

**EUROPEAN ECONOMIC AREA  
FINANCIAL MECHANISM  
2009-2014**

**GUIDELINES FOR APPLICANTS**

**PROGRAMME BG08  
CULTURAL HERITAGE AND CONTEMPORARY ARTS**

**MEASURE 2  
CULTURAL HISTORY DOCUMENTED**

**SUMMARY OF THE PARAMETERS OF THE MEASURE**

<b>Main objectives of the measure</b>	Measure 2 “Cultural history documented” is focused on the implementation of project ideas for converting cultural value objects into digital format for the first time, and establishment of digital centers in cultural institutions or universities in view of preservation of the cultural heritage for future generations and contribution to the cultural diversity.
<b>Total amount of the grant under the procedure</b>	2 935 000 Euro
<b>Minimum amount of the grant for separate project proposals</b>	170 000 Euro
<b>Maximum amount of the grant for separate project proposals</b>	750 000 Euro
<b>Deadline for submission of applications</b>	19.05.2014 16:00 local time

## “Cultural Heritage and Contemporary Arts”

### Abbreviations

PPA	Public Procurement Agency
VAT	Value added tax
MEUFD	Monitoring of EU Funds Directorate
NFD	National Fund Directorate
EFTA	European Free Trade Association
EEA	European Economic Area
EU	European Union
VATA	Value Added Tax Act
PPA	Public Procurement Act
AEUFEA	Audit of EU Funds Executive Agency
MC	Monitoring Committee
CC	Cooperation Committee
FMC	Financial Mechanism Committee
MC	Ministry of Culture
MU	Memorandum of Understanding
CM	Council of Ministers
MF	Ministry of Finance
NFP	National Focal Point
NGO	Nongovernmental non-profit organization
AA	Audit Authority
FMO	Financial Mechanism Office
PO	Programme Operator
CA	Certifying Authority
EEAFM	European Economic Area Financial Mechanism
CTA	Central Treasury Authority
NPLE	Non-profit Legal Entity

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**Main definitions**

For the purpose of this Call for proposals, the following definitions shall be adopted:

<b>European Economic Area Financial Mechanism</b>	Protocol 38a of the Agreement on the European Economic Area creates a mechanism by which the countries of the European Free Trade Association (EFTA) help to reduce the economic and social disparities in the European Economic Area. The EEA Financial Mechanism aims to contribute to reducing the economic and social disparities within the European Economic Area, as well as to deepen the bilateral relations between the donor countries – Norway, Iceland and Liechtenstein – and the countries receiving support, among them Bulgaria.
<b>Applicants</b>	Leading organization (project promoter) and partner/s, which/who develop a project proposal for the future implementation of the approved project.
<b>Project proposal</b>	A proposal submitted by the applicant for the provision of a grant for the implementation of a project, including an application form and other supporting documents.
<b>Project</b>	A set of interrelated and complementary activities with predetermined objective/s, necessary resources and time frame for implementation, leading to the achievement of specific quantitatively measurable results.
<b>Activity</b>	A task or a group of tasks (an action or a group of actions) that have (lead to the achievement of) a particular result (result/product) and by which the implementation of the respective project is done.
<b>Grant</b>	Funds provided by the European Economic Area Financial Mechanism (EEA FM) including the respective national co-financing, by the program operator, with the purpose of implementation of the approved project aimed at achieving certain results.
<b>Grant beneficiary</b>	Legal entity responsible for the implementation of projects, incl. national, regional or local authorities, public institutions operating in the field of cultural heritage.
<b>Contractor determined by the beneficiary</b>	Contractors of project activities assigned by the beneficiaries of the grant. Contractors on the part of the beneficiary are not partners and the terms and conditions for their determination are set out in the Public Procurement Act and regulations for its implementation as well as the Application Guidelines and Decree of the Council of Ministers No

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	69/11.03.2013.
<b>Grant contract</b>	A contract signed between a manager of a Programme operator or an authorized person and a beneficiary for the provision and spending of a grant for the implementation of an approved project.
<b>Roma</b>	The term "Roma" is used for both Bulgarian citizens in vulnerable socio-economic status who identify themselves as Roma and citizens in a similar situation who are identified by surrounding as such, irrespective of their self-identification. The term is used by the EU institutions as a framework concept involving groups of people who have more or less similar cultural characteristics, regardless of whether they are settled or not (SEC (2010) 400).
<b>De minimis aid</b>	Aid that does not distort or threaten competition or that has negligible impact on it due to its minimum size, defined in Regulation (EC) № 1998/2006 of 15 December 2006 on the application of Art. 87 and 88 of the Treaty to de minimis aid.
<b>Irregularity</b>	Any violation of the legal framework of the European Economic Area Financial Mechanism 2009-2014, violations that affect the implementation and/or budget of each program/project or other activities financed by the EEA Financial Mechanism 2009-2014, incl. unjustified and excessive costs, as well as reduction or loss of revenue generated within the program and/or projects financed by the EEA Financial Mechanism 2009-2014.

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### 1. EUROPEAN ECONOMIC AREA FINANCIAL MECHANISM AND NORWEGIAN FINANCIAL MECHANISM 2009-2014

#### 1.1. General information

On 29.06.2011, the Memorandum of Understanding on the implementation of the European Economic Area Financial Mechanism 2009-2014 (EEA FM) was signed between Bulgaria and Iceland, Liechtenstein and the Kingdom of Norway.

**The overall objective of the financial instrument is reduction of the economic and social disparities in the European Economic Area and strengthening of bilateral relations between the donor countries and Bulgaria.**

Bulgaria is a beneficiary of the EEA Financial Mechanism 2009-2014. All projects approved for financing under the EEA FM 2009-2014 must comply with the national priorities, strategies and policies of Bulgaria in the respective priority sectors, as well as with the agreements with the EEA and the European Union.

According to Art. 2.1 of the Regulation on the implementation of the EEA FM 2009-2014 (hereinafter referred to as the Regulation) in Bulgaria, the following programme areas will be funded:

- ✓ Integrated marine and inland water management;
- ✓ Biodiversity and ecosystem;
- ✓ Energy efficiency and renewable energy;
- ✓ Funds for non-governmental organizations;
- ✓ Children and youth at risk;
- ✓ Public health initiatives;
- ✓ **Conservation and revitalization of cultural and natural heritage;**
- ✓ **Promotion of diversity in culture and arts within the European Cultural Heritage;**
- ✓ Scholarships.

#### **IMPORTANT!**

**The establishment of partnerships between organizations from the donor countries and the country-beneficiary shall be encouraged, especially in areas where the partnership is mutually beneficial, brings added value and can improve the quality of the project.**

In the implementation of the EEA Financial Mechanism, the principles of transparency, effectiveness and cost efficiency shall be observed as well as the principles of good governance, sustainability, non-discrimination, including gender equality and equal start.

#### 1.2. Programme BG 08 Cultural Heritage and Contemporary Arts

The rich cultural, historical and natural heritage of Bulgaria offers great potential for economic growth, increase in employment and greater social cohesion. The utilization of this potential requires investments by which to prevent the deterioration of cultural heritage. Support is needed to stimulate the development in the field of contemporary art and culture, to promote intercultural dialogue and to raise public awareness regarding the importance of cultural diversity.

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Besides investments in protection of the Bulgarian cultural heritage, another main focus is to increase the opportunities for participation of people in activities related to arts and culture, as well as to provide better access to Bulgarian art, culture and heritage.

Furthermore, it is necessary for expert capacity to be developed to adapt to these challenges related to the entering of digital technologies and the need to reach new audiences and to expand relations with the wider public. These challenges are recognized by the European Commission in the Creative Europe 2014-2020 Programme, in which the Commission explicitly emphasizes the need to promote international cooperation and knowledge exchange to accelerate the process of capacity building in the cultural sector.

**Programme BG08 Cultural Heritage and Contemporary Arts** within the EEA Financial Mechanism 2009-2014 shall encourage such exchange with the purpose of strengthening the bilateral relations and accelerating the exchange of knowledge. Recognizing the importance of culture to promote innovation and growth, **Programme BG08 Cultural Heritage and Contemporary Arts** shall aim to achieve wider participation of institutions and society in the restoration, revitalization, digitization and promotion of the tangible and intangible cultural heritage of Bulgaria in the European context of cultural and creative industries, cultural exchange, cultural diversity, etc.

The main priorities of the programme shall be the preservation and revitalization of cultural heritage and the promotion of diversity in culture and arts within the European cultural heritage, its preservation for future generations, widen the public access and enriching cultural dialogue, emphasizing the European identity and promoting cultural diversity.

**The main objective of Programme BG08 Cultural Heritage and Contemporary Arts, financed by the EEA FM 2009-2014, shall be the restoration and conservation of cultural heritage for future generations, the provision of accessibility of cultural heritage, the documentation of cultural history, the presentation of contemporary arts and culture and the contribution to cultural diversity.**

The main objective of the programme is consistent with the objectives of the **National Regional Development Strategy**, which focuses on the rich and diverse natural and cultural heritage, taking into account the contribution of the cultural and natural heritage for the development of cultural tourism, etc. The National Regional Development Strategy emphasizes on strengthening the regional dimension of the tourism product, with a main focus on the role of economic diversification, particularly in rural areas, and the protection and use of natural and cultural heritage.

The implementation of the programme will be based on the expected results, defined in the Guidelines for work on the programme. The aim will be for the following results to be achieved: **restoration, renovation and conservation of cultural heritage; documentation of cultural history; accessibility of the cultural heritage to the public; as well as promotion of contemporary art and culture.**

Within the **EEA Financial Mechanism 2009-2014, the Programme BG08 Cultural Heritage and Contemporary Arts** will support projects in two programme areas:

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- Conservation and revitalization of cultural and natural heritage (PA 16);
- Promotion of diversity in culture and arts within the European Cultural Heritage (PA 17).

**1.3. Measure 2 Cultural history documented** as part of **Programme 08BG Cultural Heritage and Contemporary Arts** is developed to meet the modern needs of the digitalization of cultural heritage objects and to create digital centers in cultural institutes and universities.

### 2. MEASURE 2 CULTURAL HISTORY DOCUMENTED

#### 2.1. Objective of the measure

The objectives of **Measure 2 Cultural history documented** are:

- Digitalization of **cultural** heritage objects;
- Establishment of digital centers in cultural heritage institutes and universities.

The objectives of **Measure 2 Cultural history documented** correspond with the overall objective of the programme **to achieve greater institutional and public participation of the Bulgarian cultural heritage in the European context of cultural exchange as well as to contribute to the protection and preservation of the cultural heritage of Bulgaria for the future generations.**

**Measure 2 Cultural history documented** should contribute to achieving the best possible results in the integration of the Roma population through appropriate activities for inclusion of its representatives.

#### 2.2. Target groups of Measure 2 Cultural history documented

##### Main target groups:

- Civil society in general, including people with disabilities, minorities, children, especially people interested in cultural heritage development and wishing to strengthen bilateral and multilateral relations between Bulgarian cultural players and those from Iceland, Liechtenstein and Norway;
- researchers, students, tourists, people approaching possibilities to extend their knowledge and multicultural awareness in the domain of culture heritage, history, etc.;
- cultural institutions, NGOs, entrepreneurs, etc.

#### 2.3. Indicators

The project activities should be aimed at achieving the objectives of **Measure 2 Cultural history documented** and of **Programme BG 08 Cultural Heritage and Contemporary Arts.**

***The achievement of the objectives of each project will be based on objectively measurable indicators:***

##### Targeted outcome:

- ✓ Cultural history documented.



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### **Output indicators:**

*For the purposes of the programme and the measure, they shall be:*

✓ **Number of cultural heritage value items converted into digital format for the first time** - items/objects of cultural value digitalized for the first time, which may be the objects of the movable cultural heritage and others. It shall be required that the relevant items/objects do not exist in electronic/digital format at the time of submission of the project proposal. Digitalization should be performed as an activity under the respective project.

✓ **Number of digital centres established in cultural heritage institutes/universities** - for the objectives of the programme and the measure, the establishment of digital centers in cultural institutes or universities, as well as the purchase of the respective equipment for digitalization, should be directly related to the activities for the implementation of digitalization in order to achieve sustainability.

Indicators developed for the achievement of the objective of distribution of 10% of the budget for improvement of the situation and inclusion of the Roma population:

✓ Number of items/objects of culture representing Roma art, converted into digital format for the first time.

