

**FUND FOR BILATERAL RELATIONS AT NATIONAL  
LEVEL FOR BULGARIA**

**UNDER THE EEA FM AND NFM 2009-2014**

**GUIDELINES FOR GRANT APPLICANTS**

**CALL FOR PROPOSALS  
(PRIORITY 1 & PRIORITY 2)**

**APRIL 2014**



## Table of Contents

List of abbreviations.....	3
I. Introduction .....	4
II. FBRNL management structure.....	4
III. Objectives of FBRNL, thematic areas, results and outcomes .....	4
III. 1. Objective of FBRNL .....	4
III. 2. Thematic areas (priorities) under the FBRNL.....	5
III. 3. Results and expected outcomes .....	5
III.4. Indicators for strengthening bilateral relations.....	6
III.5. Guiding principles and cross-cutting issues .....	6
IV. Project characteristics .....	7
IV.1. Financial allocation .....	7
IV.2. Grant rate, size of projects .....	7
IV.3. Duration of projects .....	7
IV.4. Geographical coverage.....	7
V. Eligibility of beneficiaries, activities, expenditures .....	7
V.1. Eligible beneficiaries .....	7
V.2. Partnership and role of the project partner(s).....	8
V.3. Eligibility of projects.....	8
V.4. Procurement and <i>de minimis</i> aid regime .....	8
V.5. Eligible activities .....	9
V.6. Eligible expenditures .....	10
V.6.1. General principles on the eligibility of expenditures .....	10
V.6.2. First and final dates for eligibility of expenditure .....	10
V.6.3. Requirements regarding the documentary evidence and accounting system .....	10
V.6.4. Eligible expenditures .....	11
V.6.5. Ineligible expenditures .....	13
VI. Application procedure.....	13
VI.1. Application package.....	13
VI.2. Submission of applications .....	15
VI.3. Deadline for submission of applications .....	15
VI.4. Questions and answers .....	15
VII. Assessment of applications and awarding of grants .....	15
VII. 1. Assessment of applications.....	15
VII. 2. Awarding of grants .....	18
VII. 3. Notification of project promoters and conclusion of project implementation agreements.....	18
VIII. Implementation.....	19
VIII.1. Payment .....	19
VIII.2. Verification of payment claims .....	20
VIII.3. Reporting .....	20
VIII.4. Monitoring by NFP .....	20
VIII.5. Compliance with information and publicity requirements.....	20
IX. Audits and Financial Control .....	21
X. Irregularities .....	21
XI. Annexes:.....	21

## List of abbreviations

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

## **I. Introduction**

The Fund for Bilateral Relations at National Level (FBRNL) under the European Economic Area Financial Mechanism and the Norwegian Financial Mechanism (EEA FM and NFM) 2009-2014 was established to strengthen bilateral relations between the Donor states and the Republic of Bulgaria during the programme preparation and its implementation. The FBRNL provides financial support for complementary and supportive partnership initiatives and informative activities with aim to create or strengthen the base for present or future cooperation.

The present Guidelines for Grant Applicants have been developed in conformity with the approved Work Plan and the Implementation System on the implementation of the FBRNL of 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 projects financed under two priorities as per the Work Plan approved by the donors.

## **II. FBRNL management structure**

The Monitoring of EU Funds Directorate (MEUFD) at the Council of Ministers acts as the National Focal Point under the EEA FM and NFM 2009-2014. The functions and responsibilities of the NFP are performed at operational level by the *Other Instruments and Programmes Department* within the MEUFD. 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 the Technical Assistance and the 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, thematic areas, results and outcomes**

### **III. 1. Objective of FBRNL**

The objective of the Fund for Bilateral Relations at National Level under 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 states and Bulgarian partner institutions or organisations in order to contribute to the solution of specific development challenges.
- The Donor 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 donors’ knowledge and experience.

