and magnitude of results. A small event may have a major catalytic and symbolic effect. In many cases such events and results emerge as spin-offs from joint initiatives, and can have long-lasting effects.

The projects financed under the priority areas of the FBRNL are expected:

- to lead to more efficient and effective responses to one or more challenges under the respective areas at local, regional or national level with assistance from a donor state partner institution or organisation through the transfer of and/or exchange of good practices, expertise and know-how ;
- to facilitate and accelerate solution of thematic areas challenges faced by the partner institutions;
- to improve the sustainability of solutions to challenges under the thematic areas addressed with the support of the partnership.

III.4. Indicators for strengthening of bilateral relations

The initiatives under the FBRNL must foster co-operation through partnerships, shared outcomes of jointly identified solutions to specific problems, and better mutual awareness and understanding between the Donor States and the Republic of Bulgaria. They must also have a broader impact beyond the scope of the programmes under the EEA FM and NFM 2009-2014.

In connection to the expected outcomes of bilateral cooperation, the National Focal Point has defined the following main qualitative and quantitative indicators for strengthening of bilateral relations under the two thematic areas:

Number of partnership agreements between institutions in Bulgaria and donor states;

- Number of new practices, technologies acquainted with and/or applied, as a result of bilateral cooperation;
- Improved benefits through access to valuable professional or technical skills;
- Number of organised events as a result of bilateral cooperation;
- Number of participants in organised educational events;
- Number of studies, analyses conducted;
- Number of promotional /information initiatives conducted;

- Number of articles published in one country about the other partner country

III.5. Guiding principles and cross-cutting issues

The FBRNL integrates the following principles:

Transparency. Transparency and openness are key to all cooperation activities and are binding at all levels.

Partnerships. Cooperation and institutional partnerships between Bulgarian and donor state entities are an essential element of the FBRNL, especially in the priority areas identified in which the donor states contribute particular experience, know-how and technologies.

Visibility. The visibility of the FBRNL is an important aspect. All parties should proactively inform about their cooperation.

All initiatives supported under the FBRNL need to promote the following cross-cutting issues:

- **Good governance** – participation and inclusiveness of all relevant stakeholders in the different phases of project development and implementation including accountability, transparency, effectiveness and efficiency of project activities;
- **Sustainability** – from social, economic as well as environmental perspective. Cooperation activities shall respect the need to incorporate requirements of sustainability;
- **Gender equality** – avoiding discrimination on the grounds of gender; equal opportunities for men and women as well as taking into consideration of specific needs

IV. Project characteristics

IV.1. Financial allocation, grants rate and size of projects

The budgetary allocation to **Priority 3 Nuclear Energy Decommissioning** is **EUR 100 000**.

There is no minimum and maximum amount set for Priority 3: Nuclear Energy Decommissioning. The size of project grant will be decided on the basis of the scope of activities agreed between the project partners and the justification of budget provided.

Grants from the FBRNL may be up to **100%** of total eligible project costs. No co-financing is required.

IV.2. Duration of projects

Projects have to be implemented in a time span of up to 24 months.

IV.3. Geographical coverage

Partnership initiatives may be implemented either on the territory of the Republic of Bulgaria or part of the project activities be carried out in the Donor states.

V. Eligibility of beneficiaries, activities, expenditures

V.1. Eligible beneficiaries

The support provided under priority 3 of the FBRNL is targeted specifically to public entities from Bulgaria and donor states directly in charge of the various aspects of decommissioning of nuclear facilities and has the purpose to finance projects implemented in partnership with Donor state organisations. Lead applicants can be legal entities registered in Bulgaria. Donor project partners will help shape approaches and activate response capacity to deal with challenges under the supported areas, transfer know-how and best practices, support learning and methodology development processes.

Eligible project promoters:

- Nuclear Regulatory Agency, Bulgaria;
- State Enterprise for Radioactive Waste, Bulgaria

Eligible Project partners:

- Norwegian Radiation Protection Authority;
- International Atomic Energy Agency

NRPA supervises the safety of all Norwegian nuclear facilities: the two research reactors at Kjeller near Lillestrøm and in Halden, and the waste repository in Himdalen in Akershus County. All three facilities are run by the Institute for Energy Technology. NRPA's responsibility also extends to supervising the transport of radioactive substances to and from the facilities, as well as the processing, storage and disposal of radioactive waste.