### **3. LEGAL AND INSTITUTIONAL FRAMEWORK**

**Applicants should be familiar with and comply with the requirements of the following documents in the preparation of the application form:**

#### **3.1. PROGRAMMING DOCUMENTS**

✓ Regulation on the implementation of the European Economic Area Financial Mechanism 2009-2014 (referred to as the Regulation)

✓ Memorandum of Understanding on the implementation of the European Economic Area Financial Mechanism 2009-2014, signed between Iceland, the Principality of Liechtenstein, the Kingdom of Norway and the Republic of Bulgaria;

✓ Protocol 38b to the Agreement on the European Economic Area on the EEA Financial Mechanism 2009-2014;

✓ Guidelines for Strengthening of the Bilateral Relations;

✓ Guidelines for Communication and Publicity;

✓ Guidelines for the Development of a Communication Plan.

The described documents are available on the website of EEAFM (<http://eeagrants.org/>) and the website of the Programme ([www.Culture-EEA-BG.org](http://www.Culture-EEA-BG.org)).

#### **3.2. INSTITUTIONAL FRAMEWORK**

The institutional framework for the management, implementation, monitoring and control of the EEA Financial Mechanism 2009-2014 is regulated in Chapter 4 of the Regulation and Annex A to the Memorandum of Understanding on the implementation of the EEA Financial Mechanism 2009-2014 signed between Bulgaria and the donor countries.

##### **3.2.1. Institutional framework at the level of the donor countries**

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### ***EEA Financial Mechanism Committee (FMC)***

FMC is the body that makes decisions on the contribution of the EEA. FMC was created by the Standing Committee of the European Free Trade Association (EFTA) for management and consists of representatives of the Ministries of Foreign Affairs of the Kingdom of Norway, Iceland and the Principality of Liechtenstein. The Committee makes decisions on the grant awarding, adopts the Regulations for the implementation of the EEA Financial Mechanism 2009-2014 and the amendments thereto. If necessary, the Committee approves further guidance on the management and implementation of the programme.

### ***Financial Mechanism Office (FMO)***

The FM Office is the body that assists the FMC in the management of the EEA Financial Mechanism 2009-2014. The FMO, which administratively is a part of EFTA, is responsible for the daily operations in the implementation of the EEA Financial Mechanism 2009-2014 on behalf of FMC and serves as a contact point.

### **3.2.2. Institutional framework for the management of the European Economic Area Financial Mechanism 2009-2014 at national level**

#### ***National Focal Point (NFP)***

Other Instruments and Programs Section in the Monitoring of EU Funds Directorate within the Administration of the Council of Ministers acts as a **National Focal Point (NFP)** for the EEA Financial Mechanism 2009-2014. The Director of the Monitoring of EU Funds Directorate performs the functions of a Head of the NFP. The National Focal Point has the full responsibility for achieving the objectives of the EEA Financial Mechanism as well as for the implementation of the mechanism in the Republic of Bulgaria. The role and functions of the NFP are detailed in Art.4.3 of the Regulation and i. 2.2.1 of the Implementation of the EEA Financial Mechanism and the NFM 2009-2014 Management and Control Systems.

#### ***Certifying Authority (CA)***

The National Fund Directorate, an administrative body unit within the Ministry of Finance of the Republic of Bulgaria, acts as a **Certifying Authority (CA)** for the EEA Financial Mechanism 2009-2014 in accordance with Annex A of the Memorandum of Understanding. The role and responsibilities of the CA are in accordance with Art. 4.5 of the Regulation.

#### ***Audit Authority (AA)***

The **Audit Authority** for the EEA Financial Mechanism 2009-2014 is the Audit of EU Funds Executive Agency (AEUFEA) with the Ministry of Finance of the Republic of Bulgaria. The role and responsibilities of the AA are in accordance with Art. 4.6 of the Regulation.

#### ***Monitoring Committee (MC)***

The NFP establishes the **Monitoring Committee** of the EEA Financial Mechanism 2009-2014. The Committee is chaired by the Head of the NFP and includes representatives of the institutions involved in the management of the programmes at national level (NFP, CA, AA), the Programme Operators, the civil society, social partners and local authorities. FMC representatives should be invited to participate in the MC as observers. The MC reviews the progress of the programmes in order to ensure their efficient and quality implementation through:

***Programme Operator (PO)***

**The Programme Operator of the Programme BG08 Cultural Heritage and Contemporary Arts is the Ministry of Culture.**

The **Programme Operator** is responsible for the preparation and implementation of the Programme Cultural Heritage and Contemporary Arts in accordance with the principles of effectiveness and efficiency and in accordance with the provisions of the Regulation on implementation of the EEA Financial Mechanism 2009-2014.

**3.3. Compliance with the national and European legislation**

**The documentation for the Call for Proposals under Measure 2 Cultural history documented** shall be in accordance with regulations and priorities in the field of culture, including:

**3.3.1. At national level:**

- the Cultural Heritage Act;
- the Protection and Development of Culture Act;
- the Public Libraries Act;
- the Community Centers Act;
- the Art Patronage Act;
- the Creative Funds Act;
- the Copyright and Related Rights Act;
- the NEF "13 CENTURIES BULGARIA" Act;
- the Film Industry Act;
- the Radio and Television Act;
- the Compulsory Deposit of Copies of Printed and Other Works Act;
- the Act on the Administrative Regulation of Production and Marketing of Optical Discs, Matrices and Other Media Containing Objects of Copyright and Related Rights;
- Clarifications of the provisions of Art. 179 of the Act amending the Cultural Heritage Act, governing the creation, distribution and use of images of cultural values;
- Draft National Strategy for the Development of Culture;
- Framework Programme for Equal Integration of Roma in Bulgarian Society;
- National Strategy for Roma Integration of the Republic of Bulgaria (2012-2020)

**3.3.2. At European level:**

- Europe 2020 - main initiative for Smart, Sustainable and Inclusive Growth through European Platform against Poverty and Social Exclusion;
- The Decade of Roma Inclusion: 2005-2015 Initiative;
- Declaration on the rights of persons belonging to national or ethnic, religious and linguistic minorities;
- European Platform for Roma Inclusion and 10 general policy approaches of the Roma inclusion policy, adopted on 8 June 2009 by the EU Council;
- The Framework Programme for Equal Integration of Roma in Bulgarian society;
- World Programme of UNESCO Education for all of the UN;
- European Cultural Convention (1991);
- European Agenda for Culture (November 2007);

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- Conclusions of the Council and of the representatives of the governments of the Member States meeting within the Council, on the Work Plan for Culture for the period 2011-2014, 2010/C325/01;
- European Convention for the Protection of the Archaeological Heritage (1991);
- Convention on the Protection of the Architectural Heritage of Europe (SG, issue 42 of 28.05.1991);
- European Convention on Transfrontier Television (1993);
- European Landscape Convention (SG, issue 22 of 15.03.2005);
- Lisbon Strategy.

### **3.3.3. At supranational level**

- UNESCO Convention for the Safeguarding of the Intangible Cultural Heritage;
- UNESCO Convention on the Protection of the World Cultural and Natural Heritage;
- UNESCO Convention on the Protection and Promotion of the Diversity of Cultural Expressions, ratified by an Act adopted by the 40<sup>th</sup> National Assembly on 22.11.2006 (published in SG, issue 97 of 2006 and in force for the Republic of Bulgaria as of 18 March 2007);
- UNESCO Convention on the Protection of Cultural Property in the Event of Armed Conflict;
- UNESCO Convention on the Means of Prohibiting and Preventing the Illicit Import, Export and Transfer of Ownership of Cultural Property;
- UNESCO Convention on the Protection of Underwater Cultural Heritage;
- UNESCO Convention for the Safeguarding of the Intangible Cultural Heritage;
- UNESCO Convention concerning the International Exchange of Publications;
- UNESCO Convention concerning the Exchange of Official Publications and Government Documents between States for the Protection of Cultural Property in the Event of Armed Conflict.

## **4. AMOUNT OF FUNDS UNDER THIS CALL FOR PROVISION OF A GRANT**

Total amount of funds under this Call for proposals shall be, as follows:

### **Funds under Measure 2 Cultural history documented – 2 935 000 Euro.**

The Programme Operator shall reserve the right not to distribute all the funds available under this Call for proposals in the event of an insufficient number of quality proposals complying with the predefined criteria.

### **Amount of the grant for individual projects to this Call:**

The individual projects that may be funded under this Call shall be subject to the following amounts of minimum and maximum value of the grant for the project:

**Minimum amount of funding – 170 000 Euro**

**Maximum amount of funding – 750 000 Euro**

**The maximum amount of the grant for the projects shall be 100% of the total eligible project costs. No co-funding by the applicant / partner/s shall be required.**

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**A mandatory condition under Measure 2 Cultural history documented shall be for 10% of the amount of the grant to be used for improvement of the situation and inclusion of the Roma population.**

It shall be recommended that potential applicants planned activities for improvement of the situation of the Roma population. The submission of project proposals aimed at improvement of the situation and inclusion of the Roma population shall be encouraged as the budget for such proposals shall not be limited to 10 % of the grant. It shall be permissible for this amount to be exceeded in accordance with the quality of the project proposals which will be subject to independent evaluation.

The Selection Committee shall reserve the right to recommend reduction in the amount of the requested grant for the projects if the costs are unreasonable and are considered excessive.

### 5. RULES OF THIS CALL FOR SELECTION OF PROJECT PROPOSALS

#### 5.1. Rules with regard to revenue-generating projects

The grant under this Call **cannot be provided** for activities with a purpose or generating direct revenue for the applicant / partners.

A revenue-generating project shall be any activity involving the provision of a service against payment or an activity that in any case will allow the applying organization to generate revenue.

#### 5.2. Eligibility rules under this Call

Under this Call for proposals, the main groups of eligibility criteria shall apply encompassing as follows:

- ✓ Criteria of eligibility of the applicant;
- ✓ Criteria of eligibility of the partner/s;
- ✓ Criteria of eligibility of the project.

#### 5.3.1. Eligibility criteria for organizations that may apply for this Call

##### 5.3.1.1. General criteria for the eligibility of the applicant and partner/s, if any:

**Potential applicants/partners are not allowed to participate in the procedure for selection and evaluation of projects and receive a grant, if they:**

1. are in insolvency, a subject of any insolvency proceedings, liquidation, their activity is under court order, have concluded an agreement with their creditors, have suspended their business activities, are a subject of proceedings concerning those matters or are in a similar procedure under national laws and regulations;
2. have been convicted by a final judgment for abuse of official position;
3. have committed material professional misconduct proven by any means which the program operator can justify;
4. have not fulfilled obligations relating to the payment of social security contributions or taxes in accordance with the legal provisions of the country in which they are established or those of the country under the Programme;

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5. have been convicted by a final judgment for fraud, corruption, involvement in organized crime or other illegal activity detrimental to the financial interests of the European Communities.
6. after another procedure for the award of procurement or the provision of a grant financed by the European Community budget, they have been declared to be in serious breach or non-performance of contractual obligations.
7. are in a conflict of interest. A conflict of interest exists where the impartial and objective performance of the functions under the contract of any person is compromised for reasons involving family, emotional life, political or national affinity, economic interest or any other shared interest which they have with another person under Art. 52 and Art. 82 of Regulation 1605/2002 on the Financial Regulation applicable to the general budget of the European Community, as amended by Council Regulation (EC, Euratom) № 1995/2006;
8. have presented false data in supplying the information required by the Programme Operator as a condition for participation in a tender procedure or have failed to supply this information;
9. have been removed from contract awarding procedures or provisions of grants financed by the budget;
10. have unfulfilled obligations based on a shortcoming of the contract for provision of funds under other funding schemes under the operational programmes, PHARE or the EEA Financial Mechanism 2004-2009;
11. are members of management or supervisory bodies related to the management of grants from the EEA Financial Mechanism 2009-2014 or have an active position in them, or are a related party to the Head of the Programme Operator as defined in Art. 1, i. 1 of the Supplementary Provisions for Prevention and Detection of Conflicts of Interest;
12. fall within the cases under Art. 21 or 22 of the Prevention and Detection of Conflicts of Interest Act.

The requirements under (1) – (12) shall be applicable individually to all persons who are authorized to represent the applicant/partner and are entered in the register of non-profit legal entities or are defined as such in the Constitutive Act when such circumstances are not subject to entry.

The applicant/partner/s should enclose to documents for application a declaration that they are not in any of the above circumstances.

**The applicants shall not be allowed to funding if they have attempted to obtain confidential information or to influence the Selection Committee or Programme Operator in the evaluation process of this procedure for selection and evaluation of project proposals.**

### 5.3.1.2. Specific requirements for the eligibility of the applicant

In addition to the general requirements, for the **applicant** to be eligible under this Call, they must meet the following conditions:

#### **To be established and registered as:**

- a public institution (state, regional and local) registered in Bulgaria, **or**
- a cultural Institute financed by the state, regional or local authorities, **or**
- a state owned university, registered in Bulgaria, **or**

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- other bodies governed by public law – which encompass any body (a) established for the specific purpose of meeting needs in the general interest, not having an industrial or commercial character; (b) having legal personality; and (c) financed, for the most part, by the state, regional or local authorities, or other bodies governed by public law; or subject to management supervision by those bodies; or having an administrative, managerial or supervisory board, more than half of whose members are appointed by the state, regional or local authorities, or by other bodies governed by public law.