### **III. 2. Thematic areas (priorities) under the FBRNL**

Projects submitted under this Call for Proposals shall address the objective by establishing/enhancing cooperation between Bulgarian and Donor State partners for joint implementation of activities, exchange of good practices, transfer of expertise and know-how in the following two thematic areas (priorities) of strategic importance where specific mutual interest and common concern have been identified:

- **Priority 1: Knowledge exchange in combating drugs and organized crime, children and youth at risk;**
- **Priority 2: Promotion of European values and in particular history teaching in multicultural society**

### **III. 3. Expected results**

The projects under both priorities under the FBRNL as a whole should contribute to the following results:

- *Extent of cooperation*

The increased extent of cooperation between public sector entities, private sector entities and within civil society might be through formal partnerships or through more ad hoc exchange and collaboration.

- *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 initiatives financed under both priorities of the FBRNL are expected:

- to lead to more efficient and effective responses to one or more challenges under the thematic areas at local, regional or national level with assistance from a donor 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 Bulgarian and Donor 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 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 results of bilateral cooperation, the National Focal Point has defined the following main qualitative and quantitative indicators for strengthening bilateral relations under the two thematic areas:

- Number of partnership agreements between institutions/organisations in Bulgaria and Donor States concluded;
- 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 joint events as a result of bilateral cooperation;
- Number of participants in organised joint events;
- Number of studies, analyses, publications on topics within the thematic areas conducted or developed;
- Number of promotional /information initiatives conducted;
- Number of people trained on topics within the thematic areas

#### **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**

Projects financed under both priorities of the FBRNL are to support partnership initiatives between Donor States and Bulgarian institutions or organisations.

##### **IV.1. Financial allocation**

The available budget under **Priority 1** is **EUR 120 000**.

The available budget under **Priority 2** is **EUR 100 000**.

The Call for Proposals is of the type “rolling call” which means that the NFP will review and assess the submitted proposals on a quarterly basis. This procedure will take place in the period since the launching of the Call for Proposals until **15 December 2014**. Qualifying projects will be accepted on a first come – first serve basis. Subsequent calls will be announced if the number of qualified proposals received does not utilize the total amount available in both priorities or there is a need for re-distribution (or re-allocation) of funds.

##### **IV.2. Grant rate, size of projects**

Minimum total amount of the grant: **EUR 5 000**

Maximum total amount of the grant: **EUR 30 000**

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

##### **IV.3. Duration of projects**

Project duration may be up to 12 months.

##### **IV.4. 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**

Projects have to be implemented in partnership with Donor State organisations/institutions. Eligible beneficiaries (project promoters) can be legal entities registered in Bulgaria. Donor project partners will help shape approaches and activate response capacity to deal with challenges under both thematic areas, transmit know-how and best practices, support learning and methodology development processes.

Eligible beneficiaries under the two thematic areas of the FBRNL are as follows:

- Programme Operators (POs) according to the Memoranda of Understanding on the implementation of EEA FM and NFM 2009-2014 within whose competence the thematic areas fall;
- Ministries and other state institutions in charge of implementing national policies in the field of the two thematic areas;

- Primary and secondary schools, universities and research organizations;
- Local and regional authorities;
- Non-profit organizations registered under the Non-Profit Legal Entities Act

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

It is obligatory for the beneficiaries to involve a partner organisation from the Donor States in project preparation and implementation. Eligible project partners under this Call for Proposals are institutions/organisations from the Donor States and Bulgaria, if applicable, which are properly constituted and registered legal entities in their country and meet the same requirements as for the eligible beneficiaries described in item V.1 above. Project partners can spend money for implementation of project activities in line with the approved project budget. The project implementation agreement will be concluded with the project promoter which will have the obligation to pay out to the partner(s) the agreed amount for the implementation of project activities by the partner(s).

Each project partner shall fill in and sign a 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 in III.1 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.

Eligible beneficiaries have to choose only one thematic area (priority) that applies to their project proposal.

One beneficiary can be awarded only one grant under both priorities. A legal entity from the Donor States can be a partner in no more than three projects.

## **V.4. Procurement and *de minimis* aid rules**

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 a supplier of goods and 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.

The project grants under the present Call for Proposals will be provided in compliance with the “*de minimis aid*” rules laid down in the Commission Regulation (EC) No 1407/2013 of 18 December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to *de minimis* aid.