V.2. Partnership and role of the project partner(s)

It is obligatory that prior to applying for funding under priority 3, an appropriate partnership is identified between a Bulgarian and a counterpart donor state entity and a joint project idea/proposal is agreed on and prepared jointly by the partners. Eligible project partners are organisations from the Donor states and Bulgaria stated under V.1 above. Project partners can spend money for implementation of project activities in line with the approved project budget which will later be reimbursed by the project promoter.

Each project partner shall fill in and sign Partnership Statement (Annex 4.1 and Annex 4.2 to the present guidelines).

V.3. Eligibility of projects

Projects shall comply with the objectives of the FBRNL defined under section III of the present guidelines. Projects shall be submitted in accordance with the provisions of the present guidelines and shall not include activities already financed by other sources.

V.4. Procurement regime

If the beneficiary has to conclude contracts in order to carry out the project, it shall comply with the national procurement legislation based on the the Public Procurement Act (PPA). In doing so the beneficiary shall observe the principles of transparency and equal treatment of potential contractors and shall take care to avoid any conflict of interests.

Beneficiaries which are not contracting authorities under PPA, shall comply with the procurement rules according to Decree No 69 of the Council of Ministers of 11.03.2013 on the terms and conditions for selection of contractors by beneficiaries of grants agreed from the Structural Funds and the Cohesion Fund of the European Union, the Joint Operational Programme “Black Sea Basin 2007 – 2013”, the EEA Financial Mechanism and the Norwegian Financial Mechanism.

If the project partner(s) has/have to select provider of services to implement the project this shall also be made in compliance with the effective applicable national legislation.

In the application form it must be clearly specified which tasks will be subcontracted.

V.5. Eligible activities

The funds under the FBRNL will be used for continuous support, strengthening and expanding the bilateral relations and along with the Funds for Bilateral Relations at Programme level will build a synergistic environment for optimal development of cooperation between the Republic of Bulgaria and the Donor states. Under the FBRNL financial support will be provided for short range initiatives, informative activities, complementary and supportive initiatives with the aim to create or strengthen the base for present or future cooperation within the programme areas supported under EEA FM and NFM. The following types of activities are eligible:

- joint conferences, seminars and workshops on topics of common interest;
- joint side events at international meetings;
- capacity building and short term training in view of exchange and implementation of professional or organisational skills;
- technical cooperation - study trips, visits and meetings with the aim of sharing experience and know-how, incl. through exchange of experts;
- jointly developed reports, analyses, surveys, studies and publications, data collection;
- campaigns, exhibitions and promotional initiatives for strengthening bilateral partnerships;
- joint participation in international network organizations

Eligible project activities should be completed till 30 April 2017.

The following types of activities are **ineligible**:

- on-going activities, already financed by other sources;
- sponsorship to individuals for participation in workshops, seminars, conferences;
- scholarships to individuals for study or training courses;
- existing programs and regular activities of the beneficiary/partner(s)

V.6. Eligible expenditures

V.6.1. General principles on the eligibility of expenditures

To be eligible under the FBRNL, costs must be related to eligible activities and meet the following requirements:

- be incurred and paid between the first and final dates of eligibility of a project as specified in the project implementation agreement;
- be indicated in the estimated overall budget of the project;
- be proportionate and necessary for the implementation of the project;
- be used for the sole purpose of achieving the objective(s) of the project and its expected outcome(s), in a manner consistent with the principles of economy, efficiency and effectiveness;
- be identifiable and verifiable, in particular being recorded in the accounting records of the project promoter/project partner(s) and determined according to the applicable accounting standards of the country and according to generally accepted accounting principles;
- comply with the requirements of applicable tax and social legislation

Expenditures are considered to have been incurred when the cost has been invoiced, paid and the subject matter delivered/ performed (in case of services). Exceptionally, costs in respect of which an invoice has been issued in the final month of eligibility are also deemed to be incurred within the dates of eligibility if the costs are paid within 30 days of the final date for eligibility.

The project promoter's/project partners' internal accounting and auditing procedures must permit direct reconciliation of the expenditures declared in respect of the project with the corresponding accounting statements and supporting documents.

V.6.2. First and final dates for eligibility of expenditure

Costs within projects will be eligible from the date set in the project implementation agreement. The project implementation agreement shall set the final date of eligibility of costs, which shall be no later than 30 April 2017. Costs incurred after that final date are not eligible. Costs are deemed to be incurred within the dates of eligibility if the costs are invoiced, and the subject of the costs is delivered, within the said dates.