The applicant must have sufficient capacity to perform the activities during the period of project implementation.

### 5.3.1.3. Specific requirements for the eligibility of the partner/partners

*Partnership shall be a relationship between two or more organizations in which there are shared responsibilities with respect to the implementation and/or management of the project financed under this Call.*

In addition to the general requirements (i. 5.3.1.1.), for the partners to be eligible under this Call, they must be:

- public institutions, cultural institutions and non-profit organizations (nongovernmental non-profit organizations for public benefit) registered in Bulgaria;
- public institutions, cultural institutions and non-profit organizations (nongovernmental non-profit organizations for public benefit) registered in one of the donor countries: Norway, Liechtenstein, Iceland.

#### **Supplementary criteria:**

- In case that as a partner applies a NGO registered in the Republic of Bulgaria it is required to be registered for public benefit for the performance of activity/ies in the field of culture;
- In case that as a partner applies a NGO it is required to be established at least 12 months before the date of launch of this Call for proposals;
- The headquarter or settlement of the NGO that applies as a partner have to be on the territory of Bulgaria or on the territory of donor country under the EEA Financial Mechanism – Norway, Iceland, Liechtenstein.

**The partners involved in the activities for project submitted under this measure, shall have to meet the following additional requirements:**

- the budget for the activities performed by the partner/s should not exceed 30% of the total budget of the project proposal and at the same time, the activities performed by one project partner must not exceed 190 000 Euro;
- in the event of an approved project proposal, the partners will have to submit a Declaration for State Aid and de minimis (if applicable) in accordance with Regulation EU 1998 (2006) of 15 December 2006 on the application of the EU Treaty in respect of de minimis (if applicable). Under the Regulation, the state aid provided to a company under 200 000 Euro for a period of three fiscal years shall not fall within the scope of state aid control of the EU.

#### **State aid/de minimis**

**The grant under this Call for proposals within Measure 2 Cultural history documented will be provided in accordance with the rules for de minimis contained in Regulation (EC) №**



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**1998/2006 of the Commission of 15 December 2006 on the application of Articles 87 and 88 of the Treaty to de minimis (OJ, L 379/28.12.2006).**

No grants will be provided to an applicant/partner(s) in the project who fall within any of the exceptions referred to in Art. 1 of Regulation (EC) № 1998/2006 of the Commission of 15 December 2006 on the application of Articles 87 and 88 of the Treaty to **de minimis**.

The maximum threshold will include all state aid granted under this Call for selection of project proposals and any other state aid measure, granted under the rule of de minimis state aid. All aids received beyond the determined threshold will have to be refunded.

In compliance with the Regulation, state aid provided to a company under 200 000 Euro for a period of three fiscal years shall not fall within the scope of state aid control of the EU. It shall be considered that the amount of the state aid is small and has no potential to distort competition in the internal market.

In the event that the grant provided to a partner – NPLE has the character of de minimis aid, they should consider the following:

- ✓ in the notification of provision of a grant, it will be explicitly mentioned that the funding under the measure constitutes de minimis aid, as this will also be included in the grant contract;
- ✓ the maximum amount that may be granted under this regime shall include the amount provided within this Call and all other state aid provided in regime de minimis;
- ✓ the restrictive limit for de minimis aid of 200 000 Euro (391 166 BGN) for a period of three consecutive fiscal years applies; so they have an obligation to declare the received funding in the event of future application for financial aid provided by central or local government authorities and from state or municipal resources;
- ✓ the partner must maintain the documentation of the received de minimis aid for a period of at least three years the after approval of the final report under the Programme;
- ✓ the partner shall be responsible for the correctness of the declared circumstances and shall be subject to verification by the competent supervisory authorities;
- ✓ in case of established violations of the state aid rules, the partner will have to repay the received funds together with the due interest.

### **5.3.1.4. Partnerships in projects and Partnership Agreements**

Under this measure the applicants shall be able to participate individually or in a partnership, as defined in Art.1.5.1 (w) of the Regulation.

#### **IMPORTANT:**

**Partnerships established for the purpose of this Call for proposals shall not be required to be registered in court.**

**The applicant and the partner/s shall sign a Letter of Intent stating the role of each partner. The Letter of Intent shall be submitted with the documents attached to the project proposal.**

**Projects with partners from the donor countries shall receive additional points in the evaluation.**



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**The Partnership Agreement, in accordance with the requirements and provisions of the Regulation of EEA FM, should be signed only in the event that the project proposal is selected for funding under the Programme.**

The Partnership Agreement should contain the following:

- ✓ clauses on the roles and responsibilities of the parties;
- ✓ clauses on the financial arrangements between the parties, including, but not limited to which costs of the project partners can be recovered from the project budget;
- ✓ clauses on the percentage of indirect costs;
- ✓ determination of currency and foreign exchange rules for the partner costs and their reimbursement;
- ✓ clauses on audits between the partners in the project;
- ✓ a detailed budget with a breakdown of the costs by items and unit prices;
- ✓ clauses on dispute settling.

The Partnership Agreement should be submitted to the Programme Operator before signing the grant contract. The Programme Operator should verify whether it conforms to Art. 6.8 of the Regulation.

The establishment of the relationships between the beneficiary and the project partner/s and the implementation of their rights and obligations must comply with the applicable national law and European Union law as well as with the provisions of the Regulation on the implementation of the EEA Financial Mechanism (2009-2014).

**The partners participate in the implementation of the project, as the costs incurred by them in this connection shall be eligible in an identical way as those incurred by the beneficiary.**

**The eligibility of the costs incurred by the partner in the project shall be subject to the same limitations as if the costs are borne by the beneficiary.**

### **Volunteers:**

**Under Measure 2 Cultural history documented, participation of volunteers shall be permissible.**

### **5.3.1.5. Contractors on the part of the beneficiary**

The beneficiary shall be entitled to enter into agreements with contractors for the implementation of project activities.

The procurement shall be conducted in accordance with the provisions of the applicable national legislation. The documentation related to the public procurement procedures for goods/services/construction shall be subject to verification by the Programme Operator.

The beneficiaries/partners from the Republic of Bulgaria shall undertake to apply the procedures for selection of contractors covered by the Public Procurement Act (PPA) and the regulations for its implementation, when they are contracting authorities within the meaning of Art. 7 and Art. 14, par. 4 and 5 of the PPA. The General Rules are also contained in the Guidelines for the Implementation of Projects.

## “Cultural Heritage and Contemporary Arts”

A beneficiary (partner from the Republic of Bulgaria) who is not a contracting authorities within the meaning of Art. 7 of the PPA, shall undertake to apply the procedures for selection of a contractor governed by Decree of the Council of Ministers № 69 of 11 March 2013 on the terms and conditions for determination of a contractor by beneficiaries of agreed grant from the Structural Funds of the European Union, the PHARE Programme of the European Union and the European Economic Area Financial Mechanism. The beneficiaries/partners shall be obliged to apply the appropriate legal instrument as described above and to monitor for possible changes in the applicable legislation.

### 5.3.2. Project duration and eligible activities that can be applied for

#### 5.3.2.1. Duration

The planned indicative start of the project implementation shall be from the second quarter of 2014. Project activities must be completed by 30.04.2016, when is the end of the eligibility period for the implementation of the projects under the Programme BG08 Cultural Heritage and Contemporary Arts.

According to Art. 7.15 of the Regulation, the beneficiaries/partners whose projects include investments in real estate (incl. renovation) must guarantee that the sites will be in operation at least five (5) years after approval of the final report on the project and that will be used for the project objectives as described in the Grant contract.

#### 5.3.2.2. Projects under this Call have to meet the following general eligibility conditions:

- a) The main activities of the projects should be implemented on the territory of the Republic of Bulgaria. Limited activities implemented on the territory of the donor countries shall be permitted;
- b) To include **mandatory** activities on documentation of the cultural history and heritage;
- c) To comply with all requirements set out in these Guidelines for Applicants;
- d) The project activities shall not generate profit. All products/results of the project should be free and open to the public, in public places.

#### **IMPORTANT:**

***Applicants shall not be entitled to submit project proposals on the procedure for already performed activities or activities in progress, funded by other sources with public or private character.***

#### Examples of eligible activities:

Projects under Measure 2 Cultural history documented may include the following activities:

- ✓ Activities for the establishment of digital centers\* in cultural institutes/universities, including repairs, construction works, **without the construction of new buildings**;
- ✓ Services on digitalization for the first time of items/objects of cultural heritage value;
- ✓ Other activities directly related to the digitalization of items/objects of cultural heritage value;
- ✓ Training activities for the staff of the beneficiary for the provision of services within the newly established digital centers;

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✓ Activities on the purchase of the necessary digital equipment, including devices, equipment, etc. **(as an exception under Art. 7.3.1. (c) of the Regulation, the purchase of new equipment shall be admissible only if it constitutes an integral and essential part and is important for the achievement of the objectives of project);**

✓ Project management activities;

✓ Activities for Information and Publicity – according to the Regulation on the implementation of the European Economic Area Financial Mechanism 2009-2014, Annex 4 Requirements for Information and Publicity, Art. 4 and Art. 5, these activities shall be **mandatory**.

**\* The priority activity under this Call for proposals shall be documentation and digitalization of items/objects of the cultural heritage. The establishment of digital centers within cultural institutions or universities must be directly related to digitalization activities and sustainability of the respective investments.**

The specified activities are only indicative and not exhaustive of the eligible activities under the measure.

The activities be included in project proposals should be **written in detail and to meet the needs of the selected target groups and the specific project.**

### **5.3.2.3. Ineligible activities/projects for funding under this measure shall be:**

✓ Activities/interventions on private property;

✓ Activities related to political parties;

✓ Charitable donations;

✓ Activities (activity costs) financed from the national budget, programmes of the Community or other donor programs.

### **5.3.2.4. Number of proposals under the procedure**

**Applicants shall not be allowed to submit more than one project proposal under this Call and shall not be allowed to receive more than one grant. There shall be no limit to the number of projects for participation as a project partner.**

### **IMPORTANT!**

**In the event that an applicant submits more than one project proposal, all project proposals received by them will be excluded from further evaluation.**

### **5.3.2.5. Degree of readiness of the investment project**

If the project includes construction and/or repair works related to the establishment of digital centers, it shall be an obligation of the applicant to perform a check for the availability of a technical/working project under the Spatial Development Act (SPA) for the planned construction/repair works.

In the events when construction/repair works do not require such a working project under the SPA, an architectural plan of the building – site of the intervention and the premises to be repaired/reconstructed/renovated, an explanatory note and an indicative of bill of quantities by type of activity must be submitted together with the application form.

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In the events when construction/repair works require a technical/working project under SPA, the applicant shall submit together with the application form the technical documentation, including (if applicable):

1. Explanatory note for the planned construction/repair works;
2. Scheme/architectural plan of the building – site of the intervention and the premises to be repaired/reconstructed/renovated;
3. Conceptual, technical or working project under the Spatial Development Act and Regulation № 4 for the scope and content of the investment projects together with a detailed bill of quantities by type of construction works.
4. The presentation of a conceptual project/preliminary design under the SPA shall be permissible; after signing a grant contract, the beneficiary must assign the preparation of the technical/working project to a contractor. The amount of the grant for these activities shall be justified on the basis of this conceptual project together with the bill of quantities;
5. Report on assessment of compliance with the essential requirements for building, prepared by a licensed company, in accordance with Art. 142, par. 6 of the SPA, if applicable;
6. Assessment of positive impact on the environment (if required under the Environmental Protection Act and the current regulatory framework applicable);
7. Other permits and/or approvals from the relevant state/municipal institutions (if such are necessary according to the applicable Bulgarian legislation).

### **IMPORTANT!**

***According to Art. 7.15 of the Regulation, the beneficiaries/partners whose projects include investments in real estate (incl. renovation) must guarantee that the sites will be in operation at least five (5) years after approval of the final report on the project and that will be used for the project objectives as described in the Grant contract.***

### **IMPORTANT!**

***It shall be an obligation of the applicant to submit together with the Application Form the investment project in all its available volume (drawings, bill of quantities, technical specifications, etc.) and the available related documentation (coordinations, approvals and permits, etc.).***

### **5.3.3. Eligibility of costs**

In providing grants under this measure, only **"the eligible costs"** as detailed below will be considered. The budget shall be an estimate of the expected costs and must accurately reflect the amount specified in the project. The budget shall be both an estimate of the expected costs and a maximum amount of the eligible costs. Eligible costs must be based on real unit prices and not to be specified as a lump sum.