A beneficiary or project partner(s), regardless of whether it is a non-governmental organization or a public body, shall be deemed to be eligible, provided that the total amount of the financing for which the relevant beneficiary or project partner(s) applies/y for under the FBRNL, cumulated with the amount of any other *de minimis* aid received by the applicant /project partner(s) in the last three fiscal years, including the current year, irrespective of its form and source of financing, does not exceed EUR 200,000 or its BGN equivalence as per the official exchange rate of the euro to the Bulgarian currency. The total *de minimis* aid granted to a beneficiary or project partner(s) active in the road transport sector in the last three fiscal years shall not exceed EUR 100,000 or its BGN equivalence as per the official exchange rate of the euro to the Bulgarian currency.

In the evaluation whether the *de minimis* aid ceiling will be exceeded or not the NFP shall take into account any *de minimis* aid received by the beneficiary /the project partner(s) in the last three fiscal years, including the current one, regardless of whether the aid received was financed entirely or partly by EU resources. The amount of the *de minimis* aid which will be considered shall be the gross aid amount, that is, before any deduction of tax or other charge.

No grants will be provided to beneficiaries or project partner(s) falling into any of the exceptions set out in Article 1 of Commission Regulation (EC) No1407/2013 of 18 December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to *de minimis* aid.

The beneficiary and Bulgarian project partner, if applicable shall fill in and sign *De Minimis* Aid Declaration (Annex 5 to the present guidelines) and submit it with the application package.

#### **V.5. Eligible activities**

The allocated funds under the FBRNL will be used for 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 thematic areas identified. The following types of activities are eligible under the two thematic areas of the FBRNL:

- joint conferences, seminars and workshops on topics within the thematic areas;
- capacity building and short term training in view of exchange and implementation of professional or organisational skills;
- study trips, visits and meetings with the aim of sharing experience and know-how in the thematic areas;
- jointly developed reports, analyses, surveys, studies and publications on topics within the thematic areas ;
- campaigns, exhibitions and promotional initiatives for strengthening bilateral partnerships;
- better mutual understanding and knowledge to be achieved about the country in the country of the other project partner

POs shall apply only for activities that are not eligible under the management costs, bilateral funds at programme level and complementary actions of the respective programmes within the EEA FM and NFM 2009-2014.

Eligible project activities should be completed till 31 October 2016.

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 (in case of goods) or 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. This period shall not exceed the final date of eligibility of costs under the FBRNL, i.e. 31 October 2016.

### **V.6.2. First and final dates of 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 31 October 2016. 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 matter (goods, services) of the costs is delivered, within the said dates.

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

The project promoter/partner(s) 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 organizing 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.

The project promoter/partner(s) is/are 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 project 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/partner(s) 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(s) 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.

Examples of indirect costs:

1. remuneration of a Manager/Coordinator/Technical Assistant;
2. accounting;
3. communication costs (telephone, Internet, mail costs, etc.);
4. utilities (heating, power supply, water supply, security, waste collection fee, etc.);
5. costs for office rental;
6. fees for opening and keeping a bank account for the project.

The indirect costs for staff remunerations shall correspond to the remuneration actually paid plus the social security contributions. The remunerations and their related costs shall not exceed those normally paid by the project promoter/partner(s).

#### **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 implementation 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. If the beneficiary and/or the partner(s) is/are registered under the Value Added Tax Act and the VAT is recoverable then Annex 2.1.B should be filled in.



If the beneficiary and the partner(s) are not registered under the Value Added Tax Act and the VAT is unrecoverable (in this case the VAT is eligible expenditure under the FBRNL) then Annex 2.1.A should be filled in.

- **Declaration**

Annex 3.1 – must be duly filled-in in Bulgarian by the beneficiary (with the exception of public organisations/institutions) and the Bulgarian partner (with the exception of public organisations/institutions), if applicable. It must have the original signature of the legal representative(s) of the beneficiary/Bulgarian project partner, if applicable, certifying that the beneficiary/Bulgarian partner organisation is not under the circumstances listed.

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 organisation is not under the circumstances listed.