V.6.3. Requirements regarding the documentary evidence and accounting system

The project promoter/partner shall observe the principles of transparency and sound financial management and shall comply with the following requirements:

1. To use an appropriate electronic system of bookkeeping and double-entry accounting, which is capable of generating accounting statements of profit and loss for the particular project financed under the FBRNL, separate from its other profit and loss;

2. To ensure the functioning of an adequate internal control system which enables tracking of the authorization by the respective bodies of the project promoter/partner of the awarding, acceptance and payment for the activities related to the implementation of the project;
3. To keep accurate and regular documentation and to ensure on the basis of its bookkeeping and accounting system all necessary accounting statements as extracts from the general ledger, ancillary ledgers and payroll documentation, and other accounting information.

In order to fulfill the requirements for documentary evidence, the project promoter/partner(s) must ensure the following documentation:

1. Proof of executed payments such as bank statements of account, payment orders, etc.;
2. Proof of executed purchases such as invoices, receipts, tickets;
3. Proof of costs for remunerations – declaration of work time dedicated to the project (time sheet), employment contract and payroll document (slip), service contract and list of fees, information about the declared and paid social security contributions and taxes;
4. Proof of receiving goods and services such as handover certificates, approved reports, etc.;
5. Proof related to the calculation of fuel costs – travel book for the mileage, average fuel consumption;
6. Proof of the organizing of conferences, trainings, workshops, study visits and other activities under the project;
7. Proof of compliance with the applicable national legislation in the selection of suppliers of goods and providers of services. A full set of documents confirming the preparation and conducting of the procedures for selection thereof;
8. A report by an independent and certified auditor, certifying that the claimed costs by the partner whose primary location is in a Donor state, are incurred in accordance with the Regulations, the national law and accounting practices of the project partner's country.
9. Overheads identified according to paragraph V.6.4.2 (b) do not need to be supported by accounting documents.

The project promoter/partner is obligated to ensure access for the NFP, auditing bodies from the donor countries, as well as the authorized national authorities in the course of execution of inspections by means of investigation into its documentation or on-site visits, related to the project's implementation, and also in the course of a comprehensive auditing, if necessary. Such inspections may be conducted in up to 5 years from the date of the final payment under the project, as well as until completion of any administrative, pre-court or court proceedings that may exist.

The project documentation shall be stored for at least 5 (five) years after approval of the final report and for a period of time not shorter than such stipulated in the national legislation.

V.6.4. Eligible expenditures

The following types of expenditures are eligible:

1) Eligible direct costs

Expenditures which are identified by the project promoter or the project partner(s), in accordance with project promoter's/project partners' accounting principles and usual internal rules, as specific expenditures directly linked to the implementation of the project and which can therefore be booked to it directly.

In particular, the following types of expenditures may be eligible provided that they satisfy the criteria set out in point V.6.1:

- Costs for remuneration of experts (expert fees) assigned for the activities performed by the project promoter/partner(s), corresponding to the gross remuneration plus the social security and health insurance contributions incurred by the employer and the other costs related to them as per the national legislation. The remunerations shall not exceed those normally covered by the project promoter/partner(s). The social security contributions and taxes related to expert costs shall be declared and paid in accordance with the requirements of the national tax and social security legislation.
- Fees, travel (including subsistence allowances) and accommodation costs related to participation in conferences, seminars, training courses, workshops, study visits. Travel and subsistence allowances for experts taking part in the project are eligible provided that they are in line with the project promoter's and project partners' usual practices on travel costs and in line with the relevant Bulgarian and donor states legislation. Costs of business trips of Bulgarian participants in the country shall comply with the requirements of the Ordinance for Business Trips in the Country within the authorized budget limit. Costs of business trips abroad of Bulgarian participants shall be in accordance with the requirements of the Ordinance on Business Trips and Specializations Abroad, within the authorized budget limit.

Per-diem allowances for foreign experts shall not exceed 70 EUR per day. Accommodation shall not exceed 130 euro per night. Travel on business class shall not be an eligible cost.