During the evaluation of project proposals, it shall be possible for circumstances to be established that would impose a change in the budget. These circumstances may impose the requirement of further clarifications and information by the Selection Committee as well as the reduction of the budget of the project proposal.

**Eligible shall be the costs intended for the achievement of the objectives of the project.**

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**Eligible costs must not contradict with the Regulation on the implementation of the European Economic Area Financial Mechanism 2009-2014:**

- ✓ Art. 7.2 General principles for eligibility of costs;
- ✓ Art. 7.3 Eligible direct costs for a project;
- ✓ Art. 7.4 Indirect costs for the project;
- ✓ Art. 7.5 Purchase of real estate and land.

### **IMPORTANT!**

**In the event of a contradiction regarding the eligibility of costs contained in these Guidelines for Applicants and the Implementation Regulation on the implementation of the European Economic Area Financial Mechanism 2009-2014, the provisions of the Regulation shall apply.**

### **In order to be considered eligible, the costs must:**

1. Be necessary for the implementation of the project, they must be included in the grant contract and comply with the principles of good financial management – economy, efficiency and effective use of resources;
2. Be actually incurred by the beneficiary and meet the following criteria:
  - a) they have occurred between the first and last date of eligibility of a given project under the grant contract, unless the contract expressly specifies a later date;
  - b) they are connected with the subject of the grant contract and are indicated in the estimated overall budget of the project;
  - c) the costs are proportionate and necessary for the project implementation;
  - d) they were made in order to achieve the project objectives and the expected result(s);
  - e) the costs are identifiable and verifiable by primary accounting documents and are accounted by the beneficiary and comply with the applicable accounting standards of the country;
  - f) comply with the requirements of the applicable tax, social security and labor legislation.
3. The costs shall be considered incurred on invoicing, payment and actual execution of a delivery, services or construction/repair works.
4. Internal accounting and auditing procedures of the beneficiary must allow operations for settlement of the balance of the costs realized under project and the received funding.

### **IMPORTANT!**

**It shall be mandatory that the property subject to interventions under this Call constitutes public state property or public municipal property.**

### **In order to be considered eligible, costs may be in the following budget categories:**

#### Costs for personnel directly related to the project:

- ✓ Costs of remuneration of staff directly related to the implementation of the project;

#### Travel costs of the project team:

- ✓ Travel and accommodation costs for members of the project team;

#### External services

## “Cultural Heritage and Contemporary Arts”

- ✓ Costs of digitalization of cultural heritage objects (in full compliance with the applicable regulations, standards and other regulations concerning intellectual property rights);
- ✓ Costs of organization of cooperation activities (including but not limited to the exchange of experience, training, etc.), costs for external services, travel and accommodation costs, rental of premises and equipment for cooperative activities, coffee breaks, etc.;
- ✓ Costs of training activities for the staff of the beneficiary under the project for the provision of services in the newly established digital centers;
- ✓ External audit (if applicable).

### Investment /construction, supplies/

- ✓ Purchase of equipment, appliances, facilities to support the recording, digitalization and preservation of object of the cultural heritage for the future generations (as an exception to Art. 7.3.1 (c) of the Regulation, the purchase of new equipment shall be an eligible cost only if the equipment is a necessary and integral component and it is important for the achievement of the results under the project);
- ✓ Costs of the construction of digital centers in cultural institutes/universities (including construction/repair works, etc.); Costs of repairs of premises for the deployment of digital centers;
  - Costs of preparation and design, if applicable:
    - design costs;
    - engineering costs;
    - costs of inspection of the site, etc.
  - Costs of supervision of construction/repair works, if applicable (up to 3% of the costs of construction/repair works of the site), if applicable::
    - construction supervision/investor control, etc.
- ✓ Costs of maintaining the authenticity of objects of the cultural heritage sites.
- ✓ Contingencies that may arise during construction – up to 5% of the total eligible costs of the project. Contingencies may be used only after prior consultation with the Programme Operator.

### **IMPORTANT:**

**The establishment of digital centers in cultural institutes and universities, as well as the purchase of the necessary facilities, tools and equipment must be directly related to the activities for digitalization and sustainability of the respective investments. Projects that focus solely on the establishment of digital centers will not be funded.**

**It is obligatory the declare expenditures the construction/repair works for establishment of digital centers in order the relevant design costs of construction/repair works to be considered reimbursable.**

### Information and publicity

- ✓ Costs of information and publicity in accordance with the Publicity Plan of the project, developed in accordance with the Regulation (including, for example, publication printing, brochures, leaflets, posters related to briefings for the press/radio/TV; printing of a logo, organization of information and publicity for conferences on the project);

### Overheads

Costs that are not directly related to a project activity, but are of a general nature related to the overall organization and management of the activities of the beneficiary. These may be for heating,

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electricity, water, cleaning, gas, security, telephone, fax, postal and courier services, internet, consumables and office supplies, detergents.

### **According to Art 7.3 of the Regulation: Eligible direct costs for a project**

The eligible direct costs of a given project shall be the costs identified by the beneficiary and/or the project partner, in accordance with their accounting principles and internal rules such as specific costs directly connected to the implementation of the project and which may be directly accounted thereto.

In particular, the following direct costs shall be considered eligible provided that they comply with the general principles for cost eligibility under Article 7.2 of the Regulation:

(a) the costs for staff hired for the project – salaries, including taxes and social security contributions included in the remuneration, provided that this corresponds to the usual remuneration policy of the beneficiary and the project partner. The corresponding costs for salaries of the staff from administrations shall be eligible to the amount in which they relate to the cost of activities which the relevant public authority would not carry out if the project was not implemented;

(b) travel, daily and accommodation costs of members of the team involved in the project, provided that they conform to the usual practice of travelling allowance costs of the beneficiary and the project partner and do not exceed the relevant national standards

(c) costs of consumables and supplies, provided that they are identifiable and necessary for the implementation of a specific project activity;

(d) costs related to other contracts awarded by the beneficiary for the purpose of implementation of the project, provided that the award complies with the applicable procurement rules and the Regulation;

(e) costs arising directly from requirements imposed by the Grant contract (e.g. distribution of information, specific evaluations of the action, audits, translations, etc.).

### **According to Art 7.4 of the Regulation: Indirect costs for a project**

Eligible shall be the indirect costs that can be identified by the beneficiary and/or the project partner as directly related to the project but cannot be identified and justified by its accounting system as being incurred in a direct relation with the eligible direct costs of the project. They may not include eligible direct costs.

Indirect costs for the project shall be:

- Costs for management and control of the project.
- Administrative costs;

**The amount of the indirect costs shall be determined as a fixed rate that may not exceed 10% of the total eligible direct costs.**

**All project costs must be directly related to the implementation of the proposed activities. All project costs must be proportionate and necessary for the implementation of the project as well as actually incurred by the beneficiary. The grant will be calculated on the basis of a detailed budget to be submitted together with the Application Form.**

**Costs incurred after 30 April 2016 shall not be considered eligible. In exceptional cases, where further extension of the term is justified, the FMC may extend the period of eligibility to 30**



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**April 2017. If as at the final date of eligibility of costs, the project is a subject to legal proceedings or an administrative appeal with suspensory effect, the FMC may authorize further extension of the term if it determines that this is in the interest of achieving the objectives of the EEA Financial Mechanism 2009-2014. The beneficiary shall be obliged to notify the PO in the shortest time possible if such circumstances are appeared.**

### **5.3.4. Ineligible project costs**

According to Art. 7.6 of the Regulation, the following costs shall be considered **ineligible**:

- a) interests on loans, debt servicing fees and penalties for late payments;
- b) fees for financial transactions and other purely financial expenses;
- c) revisions for losses or potential future liabilities;
- d) losses from currency exchange;
- e) VAT subject to recovery;
- f) costs that are covered by other sources;
- g) fines, penalties and costs for lawsuits;
- h) excessive or reckless expenditures;
- i) costs incurred as a result of a change that was not reported to and approved by the PO or was reported in an untimely manner;
- j) **all costs not falling within the scope of the eligible activities under this Call.**

#### **IMPORTANT!**

***In addition, under Measure 2 Cultural history documented, the following costs shall be will considered ineligible:***

- ***Costs for purchase of furniture;***
- ***Costs of purchase cost and depreciation of used equipment.***

#### **IMPORTANT!**

***Costs that are not accounted for in two consecutive accounting periods from the time of their occurrence will be considered ineligible under Art. 8.3 of the Regulation.***

### **5.4. VAT**

In accounting the costs for the implementation of projects under Programme BG08 **Cultural Heritage and Contemporary Arts**, the charges of VAT on received goods and services or made payments on the projects should be divided in the categories "recoverable" and "unrecoverable".

The beneficiary and the partner/s should maintain detailed accounting for VAT on the costs for supply of goods and services used in the implementation of any grant contract under the Programme. The data from this accounting should be sufficient for the identification and tracing of the VAT related to the project and for its categorization as "recoverable" or "unrecoverable".

Ordinance № 62 of the Council of Ministers of 21.03.2007 introduced the term "recoverable value added tax" and defined it as an ineligible cost for co-financing by the Structural Funds and the Cohesion Fund of the EU.

The conditions, procedures, documentation and administration of the process for reporting and recognition of eligible VAT costs for the purposes of grant provision are set out in a letter № 91-00-502/27.08.2007 of the Ministry of Finance.



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When accounting cost under a relevant contract under the programme, a check for a change in the circumstances regarding the eligibility of VAT shall be done.

### 5.5. Payments

The implementation plan (schedule for project implementation), the project budget and the schedule of payments shall be prepared by the applicant and shall be part of the package of documents for application.

The payments under the project shall be made on the basis of requests for reimbursement made by the beneficiary.

The beneficiary shall be entitled to an advance payment in the amount of up to **25%** of the project budget.

Interim and final payments shall be made after verification of the incurred costs, if all conditions applicable to the payments provided for in the grant contract and the Regulation are met.

The total amount of the advance and interim payments shall not exceed **80%** of the project budget set out in the grant contract. The Programme Operator shall hold 20% of the agreed budget until the approval of the final report of the beneficiary.

### 5.6. Information and publicity measures

Each applicant shall undertake to provide information and publicity measures in the project proposal in order to enhance transparency in the implementation of projects financed by the EEA Financial Mechanism 2009-2014 and to raise awareness in the general public and the media. The planned measures for information and publicity must comply with the Manual for Design and Communication and Annex IV of the Regulation.

The applicant shall elaborate a Plan for Information and Publicity, which shall be an integral part of the application documents in order to present "visibility" of the objectives, the scope and the result of the use of the EEA Financial Mechanism 2009-2014, ensuring openness and transparency in the project implementation.

The Plan for Information and Publicity must include at least the following:

- the objectives and target groups, including stakeholders at national and/or regional and/or local level;
- strategy and measures for information and publicity, including activities, communication instruments and timetable of their implementation;
- at least **two/three** information activities with information on the progress, the results and the achievements of the project, such as seminars or conferences with stakeholders, a press conference or an event, including for the launch of new project activities or the completion of already started ones. **For projects the grant of which is less than 500 000 Euro, two information events shall be planned;**
- taking measures for dissemination of information about the project and its funding on the internet either by developing a website or through a dedicated webpage on an existing website;
- all projects that receive a minimum of **50 000 Euro** from the EEA Financial Mechanism 2009-2014 should develop a website on which they should upload regularly information about the progress of the project;
- all projects that receive a minimum of **150 000 Euro** from the EEA Financial Mechanism 2009-2014 and/or have a partner from a donor country, should develop a website on which

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they should upload regularly information about the progress of the project in Bulgarian and English language.

During the execution of projects for which the total funding exceeds 50 000 Euro and the activity is related with a physical object, infrastructure or construction and repair works, the beneficiaries must put up a billboard at the site of each project activity, in accordance with the Manual for Design and Communication.

The beneficiary must replace the billboard with an information board placed at a visible place, with an appropriate size and in accordance with the Manual for Design and Communication not later than six months after the project completion.