- Annex 3.3 – must be duly filled-in in Bulgarian by the beneficiary (in case of a public organisation/institution). It must have the original signature of the legal representative(s) of the beneficiary certifying that the beneficiary is not under the circumstances listed.

- **Partnership Statement**

Annex 4.1- must be duly filled-in by the Bulgarian project partner defining the partner's role and responsibilities, if applicable.

Annex 4.2- must be duly filled-in in English by the Donor State partner defining the partner's role and responsibilities.

- **De minimis aid Declaration**

Annex 5 *De minimis aid* Declaration - must be duly filled-in by the beneficiary and the Bulgarian partner, if applicable. It must have the original signature of the legal representative(s) of the beneficiary/Bulgarian partner, if applicable.

- **CVs**

Annex 6.1 – CV in Bulgarian – must be duly filled-in by key Bulgarian project experts involved in project implementation including the project manager.

Annex 6.2 – CV in English – must be filled-in by key Donor State experts involved in project implementation including the project manager, if applicable.

- **Declaration of VAT status** (Annex 7) - must be duly filled-in in Bulgarian by the beneficiary/Bulgarian partner, if applicable. It must have the original signature of the legal representative(s) of the beneficiary/Bulgarian partner.
- **Current Legal Standing Certificate of the beneficiary** (if the beneficiary is a non-governmental organization) **and the Bulgarian partner** (if the partner is a non-governmental organization), if applicable, issued not earlier than 3 (three) months before the application deadline - certified by the beneficiary/Bulgarian partner, signed and stamped copy.
- **Proof of current legal status of the Donor state partner according to the national legislation**, signed and stamped copy “True to the original”.

Eligible 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 2 hard copies duly signed (one original and one copy of all submitted documents) and a CD identical to the hard copies to the NFP through the Registrar's Office with the Council of Ministers. Applications must be submitted in a sealed envelope by registered mail or a courier service (the date of the post office stamp or express courier receipt will be considered as proof of the date of sending), or by hand delivery at the address below:

*Monitoring of EU Funds Directorate  
Council of Ministers of Republic of Bulgaria  
1 Dondukov Blvd, 1594 Sofia, Bulgaria*

The following details must be indicated on the envelope:

- Call for Proposals 2013 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.

## **VI.3. Deadline for submission of applications**

The deadline for submission of applications is **5 p.m. (local time) on December 15th, 2014.**

## **VI.4. Questions and answers**

Potential project promoters may submit questions in relation to the Call for Proposals by sending an e-mail to address: [G.Mladenova@government.bg](mailto:G.Mladenova@government.bg). Answers will be published on the NFP's website [www.eeagrants.bg](http://www.eeagrants.bg) "Bilateral Fund" section within 10 working days and will become part of the Guidelines for Grant Applicants. The NFP will give only principle answers to the questions and will not give prior opinion on the eligibility of specific activities and costs.

## **VII. Assessment of applications and awarding of grants**

### **VII. 1. Assessment of applications**

The selection of projects is carried out in three stages: all submitted applications are reviewed for compliance with the administrative and eligibility criteria, qualitative assessment and final decision making.

The submitted applications will be screened for eligibility and administrative compliance by the experts of NFP. In order to move on to the next evaluation stage, the proposals must fulfill all of the administrative and eligibility criteria listed below:

#### *Formal/administrative criteria*

- The application has been submitted within the deadline;
- 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 is submitted in 2 hard copies duly signed (one original and one copy of all required documents) and a CD identical to the hard copies;
- The project budget is presented in the required format;