- Costs related to conducting studies and analyses;
- Costs of conferences, seminars and workshops (rent of facilities, catering, interpretation and translation of working materials, etc.);
- Costs related to promotional and informational activities for strengthening bilateral relations;
- Costs entailed by other contracts 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;
- Costs arising directly from requirements imposed by the project implementation agreement (for example for implementation of the information and publicity plan, costs of issuing an auditor's statement as a proof of costs incurred by a donor project partner, etc.)

2) *Indirect costs in projects (overheads)*

Indirect costs are all eligible costs that cannot be identified by the project promoter/partner as being directly attributed to the project but which can be identified and justified by the accounting system of the project promoter/partner as being incurred in direct relationship with the eligible direct costs attributed to the project. They can not include any eligible direct costs. Indirect costs of the project shall represent a fair apportionment of the overall overheads of the project promoter/partner. They may be identified according to either of the following methods:

a) based on actual indirect costs for those project promoters/partners that have an analytical accounting system to identify their indirect costs as indicated above. In this case the indirect costs may be up to 15% of the total direct eligible costs.

b) project promoter/partner may opt for a flat rate of up to 15 % on the eligible costs mentioned in point V.6.3.1. The amount of the eligible indirect costs shall be determined on the basis of the approved fixed percentage multiplied by the total amount of the direct eligible costs less the amount of the direct costs for awarding of activities to subcontractors.

The method of the indirect costs and its maximum amount shall be determined in the project implementation agreement.

V.6.5. Ineligible expenditures

The following costs shall not be considered eligible:

- interest on debt, debt service charges and late payment charges;
- charges for financial transactions and other purely financial costs, except costs of financial services imposed by the project agreement;
- purchase of land and/or real estate;
- recoverable VAT;
- provisions for losses or potential future liabilities;
- currency exchange losses;
- costs that are covered by other sources;
- fines, penalties and costs of litigation;
- extraordinary and inexpedient costs;
- any other costs incurred before signing the project implementation agreement

VI. Application procedure

VI.1. Application package

The full application package is available and can be downloaded from the website of the NFP at the following address: <http://www.eeagrants.bg>. The Application package should include the documents listed below:

- **Application form** (Annex 1 to the present guidelines) - the beneficiary must fill-in the application form downloaded from the website indicated above, in compliance with all the requirements of the present guidelines. All sections of the application form must be duly filled-in in English language with clear and detailed information allowing for adequate evaluation of the project proposal. The beneficiary has to describe the results to be achieved and to point out the indicators to which the initiative will contribute.
- **Budget** (Annex 2 to the present guidelines) - the budget must be filled-in in EUR.
- **Partnership Statement** (Annex 3.1) defining the partners' roles and responsibilities, incl. budgetary allocations;
- **Declaration by the Donor State Partner** (Annex 3.2) - must be duly filled-in in English by the donor state partner. It must have the original signature of the legal representative(s) of the donor state partner certifying that the partner is not under the circumstances listed.

- **Declaration** (Annex 4) – must be duly filled-in in Bulgarian by the beneficiary. It must have the original signature of the legal representative(s) of the beneficiary certifying that the beneficiary is not under the circumstances listed.
- CVs
Annex 5.1 – CV in Bulgarian – must be duly filled-in by key Bulgarian project experts involved in project implementation including the project manager.
Annex 5.2 – CV in English – must be filled-in by key Donor experts involved in project implementation including the project manager, if applicable.

All beneficiaries shall submit their project proposals in English. Donor partners' original documents in languages other than English sent to the NFP shall be accompanied by translations into English, if applicable. The beneficiary will bear full responsibility for the authenticity of the translation.

VI.2. Submission of applications

The application package shall be submitted in 1 original hard copy duly signed to the NFP through the Document Control Department with the Council of Ministers and via e-mail. The hard copy of the application shall be submitted to the following address:

*Monitoring of EU Funds Directorate
Council of Ministers of Republic of Bulgaria
1 Dondukov Blvd, 1194 Sofia, Bulgaria*

e-mail: g.mladenova@government.bg

The following details must be indicated on the envelope:

- Fund for Bilateral Relations at National Level;
- the name of beneficiary, the name of contact person, address, phone and fax numbers, and e-mail address.

VII. Assessment of project applications and awarding of grants

VII. 1. Assessment of applications

Project proposals shall be coordinated with donor states and the Norwegian Embassy (NE) in Sofia through written communication between NFP, the Financial mechanism Office and the NE. The formal assessment of project applications is carried out by the NFP in three stages: compliance with the administrative and eligibility criteria, qualitative assessment and final decision making.