### 6. CROSS-CUTTING ISSUES

All activities supported under the Regulation of the EEA FM should encourage the following cross-cutting issues and contribute to their realization:

- ✓ **Good governance** – participation and involvement of all stakeholders in the various stages of project development and implementation, including accountability, transparency, effectiveness and efficiency of project activities;
- ✓ **Sustainability** – environmentally friendly activities, economic and social sustainability
- ✓ **Gender equality** – non-discrimination based on gender; equal opportunities for men and women, taking into account the specific needs

### 7. METHOD OF APPLICATION AND PROCEDURE

#### 7.1 List of documents for application under this Call

**Applicants who wish to participate with project proposals in this Call for proposals have to use the Application Form and the relevant annexes thereto, published on the websites: [www.culture-eea-bg.org](http://www.culture-eea-bg.org) and <http://www.eeagrants.bg/bg/2009-2014/>.**

**7.1.1. Documents for application** – the applicant shall fill in and enclose at least the following documents:

**1. Application form** (annex 1) – it shall be filled in Bulgarian language; **Project summary** - it shall be filled in English language; filled by the applicant and at least the following documents shall be filled in and enclosed to it:

**2. Project budget** (annex 2) – enclosed form which shall be filled in and submitted in English and Bulgarian language;

**3. Reimbursement plan** (annex 3) – enclosed form which shall be filled in and submitted in English and Bulgarian language;

**4. Declarations by the beneficiary and/or the project partner/s of double funding, state aid, compliance with the criteria for eligibility of applicants, etc.** (annex 4) – enclosed form which shall be filled in and submitted in English and Bulgarian language;

**5. Indicative plan for public procurement** (annex 5) – enclosed form which shall be filled in and submitted in Bulgarian language;

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**6. CVs of the members of the project team** (in Europass format), filled in and submitted in English (for partners by Donor States, *if applicable*) and Bulgarian language (for applicant and partners from Bulgaria);

**7. Letter of Intent**, if the project envisages partnerships – for each partner individually (annex 6) – submitted in English language only if the partner/s is/are from a donor country, submitted to the Bulgarian language if the partner/s is/are from Bulgaria.

### **IMPORTANT!**

In the cases in which the application form is filled in Bulgarian language, **a summary in English language must be provided.**

#### **7.1.2. Supporting documents to be submitted by the applicant and the partner/s:**

a) A judgment of registration or the respective constitutional documents (statute or act of incorporation of the applying organization/s) – *a copy certified by a seal of the applicant/partner and a text "True to the original";*

b) Certificate of good standing – issued not earlier than 90 days before the date of submission of the project proposal (if the partner is an organization registered under the NPLEA) – *original or notarized copy;*

c) Registration under BULSTAT (UIC, if applicable) – *a copy certified by a seal of the applicant/partner and a text "True to the original";*

d) Certificate of registration under Art. 104 of the VAT Act – *a copy certified by a seal of the applicant/partner and a text "True to the original" – if applicable;*

e) Annual statement, balance sheet and profit and loss account of the applicant and the project partner/s for the past fiscal year (2012) – *a copy certified by a seal of the applicant/partner and a text "True to the original" – if applicable;*

f) Certificate under Art. 87, i. 6 of TIPC for the presence or absence of liabilities issued by the National Revenue Agency – *original or notarized copy.* This document must be issued not later than 90 days before the date of submission of the project proposal;

g) Registration and/or licensing documents and/or other relevant documents (if applicable) – *notarized copies.*

**The supporting document shall be submitted in Bulgarian language.**

#### **7.1.3. Technical documentation**

The currently available technical documentation certifying the readiness for initiating and implementing the project shall be enclosed to the project proposal:

✓ Conceptual, technical or working project under the SPA and Regulation № 4 for the scope and content of the investment projects together with a detailed bill of quantities by type of construction works, an explanatory note and a scheme/architectural plan (map) of the building (buildings) and the respective premises subject to funding (in the event that a technical/working project is required in accordance with the SPA) – *a copy certified by a seal of the applicant and a text "True to the original";*

✓ Report on Conformity Assessment under the Ordinance on the material requirements for building and assessment of the conformity of construction products (in the event that a technical/working project

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is required in accordance with the SPA) – a copy certified by a seal of the applicant and a text "True to the original";

✓ Assessment of positive impact on the environment (if applicable under the Protection of the Environment Act and the current applicable regulatory framework) – a copy certified by a seal of the applicant and a text "True to the original";

✓ Other permits and or approvals from the relevant state, municipal and other institutions (if such are necessary according to the current Bulgarian legislation) – copies certified by a seal of the applicant and a text "True to the original";

✓ Technical specifications of the equipment and/or supplies to be purchased for the project, where applicable.

### **IMPORTANT!**

**At the stage of submission of project proposal/application form under this Call it is not required to submit a detailed works design and construction permit.**

#### **If construction/repair works are carried out in buildings – public municipal property:**

1. Decision of the Municipal Council for application for a project under **Measure 2 Cultural history documented** of Programme BG08 Cultural Heritage and Contemporary Arts, which shall declare that the purpose of the building/premises subject to project funding will not be changed for a period of not less than 10 years after completion of the project;

2. Act of public municipal property or notary deed (or other applicable document) for the ownership of the property subject to project funding – a copy certified by a seal of the applicant and a text "True to the original";

3. Other relevant documents required under the applicable law.

#### **If construction/repair works are carried out in buildings – public state property:**

1. Decision of the owner for application for a project under **Measure 2 Cultural history documented** of Programme BG08 Cultural Heritage and Contemporary Arts, which shall declare that the purpose of the building/premises subject to project funding will not be changed for a period of not less than 10 years after completion of the project;

2. Act of public state property or notary deed (or other applicable document) for the ownership of the property subject to project funding – a copy certified by a seal of the applicant and a text "True to the original";

3. Lease agreement (if applicable) for a period not less than 10 years after the approval of the final report on the project – a copy certified by a seal of the applicant and a text "True to the original". The agreement must be notarized and registered in the Property Registry under Art. 237 of the Obligations and Contracts Act;

4. Notary deed for establishment of the right of use of the real property by the owner, in which they shall declare that they is aware of and agree to provide the building for the project, including, if repair is planned (if applicable) – notarized copy.

5. Other relevant documents required under the applicable law.

**The technical documentation shall be submitted by the applicant in Bulgarian language.**

## “Cultural Heritage and Contemporary Arts”

Applicants who wish to participate with project proposals in this procedure must do so by using the Application Form enclosed to these Guidelines and the relevant annexes.

Applicants must fill in the Application Form in the specified WORD format in Bulgarian language. Project proposals that are handwritten and unbound will not be evaluated.

Any discrepancies or errors made in filling in the Application Form may lead to rejection of the project proposal.

In order to ensure the integrity of project proposals and their proper storage, they need to be bound (not placed in binders, pocket folders, etc.).

### **IMPORTANT!**

**The Application Form with the relevant annexes have to be submitted in 1 original and 2 copies certified by the text "True to the original" as well as on an **electronic medium (3 discs)**.**

*The submitted electronic files must contain a proposal identical to the one submitted on paper. All elements of the project proposal should be submitted as separate and unique electronic files (e.g. the Application Form must not be split into multiple files).*

**The technical documentation shall be submitted in 1 copy certified with a seal of the applicant and a text "True to the original".**

### **7.2. Where and how project proposals should be sent**

Project proposals must be submitted in a sealed and intact envelope/box received as a letter/parcel by registered or express mail, courier, by hand or by post to the following address:

**Ministry of Culture  
European Programmes and Projects Department  
1040 Sofia, 17 Alexander Stamboliiski Blvd.**

### **IMPORTANT!**

**The envelope containing the project proposal must be labeled "Project proposal under the EEA FM – Call for proposals – Measure 2 Cultural history documented", "DO NOT OPEN"**

**The outer envelope shall bear an inscription with the following information:**

- name of the procedure – Measure 2 Cultural history documented under Programme BG08
- full name of the applicant;
- full address of the applicant;
- contact person;
- e-mail;
- address of the Programme Operator of Programme BG08.

**Example:**

... (full name of the applicant)...  
UIC/BULSTAT:.....  
Str.....

“Cultural Heritage and Contemporary Arts”

City/town:.....  
Municipality:.....  
E-mail:.....  
Contact person:.....

**Open procedure**

under Measure 2 Cultural history documented under Programme BG08, EEAFM 2009-2014

**Programme Operator for  
Programme BG08 Cultural Heritage and Contemporary Arts  
Ministry of Culture  
European Programmes and Projects  
17 Aleksandar Stamboliyski Blvd.  
1040 Sofia**

Project proposals sent by fax or email, as well as those sent to an addresses different from the one specified above will not be considered.

Not completed project proposals will be rejected.

**7.3. Deadline for receipt of project proposals**

**The deadline for receipt of project proposals shall be 19 May 2014 (date of postmark), 16:00 local time (for hand delivery).**

In the cases where the project proposals are sent by mail, the date of the postmark must be not later than the deadline for submission of project proposals under this announcement.

Any project proposals received after the deadline will not be considered under this Call, even if the postmark indicates a date preceding the deadline or if the delay is due to late delivery of a courier company.

**7.4. Additional information**

[For information on search for partners in the donor countries, contact can be made, as follows:](#)

**Representatives of the Kingdom of Norway:**  
**Mrs. Aleksandra Petie Einen**, e-mail: akpe@ra.no  
**Mr. Jorgen Jorgensen**, e-mail: jj@ra.no  
Directorate for Cultural Heritage of the Kingdom of Norway

## “Cultural Heritage and Contemporary Arts”

Riksantikvaren – Directorate for Cultural Heritage [www.ra.no](http://www.ra.no)  
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Before submitting a project proposal, applicants may seek clarifications in relation to the procedure for provision of grants. Questions may be sent to the Programme Operator for Programme BG08 by e-mail: [info@culture-eea-bg.org](mailto:info@culture-eea-bg.org)

**Questions may be sent no later than 10 days before the deadline for submission of applications.** The deadline for a **respond** to the questions asked by the PO shall be within 5 days of the date of receipt of the respective question. Oral questions will not be provided answers.

In compliance with principles for equal treatment of applicants, the PO will not give preliminary positions on the compliance of an application or an applicant with the application requirements.

The questions and answers will be published on the website of Programme BG08. They shall be provided to the Selection Committee and shall be taken into account in the evaluation of the received applications.

The PO will hold information days within which it shall explain the peculiarities of the application for a grant under this procedure. More information about the date and venue of the information day will be posted on the website of Programme BG08.

## 8. EVALUATION AND SELECTION OF PROJECT PROPOSALS

The Programme Operators through the Selection Committee shall evaluate the project proposals in accordance with the criteria described in the Guidelines for Applicants.

The submitted project proposals will be evaluated for their compliance by:

- Administrative criteria;
- Eligibility criteria;
- Quality criteria.



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In the evaluation, the standard requirements for evaluation of the relevance and importance of the project, the logical framework of the project and design, the budget and cost efficiency, the project management shall be applied.

### Specific criteria:

- The activities envisaged within the project proposals under **Measure 2 Cultural history documented** must be of such a nature that any residual or derived materials obtained in the implementation of project activities can be reused, recycled, treated and/or disposed of in an environmentally friendly manner.

- **It shall be mandatory that the property subject to interventions under this Call constitutes public state property or public municipal property.**

- All types of activities related to recording, digitalization, etc. of items/objects of cultural heritage must be in accordance with applicable regulations and in full respect of the specific rules and regulations for the protection of cultural heritage, of the rights intellectual property, etc.

- The existence of a conceptual project/preliminary design, an explanatory note and an indicative bill of quantities (if applicable) for the envisaged activities for establishment of digital centers in cultural institutions/universities shall be mandatory at the stage of application under this Call.

### Additional selection criteria:

Within **Measure 2 Cultural history documented**, the following additional selection criteria have been determined:

- Partnership with organizations/institutions from the donor countries. Applicants with a partner from the donor countries will receive additional points in the evaluation of their project proposals.

Simultaneously with the publication of this Call, the evaluation grids which are part of the application package documents for this Call will be announced.

Applicants for projects will be informed/notified of the results of the selection after the end of the period for project evaluation.

The list of approved projects will be published on [www.culture-eea-bg.org](http://www.culture-eea-bg.org).

### 8.1. Procedure for selection and evaluation of project proposals

All project proposals received within the deadline shall be evaluated according to the criteria described in the Guidelines for Applicants. The criteria shall not be subject to change during the course of the procedure, unless there are changes in the regulatory framework.

All stages of the evaluation shall be carried out by the Selection Committee appointed by the Head of the Programme operator (PO).

The PO shall appoint the Selection Committee which shall offered to the PO the projects to be funded under the Programme.

The Selection Committee for **Measure 2 Cultural history documented** shall encompass:



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- Chairperson – representative by the Programme Operator;
- Technical secretary – representative by the Programme Operator;
- At least three evaluators/experts competent in the respective field (experts with experience in the evaluation of project proposals, with competence in the field of cultural heritage, applicable legislation and objectives of cultural policy), as at least one of these three external evaluators will be external for the PO.