- Declaration (Annex 3.1) signed by the beneficiary and the Bulgarian partner, if applicable, is presented;
- Declaration (Annex 3.2) signed by the Donor state partner is presented;
- Declaration (Annex 3.3) signed by the beneficiary is presented;
- Partnership Statement (Annex 4.1) signed by the Bulgarian partner, if applicable, is presented;
- Partnership Statement (Annex 4.2) signed by the Donor partner is presented;
- *De minimis aid* Declaration (Annex 5) duly signed by the beneficiary/Bulgarian partner, if applicable, is presented;
- CVs of key Bulgarian experts including the project manager (Annex 6.1.) are presented in the required format;
- CVs of key Donor experts (Annex 6.2.) including the project manager, if applicable, are presented in the required format;
- Declaration of VAT status (Annex 7) signed by the beneficiary/Bulgarian partner, if applicable is presented;
- Current Legal Standing Certificate of the beneficiary issued not earlier than 3 (three) months before the application deadline - certified by the beneficiary, signed and stamped copy is submitted (if the beneficiary is a non-governmental organization);
- Current Legal Standing Certificate of the Bulgarian partner issued not earlier than 3 (three) months before the application deadline - certified by the partner, signed and stamped copy is submitted (if the Bulgarian partner is a non-governmental organization), if applicable;
- Proof of current legal status of the Donor state partner according to the national legislation, signed and stamped copy "True to the original" is presented.

### *Eligibility criteria*

#### *A) Project*

- The project proposal duration is not more than 12 months;
- The proposed project is within the thematic areas (priorities) set in the Call for Proposals;
- The amount of the requested grant is within the minimum and maximum limit specified;
- The percentage of project indirect costs is in compliance with the limits set in the Call for Proposals

#### *B) Beneficiary*

- The beneficiary is registered as a legal entity in Bulgaria and falls in one of the categories required;
- The beneficiary has not been awarded grant under both priorities of the FBRNL

#### *C) Partner*

- There is a donor state partner that falls in one of the legal categories required as eligible.

Beneficiaries that do not conform to the formal/administrative and eligibility criteria will be informed by the NFP by e-mail and regular mail within three weeks after the deadline for submission of project proposals. 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.

Beneficiaries whose applications have been rejected may appeal to the Head of the NFP within 15 working days from the date of receipt of the notice of refusal. Within 30 working days from receipt of the appeal the beneficiary will be informed of the final decision.

Applications meeting the formal and administrative criteria, as well as the eligibility criteria, will then be subject to a qualitative assessment organised by NFP. Each application will be reviewed by two experts defined by the NFP according to the criteria and rating scale described below. The project final score will be the average of the project scores received by both evaluators.

### Evaluation grid for qualitative assessment of the application

Criterion	Max score	References
<b>1. Relevance</b>	<b>25</b>	
1.1. Relevance to the objectives of the FBRNL and the Priority 1/2 Grant Scheme	10	E.1; E.2; E.3
1.2. Relevance to the FBRNL/Priority 1 & 2 Results and Outcomes (contribution to strengthening bilateral relations/cooperation in the thematic area)	10	E.3; E.4; E.5
1.3. Relevance to cross-cutting issues	5	E.10
<b>2. Project description</b>	<b>35</b>	
2.1. Relationship between expected results and planned activities, interrelation between project activities	10	E.4
2.2. Adequacy and reliability of defined results and indicators	5	E.5
2.3. Adequacy of proposed methodology	5	E.6
2.4. Comprehensiveness and adequacy of the proposed timetable of activities	5	E.7
2.5. Networking/cooperation with other stakeholders and/or synergies with other projects/initiatives	5	E.8
2.6. Added value of the partnership for strengthening bilateral relations within the thematic area	5	E.9
<b>3. Project budget</b>	<b>20</b>	
3.1. Correlation between planned activities and proposed expenditures	10	Annex 2
3.2. Cost effectiveness and efficiency of proposed budget	10	Annex 2
<b>4. Implementation capacity of the partnership (beneficiary and project partner(s))</b>	<b>15</b>	

4.1. Beneficiary and partner(s)' organisational capacity to implement the project	5	C.1.1; C.2.1; C.3; C.4
4.2. Beneficiary and partner(s)' experience in the thematic area	5	C.1.2; C.2.2
4.3. Role of the partner(s) and contribution to project implementation	5	C.5
<b>5. Sustainability</b>	<b>5</b>	
5.1. Sustainability of project outcomes and of bilateral partnership	5	F.1
<b>TOTAL</b>	<b>100</b>	

The assessment criteria above are scored in a rating from zero to five points (0 lowest, 5 highest). Please take into account the following:

- the score under criteria 1.1; 1.2; 2.1; 3.1; 3.2 are multiplied by a coefficient of 2 (awarded points from 0 to 5 multiplied by a coefficient of 2 - maximum 10 points).