Formal/administrative criteria

- The appropriate application form under the FBRNL has been used;
- The application has been presented in English;
- All sections of the application form have been filled-in;

- The project proposal contains all relevant annexes;

Eligibility criteria

A) Project

- The project proposal duration is not more than 24 months;
- The proposed project is within the thematic area;

B) Beneficiary

- The beneficiary (lead applicant) is a public body and falls within the scope of organisations specified in V.1 above.

C) Partner

- There is a donor state partner that falls within the scope of organisations specified in V.1 above.

Project promoters of applications that do not fully conform to the formal/administrative and eligibility criteria will be informed by e-mail and regular mail by the NFP within ten days receipt of the project application. If any shortcomings are found concerning the formal and administrative criteria, these can be corrected by the beneficiary within 10 working days from the date of receipt of the notice.

Qualitative criteria

- Relevance of the initiative/project proposed to the objectives of the FBRNL;
- Relevance of the project proposal to at least one of the programme areas under EEA FM and NFM;
- Quality of the presentation of the project idea – clear link between activities, outputs and results, relevant indicators, realistic time frame for implementation of activities;
- Potential for the partnership;
- Follow-up and sustainability of the partnership;

Applications meeting the formal and administrative criteria, as well as the eligibility criteria, will then be subject to a qualitative assessment organised by NFP and related to the correspondence of project proposal to the two main objectives of the EEA FM and NFM with a focus on bilateral cooperation.

VII. 2. Awarding of grants

The final decision for funding will be based on compliance with eligibility, administrative and quality criteria and availability of funds and a check performed by the NFP with the purpose to confirm lack of double funding. The project promoter will be notified of the decision with an official letter from the Head of the NFP copied to the FMO and Norwegian Embassy in Sofia.

The NFP reserves the right to make reductions in the approved project budget, in justified cases.

VII. 3. Conclusion of project implementation agreements

Together with the official notification of project approval, the NFP will send a draft Project Implementation Agreement to the project promoter that stipulates the conditions regulating the purpose of the grant, rights and obligations of the parties and further details concerning the implementation of the approved project. Prior to signing the project implementation agreement a partnership agreement(s) between the project promoter and the project partner(s) shall be concluded and submitted to NFP for approval. The partnership agreement between the project promoter and the donor project partner shall be in English. The partnership agreement shall be in line with the requirements of Art.6.8 of the Regulations. It shall include the following articles:

- Provisions on the roles and responsibilities of the parties;
- Provisions on the financial arrangements between the parties, including, but not limited to, which expenditure the project partner can get reimbursed from the project budget;
- Currency exchange rules for such expenditure and its reimbursement;
- Provisions on audit of the project partner;
- A detailed budget, with itemised costs and unit prices;
- Provisions on dispute resolution

The project implementation agreement to be concluded between the NFP and the project promoter shall set out the terms and conditions of the grant assistance, as well as the roles and responsibilities of the parties. The following documents represent an integral part of the project implementation agreement:

- Annex 1: Approved Project with all annexes;
- Annex 2: Approved project budget;
- Annex 3: Partnership Agreement(s);
- Annex 4: Financial Identification (template);
- Annex 5: Declaration on VAT Status (template);
- Annex 6: Request for Payment (template);
- Annex 7: Interim Narrative Report (template);
- Annex 8: Final Narrative Report (template);
- Annex 9: Interim Financial Report (template);
- Annex 10: Final Financial Report (template);
- Annex 11.1: Declaration for Lack of Double-Financing in Bulgarian (template);
- Annex 11.2: Declaration for Lack of Double-Financing in English (template);
- Annex 12.1: Time sheet for experts in Bulgarian (template);
- Annex 12.2: Time sheet for experts in English (template).

VIII. Implementation

The Project Promoter shall bear responsibility for the implementation and follow-up of the project as well as reporting on the results in accordance with the project implementation agreement. The relevant provisions for the implementation of the projects are set out in these Guidelines for Applicants and the Project Implementation Agreement. In case of conflict

between them, the Project Implementation Agreement takes precedence over the Guidelines for Applicants.

VIII.1. Payment

Grant assistance shall be given as reimbursement of already incurred documented costs. The project promoter can request interim payments and payment of the final balance. Requests for Payment shall be addressed to the Head of the NFP.