The technical evaluation and the quality assessment shall be performed by two independent evaluators/experts. In the cases when their evaluations for the relevant project proposal (at the stage of technical and quality evaluation) have a difference of more than 30% of the higher score, a third external evaluator shall be invited to make an independent evaluation of the same project proposal. In such cases, the average score of the two closest scores shall be used for to ranking of the projects;

Observers from the following institutions shall be invited to the meetings of the Selection Committee:

- National Focal Point;
- Representative by the FMC of the EEA or a representative from the Embassy of the Kingdom of Norway in Sofia.

The key activities of the EC shall include the following:

- Opening session;
- Evaluation process: During the evaluation of the project proposals, consecutive assessments of the administrative compliance, the eligibility, technical and quality assessment of the of submitted project proposals shall be carried out;
- Closing session and elaboration of the report by the Selection Committee for the results of the evaluation process and establishment of a list of projects to be proposed for funding under **Measure 2 Cultural history documented** within Programme BG08.

The appointed EC shall be responsible for the evaluation of the project proposals submitted within the deadline for submission of project proposals on the grounds of the criteria specified in the Guidelines for Applicants.

The evaluation shall be documented by filling in evaluation grids. The evaluation of project proposals shall include the following three stages:

### **8.1.1. Stage I – Administrative/formal criteria of compliance:**

The administrative compliance verification shall include checking for compliance with the following requirements:

1. The project proposal refers to the respective measure;
2. The Application Form meets all the formal requirements and follows the form published in these Guidelines for Applicants;
3. The Application Form is correctly filled in and each of the items on the form contains all the information necessary for the evaluation of the project proposal;
4. All documents required for the evaluation of the project proposal, are submitted in accordance with the requirements.

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In the event of ambiguities on the submitted documents and/or information, the appointed Chairperson of the Selection Committee shall be entitled to request additional information and documents certifying the data submitted in the project proposal. The beneficiary shall be obliged within 5 calendar days after the request to submit to the PO the required documents.

### **IMPORTANT!**

**The Selection Committee and the Programme Operator shall not bear responsibility if due to incorrect and/or incomplete contact details submitted by applicants, the latter do not receive the correspondence during the procedure for the selection and evaluation of project proposals.**

### *Administrative compliance grid*

Criteria	YES	NO	N/A
<b>1. Administrative compliance</b>			
1.1. The project proposal has been received within the deadline.			
1.2. The applicant has submitted only one proposal under this Call.			
1.3. The project proposal was submitted in 3 copies (1 original and 2 copies) – certified by the applicant with a signature, a seal and a text "True to the original".			
1.4. The project proposal was submitted on an electronic medium (3 discs), identical to the hard copy.			
1.5. The project budget is submitted in the required format in Euro and is attached (annex 2)			
1.6. In the Application Form, all required information is filled in. The Project summary in English is presented.			
1.7. The CVs of the team members of the project are filled in and enclosed, as Europass templates are used.			
1.8. A Letter of Intent (annex 6) is attached according to the form – in English language if the partner/s is/are from a donor country; in Bulgarian language, if the partner/s is/are from Bulgaria.			
1.9. In the event of submitted copies of the documents by the applicant, they are authenticated with a signature, a seal and a text "True to the original".			
1.10. All required documents are enclosed, valid, in effect and legitimate.			
1.11. If the project proposal includes construction works/reconstruction and/or other activities related to construction work (if applicable), there are act/s for public municipal/state ownership enclosed, certified with a signature, a seal and a text "True to the original".			
1.12. If the project proposal includes construction works/reconstruction and/or other activities related to construction work, there are a conceptual project/preliminary design, an explanatory note (if applicable) and an indicative bill of quantities (if applicable), enclosed, certified with a signature, a seal and a text "True to the original".			

### **8.1.2. Stage II – Verification of eligibility:**

The verification of eligibility shall encompass the applicant, the partner/partners and the project proposal.

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Applicants shall be eligible if they meet the formal criteria and the eligibility requirements under the Guidelines for Applicants; supporting documents are enclosed at the time of application.

Partners must meet the formal criteria and the eligibility requirements under the Guidelines for Applicants; supporting documents are enclosed at the time of application.

The project proposal shall meet the requirements of the Guidelines for Applicants.

It shall be possible for further information to be requested by the PO in case of need of information and/or documents.

At this stage, the evaluators shall fill in a **table of eligibility** covering the eligibility criteria for the project proposals, the general and specific objectives, the compliance with the amount of the grant, the minimum and maximum thresholds, the target groups, the duration of the project, etc. Only the project proposals that pass the verification of eligibility shall be subject to technical and quality evaluation. Application forms that do not meet all formal criteria will be rejected.

### *Eligibility compliance grid*

Criteria	YES	NO	N/A
<b>1. Criteria of eligibility of the applicant</b>			
<b>1.1. General criteria of eligibility of the applicant</b>			
1.1.1. The applicant meets all general requirements for eligibility of applicants in accordance with i. 5.3.1.1. of the Guidelines for Applicants.			
<b>1.2. Specific criteria of eligibility of the applicant:</b>			
The applicant is registered as: <ul style="list-style-type: none"> <li>- public institution (state, regional or local), registered in Bulgaria, <b>or</b></li> <li>- cultural institute financed by a state, regional or local authority, <b>or</b></li> <li>- state owned university, registered in Bulgaria <b>or</b></li> <li>- other body governed by public law – which encompass any body (a) established for the specific purpose of meeting needs in the general interest, not having an industrial or commercial character; (b) having legal personality; and (c) financed, for the most part, by the state, regional or local authorities, or other bodies governed by public law; or subject to management supervision by those bodies; or having an administrative, managerial or supervisory board, more than half of whose members are appointed by the state, regional or local authorities, or by other bodies governed by public law.</li> </ul>			
<b>2. Criteria of eligibility of the partner/s</b>			
<b>2.1. General criteria of eligibility of the partner/s</b>			
2.1.1. The partner/s meets all general requirements for eligibility of applicants/partners in accordance with i. 5.3.1.1. of the Guidelines for Applicants.			
<b>2.2. Specific criteria of eligibility of the partner/s</b>			
2.2.1. The partner/s is/are registered as: <ul style="list-style-type: none"> <li>- public institutions, cultural institutions and non-profit organizations (nongovernmental non-profit organizations for public benefit) registered in Bulgaria;</li> <li>- public institutions, cultural institutions and non-profit organizations (nongovernmental non-profit organizations for public benefit) registered in one of the donor countries: Norway, Liechtenstein, Iceland.</li> </ul>			

Criteria	YES	NO	N/A
<b>3.3. Additional requirements to the partner/s</b>			
3.3.1. In case that they are non-governmental organizations registered in the Republic of Bulgaria, they have to act as non-profit associations registered for public benefit for the performance of activity/ies in the field of culture;			
3.3.2. In case that they are non-governmental organizations, they must be established (in accordance with a court registration) at least 12 months before the date of launch of this Call for proposals;			
3.3.3. In case that they are non-governmental organizations, their headquarters and principal place of business must be located on the territory of the Republic of Bulgaria or on the territory of one of the donor countries under the EEA Financial Mechanism – Norway, Iceland, Liechtenstein. The provisions of Article 1.5.1 (w) of the Regulation are applicable.			
<b>4. Criteria of eligibility of the project</b>			
4.1. The amount of the requested grant is within the specified minimum and maximum thresholds.			
4.2. The project proposal is aimed at the target groups defined in the Guidelines for Applicants under the Measure.			
4.3. The project duration does not exceed the deadline for completion – until 30.04.2016.			
4.4. In the project proposal (part budget) each cost is linked to the relevant activity.			
4.5. The project proposal meets the requirements for budget of the partner/s (budget amounts for fulfilment of activities by the project partners shall not exceed 30% of the total budget of the respective project proposal; simultaneously one project partner activities shall not exceed the budget amounted to 190 000 euro).			
4.6. The project proposal meets the requirements for information and publicity – a Plan for Information and Publicity is presented in the application form and is elaborated in accordance with the requirements of Annex IV to the Regulation.			
4.7. The amount of the indirect costs is up to 10% of the total direct eligible costs.			
4.8. The project proposal complies with the requirement for avoidance of double funding of activities by different financial sources referred to in the Guidelines for Applicants.			

After the verification of the project proposals for compliance with the administrative criteria and eligibility criteria, the PO shall notify the applicants of the results on their project proposals. Applicants whose projects are rejected shall have ten (10) days to appeal the decision pursuant to Art. 11.8. of the Regulation.

Project proposals that meet the formal criteria and the eligibility criteria of a) the beneficiary / the partner/s and b) the project shall be subject to full technical and quality assessment organized by the PO in accordance with the provisions of the Regulation of the EEA Financial Mechanism.

Project proposals that do not meet the criteria for compliance and eligibility will be rejected. The PO will officially notify the applicants of the reason for the rejection.

### 8.1.3. Stage III – Technical and quality evaluation

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Each project proposal that meets the administrative and eligibility criteria shall be subject to technical and quality evaluation by two independent evaluators/experts (in accordance with the relevant provisions of the Regulation). The experts shall evaluate the project individually in accordance with pre-announced evaluation criteria. The criteria shall be divided into sections and subsections.

For the purposes of evaluation, the average score awarded by the experts shall be used. If the difference between the evaluations of the two experts is more than 30 % of the higher score, the Programme Operator shall appoint a third expert to conduct a comprehensive, independent evaluation of the project. In such cases, the average of the two closest scores will be used for ranking of the project.

The evaluation carried out by the experts shall encompass the relevance and importance of the project, the logical framework, the efficiency and effectiveness of the budget, the management capacity, sustainability, etc.

The experts shall be entitled to propose adjustments to the budget and relevant arguments in order to achieve a higher rationality, efficiency, assuring compliance with market prices, economy and necessity of the costs, etc.

As a result of the technical and quality evaluation of the project proposal, the Programme Operator shall reserve the right to reduce the draft budget on the recommendation of the Selection Committee in cases where there are unacceptable costs or the same do not comply with their market value, as well as the requirement for percentage ratio between costs shall be observed.

### **IMPORTANT!**

***The technical and quality evaluation of project proposals shall include verification and assessment of the credibility, effectiveness and eligibility of all planned activities and costs. In the event that, in the process of technical evaluation and quality assessment, the Selection Committee finds the presence of circumstances (e.g. unacceptable and/or ineffective activities, ineligible and/or unrealistic costs, duplication of set activities and/or costs, etc. are included in the project proposal), this may lead to a change in the budget of the project proposal. It should be considered that the allowable budget changes may not lead to an increase in the amount of the grant.***

**The result of the technical evaluation of the projects shall be listed arranged by awarded points (evaluation scores) for respective project proposals.**

In order for the project proposal to be entered in the list of projects sorted by ratings, it should achieve at least 60 points.

Where the evaluation of the proposal does not reach the minimum score of 60 points, the applicant shall be rejected, for which they shall be notified by a letter with a short explanation of the reasons.

Following the completion of the activities of the Selection Committee and the duly submitted and signed evaluation grids, the Chairperson of the Selection Committee shall elaborate a report with the results of the evaluation process and establishing a list of projects to be proposed for funding under **Measure 2 Cultural history documented**.

**The List of projects that will be proposed for funding shall be submitted to the Head of Programme Operator for endorsement.**

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A grant will be awarded to the applicants with the **highest total scores** achieved within the evaluation process until the full disbursement of the available total amount for the measure 1 “Cultural heritage restored, renovated and protected”.

The Programme Operator shall submit to the FMC the List of projects that will be proposed for funding in English.

Following principles for transparency, equal treatment and non-discrimination, maintaining contacts with the PO during the procedure for selection and evaluation shall not be permitted except in exceptional cases. The procedure for selection and evaluation shall begin after the deadline for submission of project proposals and shall end with the publication of the results from the selection.

The Programme Operator exercises a zero tolerance towards corruption or any other attempts to undermine or circumvent the rules.