A project proposal may be approved for funding, if the overall evaluation score at the stage of qualitative assessment equals to at least 60 points.

**Note on Criterion Relevance:** If the total score for the section Relevance is less than 15 points, the proposal will not be further evaluated.

## **VII. 2. Awarding grants**

After the assessment of the applications has been performed the project proposals will be ranked according to the score received. The final grant decision will be taken by the Selection Committee. Applications of Programme Operators under the EEA FM and NFM 2009-2014 that have applied for activities eligible under the management costs, bilateral fund at programme level or complementary actions under the respective programme might be rejected by the Selection Committee.

The Selection Committee comprises representatives from the NFP, the Royal Norwegian Embassy and external thematic experts, if needed.

The NFP reserves the right to make reductions in the approved project budgets in justified cases upon recommendation of the Selection Committee.

## **VII.3. Notification of project promoters and conclusion of project implementation agreements**

Project promoters will be notified of the decision of the Selection Committee. The NFP will send a Grant Offer Letter to the successful project promoters. The Grant Offer Letter will specify a deadline for acceptance of the offer. The latter will state the conditions regulating the purpose of the grant and further details when implementing the approved project. On the basis of an acceptance from the project promoter and as a result of a conducted procedure for lack of double-funding by NFP a project implementation agreement will be concluded. 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 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: Grant Offer Letter;
- Annex 2: Approved Project with all annexes;
- Annex 3: Approved project budget;
- Annex 4: Partnership Agreement(s);
- Annex 5: Financial Identification (template);
- Annex 6: Declaration on VAT Status (template);
- Annex 7: Request for Payment (template);
- Annex 8: Interim Narrative Report (template);
- Annex 9: Final Narrative Report (template);
- Annex 10: Interim Financial Report (template);
- Annex 11: Final Financial Report (template);
- Annex 12: Declaration for Lack of Double-Financing (template);
- Annex 13: *De minimis aid* Declaration (template);
- Annex 14: Time sheet for experts (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 grant applicants and the project implementation agreement. In case of conflict between them, the project implementation agreement takes precedence over the guidelines for grant applicants.

### **VIII.1. Payment**

Grant assistance shall be given as reimbursement of already incurred documented costs. Project promoters 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. In case the project promoter is a Programme Operator under the EEA FM and NFM 2009-2014 it shall use the bank account already in use for payments under the respective programme.

NFP shall pay interim/final payments in accordance with the request for payment and the Interim/Final Financial Reports. These 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.

### **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 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 agreements are fulfilled and the projects are 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](http://www.eeagrants.bg).

### **VIII.5. Compliance with information and publicity requirements**

Project promoters/partners shall ensure that information on approved projects 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. Project promoters/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](http://www.eeagrants.bg).

Project summaries of approved projects will be uploaded to the website [www.eeagrants.bg](http://www.eeagrants.bg).

## **IX. Audit and Financial Control**

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 programme, project or other activities financed under the EEA FM and NFM 2009-2014 (according to Art. 11.2 of the Regulations).

In regard to the 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: Application form;

Annex 2 (Annex 2.1.A and Annex 2.1.B): Project budget;

Annex 3.1: Declaration of the beneficiary/Bulgarian partner, if applicable;

Annex 3.2: Declaration of the Donor State partner;

Annex 3.3: Declaration of the beneficiary (in case of a public organisation/institution);

Annex 4.1: Partnership Statement of the Bulgarian partner, if applicable;

Annex 4.2: Partnership Statement of the Donor State partner;

Annex 5.: *De minimis aid* declaration of the beneficiary/Bulgarian partner, if applicable;

Annex 6.1: CVs of key Bulgarian experts including the project manager;

Annex 6.2: CVs of key Donor State experts;

Annex 7: Declaration of VAT status of the beneficiary/Bulgarian partner, if applicable;

Annex 8: Draft Project Implementation Agreement