The project promoter shall establish a project bank account in BGN to which the payment from the NFP will be made and all payments regarding the project shall be made from this account.. NFP shall pay interim/final payments in accordance with the request for payment and the Interim/Final Financial Report. They shall be accompanied by all the necessary documentary evidence demonstrating fulfilment of the conditions for each disbursement.

The NFP shall ensure that all disbursement conditions have been fulfilled before making a payment. Disbursements shall be made in BGN in line with the official tied currency rate, i.e. €1= BGN 1.9558 to the designated project bank account of the project promoter.

Interest revenue on project account shall be deducted from the grant amount with the final payment, if applicable.

For costs in NOK, the Project Promoter shall apply the rates in force on the day before the last working day of the month preceding the month during which the expenditures were recorded.

VIII.2. Verification of payment claims

The payment claims shall be verified by NFP/external vericator and payments due shall be transferred to the project promoter within 20 working days from the issuance of a verification report. The process of verification takes place on a quarterly basis.

VIII.3. Reporting

The project promoter shall, unless otherwise stated in the project implementation agreement, submit to the NFP an Interim Financial and Narrative Reports as per the project implementation agreement in connection with the payment claims.

NFP may at any time ask the project promoter for further information. The reporting shall be done in accordance with the relevant provisions of the project implementation agreement.

The Final Narrative Report on project results and impact, including performance on indicators as well as the final payment claim shall be submitted to NFP no later than one month after the final date for eligibility of costs for the project set in the project implementation agreement.

VIII.4. Monitoring by NFP

NFP will monitor projects in order to ensure that the project implementation agreement is fulfilled and the project is implemented in accordance with the principles of sound financial management, transparency, effectiveness and cost-efficiency. NFP will conduct monitoring focused particularly on:

- achievement of results, outputs and indicators;

- contribution to the general objectives for strengthening bilateral cooperation;
- assessment of shared results, increased knowledge, wider effects, new areas for cooperation identified or existing cooperation strengthened, transfer of knowledge/expertise/introduction of innovative approaches

Monitoring will be done in accordance with the approved Management and Control System on the implementation of the EEA FM and NFM 2009-2014 uploaded to the NFP's website www.eeagrants.bg.

VIII.5. Compliance with information and publicity requirements

The project promoter/partners shall ensure that information on approved project is communicated in the most efficient way to the public and that the contribution of the EEA FM and NFM 2009-2014 is given adequate publicity. The project promoter/partners shall refer to the Information and Publicity Requirements under the EEA FM and NFM 2009-2014 uploaded to the NFP's website www.eeagrants.bg.

A project summary of the approved project will be uploaded at the website www.eeagrants.bg.

IX. Audits and Financial Control

IX.1. Financial control and audit

NFP will be responsible for the financial control of approved projects. The project promoter shall be accountable to NFP, the Certifying Authority (CA) and Audit Authority (AA) under the EEA FM and NFM 2009-2014, the Financial Mechanism Committee/FMO and the EFTA Board of Auditors for the management of funds and for all matters related to financial control, audit and fraud.

Projects under the FBRNL may at any time be audited by the AA, the EFTA Board of Auditors, the Office of the Auditor General of Norway and the Bulgarian National Audit Office and/or audit authority designated by the FMC.

X. Irregularities

Irregularity shall mean any infringement of the rules governing the EEA FM and NFM 2009-2014, European Union law or national legislation, if such a breach could affect or endanger any stage of the implementation of EEA FM and NFM 2009-2014, in the Republic of Bulgaria, especially the implementation and/or the budget of a program, project or other activities financed by EEA FM and NFM 2009-2014 (according to Art. 11.2 of the Regulations).

In regard to irregularities under the FBRNL NFP will apply the provisions described in detail in Art. 10 of the Management and Control System for the implementation of the EEA FM and NFM 2009 – 2014 for Bulgaria (MCS).

Entities involved in the implementation of projects under the FBRNL are required to promptly notify the NFP in any case of suspected irregularity. In cases of suspected serious irregularity NFP may suspend payments for a given project for the time necessary.

XI. Annexes:

- Annex 1: Project proposal;
- Annex 2: Project budget;
- Annex 3.1: Partnership statement;
- Annex 3.2: Declaration by the Donor State Partner;
- Annex 4: Declaration of the beneficiary;
- Annex 5.1: CV in Bulgarian;
- Annex 5.2: CV in English;
- Annex 6: Project implementation agreement.