### *Evaluation grid for technical and quality evaluation*

Criteria	Maximum score	Section of the project proposal
<b>Relevance and importance</b>		
Relevance to the objectives of the measure 2 “Cultural history documented”.	5	II.3 II.4 III.6.2
Clear rationale is given on the necessity of the project and the needs of the target groups. Project activities serve the needs of the target groups.	10	III.1 III.2 III.3
Relevance to the measure 2 “Cultural history documented” targeted results and outcomes.	5	III.4 III.5 III.6.1
Relevance to cross-cutting issues, relevance to cultural diversity objectives and in particular relevance for the improvement of the situation and involvement of the Roma population.	5	III.5 III.14 III.6.1, 6.2
<b>Project logical framework quality and design</b>		
Well structured project with mutually linked activities which guarantee the achievement of expected results (results and indicators are measurable, etc.).  Sound concept and quality of the objectives and deliverables (e.g. can the objectives be realistically achieved, etc.).	5	III.5 III.6 III.8 III.9
Clear description for potential risks and existence of relevant vision for its mitigation.	5	III.10

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Time schedule is comprehensive and realistic. Schedule of tasks is realistic, activities can be implemented by the final date foreseen.	5	III.5 III.7 Indicative plan for public procurements
Added value of activities for protecting and preserving of cultural heritage of Bulgaria for future generations.	5	III.12
The project includes a clear plan to reach the broader public through measures adapted to the specific project and includes communication and visibility actions in line with Regulation on the implementation of the EEA Financial Mechanism 2009 - 2014, Annex 4 “Information and Publicity Requirements”.	5	III.5 III.13
<b>Project budget and cost effectiveness</b>		
The project budget is clear. Estimated expenditures are necessary for the project implementation and justified by a financial plan and detailed in line with the proposed activities, according to the activity plan. The envisaged expenditures are eligible. Expenditures for involvement of Roma population are properly planned.	10	Budget III.5, 5.1 IV. 1 IV.2 IV.3
The costs are based on real market prices, are realistic, cost efficiency – relationship between costs and project outcomes.	10	Budget III.5, 5.1, 5.2 IV.1, IV.2
<b>Project management (implementation capacity)</b>		
A clear description of expertise and tasks to be fulfilled by the human resources involved in the project management is given. The project team is suitable for implementing the project.	10	III.1 III.5 V.1, V.2
Project promoter (if applicable - and partner(s))’ experience in the thematic area.	5	VI.15 VI.16 VI.17
<b>Supplementary criteria/bilateral cooperation</b>		
The Project promoter has a partner from the Donor States (clear description of the role of the partner(s) and contribution to project implementation is presented).	5	I.19 VI VI.16
<b>Sustainability</b>		
Clear vision and appropriate description how the sustainability of the project will be assured.	10	III.11
<b>TOTAL</b>	<b>100</b>	

**9. BILATERAL FUND UNDER PROGRAMME BG08 CULTURAL HERITAGE AND CONTEMPORARY ARTS**

In order to facilitate potential applicants (beneficiaries) within the EEA Financial Mechanism 2009-2014, a Bilateral Fund was established. The Bilateral Fund for Programme BG08 Cultural Heritage and Contemporary Arts is designed to facilitate the search for partners before or during the preparation for application for a project, the development of partnerships, participation in meetings, conferences, seminars, preparation of application documents and/or networking, exchange, sharing and transfer of



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knowledge, technology, experience and best practices of potential applicants and organizations in the donor countries.

The financing under the Fund is seen as an additional source of funding, i.e. other than the project budget.

The total budget of the Bilateral Fund within Programme BG08 Cultural Heritage and Contemporary Arts amounts to 247 059 Euro. The budget foreseen for Measure A (in accordance with Article 3.6.1.a of the Regulation on the implementation of the EEA Financial Mechanism 2009-2014), is in the amount of 123 529.50 Euro as the minimum amount of funding shall be 2 000 Euro and the maximum amount is 5 000 Euro.

The Call for submission of applications for funding by the Bilateral Fund under the Programme **BG08 Cultural Heritage and Contemporary Arts** shall be published simultaneously with the launch of Calls for proposals under **Measure 1, Measure 2, Measure 3 and Small Grant Scheme** within the Programme BG08.

Information is available in Internet on the websites: [www.culture.eea-bg.org](http://www.culture.eea-bg.org), <http://www.eeagrants.bg/bg/2009-2014/>.



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### 10. CONCLUSION OF GRANT CONTRACTS. GENERAL RULES FOR THEIR IMPLEMENTATION

#### 10.1. Notifications of the decisions of the Programme Operator

Applicants shall be notified in writing of the decision of the PO in relation to their project proposal within 15 working days of the issuance of the decision for provision of a grant to approved applicants and the rejected candidates – within 30 working days of the issuance of the decision.

A decision for rejection of a project proposal or for non-provision of a grant shall be taken on the following grounds:

- the project proposal is incomplete or non-compliant in other way with the stated administrative conditions;
- the applicant does not comply with the eligibility criteria;
- the project activities do not meet the eligibility criteria (e.g. activities in the project proposal are outside the scope of activities eligible under the measure, the maximum term for implementation is exceeded, the requested amount exceeds the allowed maximum, etc.);
- proposals have received an evaluation that is lower than the required minimum evaluation score of 60 points;
- although the project proposal complies with the criteria required for a positive evaluation, there is a depletion of the resources provided by the measure for grants;
- or the project proposal does not comply with the other criteria set out in these Guidelines.

#### 10.2. Grant contract under EEA Financial Mechanism

For each approved project proposal, a grant contract shall be concluded between the Programme Operator and the applicant (project promoter) for the implementation of the project (Grant contract). In cases where, due to provisions of national law such cannot be concluded, the beneficiary country may instead issue a legislative or administrative act with similar action and content.

The Grant contract shall determine the conditions for the grant provision as well as the roles and responsibilities of the parties. It specifically shall include provisions ensuring that the beneficiary shall undertake to comply with the legal framework of the EEA Financial Mechanism 2009-2014, including any obligations that shall be valid after the completion of the project. The project grant contract and common rules shall contain a clear reference to the Programme Agreement and the Regulation and, as a minimum, the following conditions:

- obligations for accountability before the PO;
- the maximum amount of the grant under the project;
- cost eligibility;
- the percentage of indirect costs and their maximum amount;
- last date of cost eligibility;
- changes in the project;
- a condition ensuring that the required access in connection with the monitoring, audit and evaluation is provided promptly;
- a condition that ensures compliance with the obligations of information and publicity;
- the right of Programme Operator to suspend payments and to require reimbursement of amounts by the beneficiary in the event that a decision for such actions is taken by the FMC, the Programme Operator or the National Focal Point;
- dispute settlement and jurisdiction;
- reference to the Partnership agreements, if necessary;

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- termination of the grant contract, etc.

The Grant contract shall be signed in three identical copies by the Head of the Programme Operator and the Project Promoter (Beneficiary). The annexes to the project grant contract shall be: the project proposal, a detailed budget with a breakdown of the costs by items and unit prices, a plan for project implementation, a timetable, an indicative timetable for public procurements and procurements for contractor selection, CVs of the team members, Partnership agreement, if applicable, etc.

### 10.3. General rules for implementation of projects under contracts

#### 10.3.1. Conduction of procedures for award of public procurement contracts

The Programme Operator shall perform preliminary, current and subsequent verification of the procedures for the award of public procurement contracts prepared by the beneficiaries, and preliminary verification of contracts with contractors to ensure compliance with national legislation regulating public procurement.

Beneficiaries shall be obliged to submit to the PO internal rules for procurement containing the order for planning and organization of procedures and for control of the implementation of the signed contracts for procurements.

Municipalities as bodies of local government shall be contracting authorities within the meaning of Art. 7 of the PPA.

The contracting authorities shall send a list of public procurements in an initiating letter to the Programme Operator within 15 days after signing the grant contract as the proposals must contain:

- subject of the public procurement;
- type of the procedure;
- indicative value;
- estimated deadline for preparation of the tender documents, a descriptive document or a competition program;
- a declaration of the presence or absence of violations by the beneficiary in the last two years related to the implementation of procedures for the award of public procurements established with effective penal provision or a decision of an appeal body;
- brief description of the reasons for conducting the public procurement.

#### The main principles for award of public procurement shall be:

##### Publicity and transparency

The procedures for the award of contracts financed by the EEA Financial Mechanism 2009-2014 must comply with the principles of transparency and equal treatment. In this respect, observing the Bulgarian legislation, the beneficiary should ensure maximum publicity of the procedure allowing all stakeholders equal opportunities for participation.

##### Free and fair competition

The participation in procedures for selection of a contractor administered by the beneficiary shall be open and with equal terms for all who wish to participate. In order to avoid conflict of interest, any company or experts involved in the preparation or implementation of the project should be excluded from participation as potential contractors in the awarding procedure. When submitting a proposal for participation in the contracting procedure, the applicant or tenderer shall declare that there is no possibility of conflict of interest in relation to other participants in the procedure or parties to the project. Regardless of which procedure they choose, the beneficiary should provide conditions allowing fair competition. The Programme Operator shall

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reserve the right to suspend or terminate the funding a project at the establishment of irregularities, including corruption of any kind, during any stage of the process and provided that the beneficiary fails to take all possible remedial measures.

Under this condition, the term "corruption" shall include the offering of a bribe – material and/or cash, monetary consideration or commission to any person as an incitement or a reward for performing or refraining from any action related to the conclusion of a contract or the implementation of contract already signed with the beneficiary.

### Equality and non-discrimination

When the beneficiary grants special or exclusive rights for the performance of a service to a person who is not a contracting authority, the act by which rights are granted should require that person to comply with the principle of non-discrimination on the grounds of nationality in the award of supply contracts to third parties as a part of the activities related to these rights.

In determining the evaluation criteria "most economically advantageous tender", the beneficiaries should not allow for the "selection criterion" set in the evaluation methodology to be considered as an "indicator for evaluation". The contracting authorities should give precise guidelines for the determination of the evaluation for each indicator.

The linking of certain turnover with a certain number of contracts, the requirement for turnover times above the estimated contract value, etc. must not be allowed.

### **Ex-ante control of public procurement procedures by the Programme Operator**

After the receipt of the indicative list of public procurements, the Programme Operator shall be entitled to choose which procurements will be subject to preliminary, current and subsequent verification and to notify the beneficiary in writing.

The control over the procedures for selection of contractors shall be done by:

1. ex-ante control of the documentation for determination of contractors;
2. sending observers in the committees for selection of contractors;
3. further control of the procedures for determination of a contractor.

The Programme Operator shall be entitled to appoint a representative for participation as an observer in each committee for evaluation the received tenders/applications. In this regard, the beneficiary shall be required to notify the PO of the date, time and place of opening of the tenders or applications no later than 10 working days before the date of this event. When the PO decides to send a representative to the committee, they shall notify the contracting authority of the names of its representative within 3 days electronically.

The contracting authority shall include in the order of appointment of the committee for conduction of the procedure as observers the persons designated by the PO. The same shall attend the committee meetings and shall be entitled to free access to the examined documents, but shall not be allowed to participate in its work. When an observer is present in the committee, they shall provide the PO with an independent report on the work of the committee.

### **10.4. Technical and financial implementation of projects**

The technical and financial implementation of projects shall be carried out in accordance with the Grant contract.

The beneficiary shall prepare interim financial statements and technical reports, together with financial and other necessary supporting documentation.

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The statement shall be made on a quarterly basis, as follows:

- for the costs incurred from 1 January to 30 April, the interim technical reports and financial statements as well as the supporting documents must be submitted to the Programme Operator on or before 15 May;
- for the costs incurred from 1 May to 31 August, the interim technical reports and financial statements as well as the supporting documents must be submitted to the Programme Operator on or before 15 September;
- for the costs incurred from 1 September to 31 December, the interim technical reports and financial statements as well as the supporting documents must be submitted to the Programme Operator on or before 15 January.

Reports submitted by the beneficiary after these dates will be considered with the next reporting period.

### 10.4.1. Technical reports

All technical reports shall be prepared in Bulgarian language. The main responsibility for the preparation of these reports shall be borne by the project team. The beneficiaries shall be responsible to introduce to the partners the information included in the reports.

The reports must contain sufficient information on all aspects of the project implementation for the reporting period. The report shall summarize and describe the activities performed during the past period and shall state the costs for the next reporting period. The technical reports to be prepared under the Grant contract, shall be the following:

#### 10.4.1.1. Interim technical reports

The interim technical reports shall be prepared and submitted in accordance with the above reporting periods for the progress of implementation of the project activities. Any request for reimbursement must be accompanied by an interim technical report and an interim financial statements (in accordance with the annexes of the grant contract). They shall only cover the reported period of the project.

The beneficiary shall provide to the PO, within the interim reports for the progress of the project, also information about the findings from the performance of the on-site inspections by the PO, about the recommendations and about their implementation.

The interim technical reports accompanied by interim financial statements shall be submitted by the beneficiary with any request for interim reimbursement in accordance with the terms set out above.

#### 10.4.1.2. Content of the technical reports

The technical report shall be filled in in accordance with a form which is annexed to the grant contract. It must contain a description of the project and the actually implemented activities, an assessment of the implementation of project activities during the reporting period, information on the achievement of the indicators envisaged for the implementation of the project, information on the steps taken to ensure information and publicity and the financial contribution of the donor countries.

### 10.4.2. Financial statements

The financial statements shall contain all available financial and accounting documentation certified by the text "True to the original", signed and sealed by the responsible official, which is applicable to the reporting period. The financial statements should be completed according to the activities carried out, supported by financial and accounting documents and the necessary technical evidence of the performed activities. To the financial statement, the beneficiaries should enclose an inventory of documents, a financial statement in Excel-format (according to a template), as well as a completed interim financial statement.

The beneficiaries shall be required to keep separate accounting of the project costs, which allows following of costs to ensure an adequate audit trail. In the event that such accounting cannot be provided, the

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beneficiary shall be required to maintain such analytics that give the same information so that the project costs can be separable, distinct, easily identified and tracked. The chosen accounting of the project should allow the collection of the data necessary for the performance of financial management, monitoring, verification of costs, audit and assessment.

To the interim financial statements, the beneficiaries shall enclose analytical accounting of the project costs (general ledger, trial balance, analytical and chronological statements, sealed and certified with the signature of the director and the chief accountant) for the respective reporting period as well as a VAT declaration together with a purchase record for each of the months during the reporting period to demonstrate the use/absence of use of value added tax.

The financial statements shall be prepared and submitted to the PO at submitting a request for reimbursement by the 15<sup>th</sup> day of the month following the reporting period (according to the aforesaid reporting periods and periods of submission of reports to the PO).

### **10.4.2.1. Interim financial statements**

The interim financial statements shall be submitted in accordance with the above reporting periods of the financial implementation of the project activities. Any request for interim reimbursement shall be accompanied by an interim technical report and an interim financial statements (in accordance with the appendices of the grant contract).

The beneficiary shall provide to the PO, within the interim financial statements, copies of all financial and accounting documents for costs incurred during the interim period, which should correspond with the technical documentation to the technical report and to be related to the implementation of activities.

The interim financial statements should include:

- a statement of the actual costs incurred during the reporting period;
- a proposed expenditure for the following reporting period, including the indicative amounts of foreseen costs, broken down by budget activities.

### **10.4.2.2. Content of the financial statements**

The financial statements must provide complete information about the funds spent on the project for the reporting period. The financial statements prepared by the beneficiary shall contain information about:

- project budget;
- adjustments to the budget;
- costs incurred for the reporting period;
- cumulative costs incurred from the beginning of the project;
- amounts included in the request for reimbursement;
- percentage of requested funds compared to agreed funds.

The beneficiary shall be responsible for the implementation of the grant contract and for its reporting. In the event that a part of the costs are incurred by a project partners, the beneficiary should summarize the costs of the partner and provide a single financial statement for the project implementation.

The activities in the period of implementation of the grant contract and the respective costs incurred can be verified only if the beneficiary of a grant under the EEA Financial Mechanism 2009-2014 has presented a report with sufficient documentary evidence.

### **10.4.2.3. Final report**

The final report is designed to provide comprehensive information on the implementation of the project, the achieved indicators, the achieved effect of the implementation, commitments after project completion. It shall contain an assessment of the implementation of activities; a reference comparing the planned and the actual indicators; an opinion about the work with the partner and other forms of cooperation; information about

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the implemented measures for information and publicity; a comment on any difficulties encountered during the implementation of the project; an assessment of the performed site inspections and the corrective measures taken; the results of the performed audits.

The beneficiary shall submit a final report within 3 months of the approval of the costs of the last interim report.

After the approval of the final report by the PO, the PO shall release the held 20% of the total eligible project costs.

### 10.5. Financial management and control

#### 10.5.1. Funding thresholds

In accordance with Annex II of the Programme Agreement BG08 – EEA FM, 100% of the eligible project costs will be funded.

Minimum and maximum grant under the project:

✓ Measure 2: Cultural history documented

Minimum grant – 170 000 Euro, maximum – 750 000 Euro

\*10% of the funds should be directed towards the improvement of the situation of the Roma population.

#### 10.5.2. Period of eligibility of project costs

Unless the grant contract specifies a later date, the incurred costs shall be eligible as of the date on which the Programme Operator decides to award the project grant, but not later than 30 April 2016. Costs occurred after this date will not be considered eligible.

In exceptional cases, where further extension of the term is justified, the FMC may extend the period of eligibility to 30 April 2017. If as at the final date of eligibility of costs, the project is a subject of legal proceedings or an administrative appeal with suspensory effect, the FMC may authorize further extension of the term if it determines that this is in the interest of achieving the objectives of the EEA Financial Mechanism 2009-2014. The beneficiary shall be obliged to notify the PO in the shortest time possible if such circumstances are present.

##### 10.5.2.1. Payments

The payments to projects should be carried out when all the conditions applicable to the payments provided for in the grant contract and the Regulation are met. PO shall order payments in accordance with national and Community law, applying the system for double signature and separation (non-duplication) of responsibilities.

The Programme Operator will comply with the conditions in Chapter 8 of the Regulation and will require the beneficiary to make an assessment of the estimated costs and proposed expenditure for the following reporting periods are required in each interim report. The reimbursement to the beneficiary will be done after submission and approval of a final report and after all the conditions stipulated in the grant contract are met.

The payments under the project shall be made in the form of advance, interim and final payments.

The payments to the beneficiaries shall be subject to control under the terms of Decree of the Council of Ministers 119/30.05.2008.



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The beneficiary shall be required to notify the PO within seven days of changes related to their bank identification.

### ✓ Advance payments

The beneficiaries shall be entitled to an advance payment in accordance of an enclosed indicative budget and a timetable for implementation of the project /project implementation plan/. The advance payment should be individually specified in the application form and can be up to **25%** of the project budget.

The advance payment may be requested by the beneficiary in the application form and shall be paid within 30 days following signing of the grant contract.

The interim and final payments shall be made after verification of the costs incurred, if all conditions applicable to the payments provided for in the grant contract, relevant common rules and the Regulation have been met.

### ✓ Interim payments

The interim payments shall be made during the implementation of the project and after the approval of interim reports.

The interim payments shall be made up to 25 days after the periods specified in Art. 8.3, i. 4 of the Regulation.

Interim payments shall in principle consist of the proposed expenditure for the following reporting period less the difference between the proposed expenditure for the previous reporting period and actual expenditure in that period, taking into account any justified unplanned expenditure in the reporting period within which the interim financial report is submitted.

The total amount of the advance and interim payments shall not exceed 80% of the project budget set out in the grant contract.

### ✓ Final payment

The Programme Operator shall hold 20% of the agreed budget until the approval of the final report of the beneficiary.

The Programme Operator shall release the retained 20% of the total eligible project costs after the approval of the final report and after having verified that the conditions for completion of the project are fully met.

The beneficiary must comply with the following deadlines:

Reporting period	Deadline for report submission	Deadline for receipt of funding
1 January – 30 April	until 15 May	until 10 September
1 May – 31 August	until 15 September	until 10 January
1 September – 31 December	until 15 January	until 10 May

The request for reimbursement shall be an integral part of the interim technical reports and financial statements.

#### 10.5.2.2. Use of Euro

The budget shall be presented in Euro (EUR) within the application phase. The applicants (project promoters) awarded with grant subsidy contract will have fixed amounts in the relevant grant contracts



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representing the grant amounts in **EUR** and in **BGN**. The payments under the grant contracts will be in Leva (BGN).

The exchange rate applicable for the grant subsidy contract is EUR 1 = BGN 1.9558.

### **IMPORTANT!**

*The applicants (project promoters) have to present filled in financial identification form representing bank account in BGN.*

### **10.6. Verification and Monitoring**

#### ✓ Verification and on-site monitoring visits

The Programme Operator shall, in accordance with the applicable laws and regulations, to validate the expenditure of the beneficiaries.

The beneficiary shall provide upon request by the PO all documents related to the project implementation.

The PO shall assure verification procedure of project expenditures following submission of the interim project reports (containing comprehensive financial and technical information sufficient for the performance of a complete administrative inspection over all documents):

- complete inspection of all documents submitted by the beneficiary constituting the interim reports.
- on-site monitoring visits – full review of documents and inspections of the actual implementation of activities to a given reporting period.

All inspections shall be documented in checklists, which shall form a part of the internal written working procedures of the PO and shall be attached to the project file/dossier.

The inspection shall include:

- control of public procurements;
- control over signed grant contracts and their subsequent implementation;
- verification of the factual and formal accuracy of the requests for reimbursement submitted by the beneficiaries;
- confirmation that the financed products and services are delivered and that the costs declared by the contractors are for work that is actually done.

#### ✓ Monitoring

The Programme Operator shall perform monitoring of the implementation of the project, which shall aim to follow:

- the overall progress of the project
- the efficient implementation of the work;
- the measures taken to minimize the risk;
- the measures taken in respect of the recommendations given from previous monitoring or external audit;
- compliance with the principles of sustainable development, gender equality, bilateral cooperation, etc.;
- project management;
- spending of funds;
- implementation of the plan for information and publicity;
- achievement of the set indicators;
- the quality of the results;

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- the relevance of the budget;
- implementation of the Partnership agreement and the effect of it (if applicable).

Each performed monitoring shall be documented in a detailed monitoring report with a conclusion of the monitoring experts and comments from the beneficiary.

### 10.7. Changes in the projects

In the event of occurrence of circumstances requiring a change in the implementation of the project, the beneficiary shall be obliged to inform or seek approval for the change from the PO. In the event that the beneficiary has submitted a request for a change that has already been made, the costs associated with it will be ineligible for funding under the EEA Financial Mechanism 2009-2014.

Different procedures are envisaged to ensure the proper execution of possible changes necessary for the improvement of the project implementation. Projects shall be subject to change at any time of their implementation in the occurrence of one or more of the following circumstances:

- the ongoing monitoring provides a strategic justification for a change;
- the beneficiary presents well-grounded arguments for the change;
- there are significant socio-economic changes;
- significant changes in the regional priorities of the country.

Changes in grant contracts shall be carried out in compliance with the following main principles:

- PO shall not be obliged to approve all requested changes;
- the requested changes shall not alter or question the decision for provision of funds for any reason;
- changes in grant contracts can only be carried out within the agreed implementation period of the project.

### 10.8. Monitoring and audit of project implementation

**Monitoring at project level** shall be a responsibility of the beneficiaries under the projects and the Programme Operator and shall be called internal monitoring.

**Monitoring at programme level** shall be a responsibility of the PO and the NFP.

**Monitoring the level of achievement of the objectives and results of the EEA Financial Mechanism 2009-2014** shall be a responsibility of the NFP.

#### 10.8.1. Internal monitoring

✓ *Monitoring at project level*

The monitoring and evaluation at the project level shall be based on the relation between the objectives, the inputs, the relevant activities, results and the actual impacts of the project. The monitoring shall be done by the beneficiaries and the Programme Operator through the following instruments:

- periodic progress reports;
- carrying out on-the-spot visits;
- an assessment of the administrative capacity of the beneficiaries (if applicable);
- an assessment of the results achieved within the specified indicators;
- regular coordination meetings;
- independent monitoring at the project level.

✓ *On-site monitoring by the NFP*

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The NFP shall be responsible for the monitoring of the programmes and projects in order to verify the achieved results and objectives.

On-site inspections shall include a review of relevant documentation; a review of the supply and installation of equipment, the activities on construction/reconstruction, other evidence of implementation of the activities in accordance with their specificity.

The NFP will inform the PO and the relevant beneficiary of upcoming inspections not less than 1 week prior its performance. The NFP shall also be entitled to carry out on-site inspections *ad hoc* visits without prior notice. Within 10 working days after the on-site inspection, the NFP shall prepare a report and submit it to the PO. The report shall contain findings and recommendations for corrective action, if it is applicable. The NFP shall control the implementation of the corrective actions.

### ✓ Monitoring by the PO

The monitoring of the project will be carried out on the basis of risk assessment, including random samples, *ad hoc* visits, etc. in order to ensuring the quality of the implementation of the programme and verifying the projects' progress towards expected outcomes. The PO will adopt an annual monitoring plan.

The main method used will be on-site inspection, review of documents, interviews with members of the team of the beneficiary, representatives of the target groups.

The monitoring visits will be announced at least two weeks in advance to allow the beneficiary to be prepared and to provide all necessary staff and documentation. The beneficiary must present any necessary information and staff in accordance with the scope of the monitoring. The partners, the target groups and other stakeholders can participate if necessary, in order to cover all related aspects. The monitoring experts will assess the need and usefulness of such sources of information throughout the monitoring process.

Upon completion of the monitoring process, a copy of the report shall be sent to the beneficiary for possible comments and/or additional information.

### **10.8.2. External monitoring**

Regardless of the monitoring carried out by the NFP or the PO, the FMC can choose programmes for external monitoring. The FMC shall inform the NFP and the PO of any planned monitoring visit two weeks in advance.

### **10.8.3. Audits and financial control**

All projects will be audited by external, independent and registered experts.

The beneficiary shall ensure that all original documents remain available for inspection at least 5 years after the completion of the project or longer, if this required in the project contract or the national legislation.

### ✓ EFTA Board of Auditors

The EFTA Board of Auditors shall act as a competent authority in respect of the audit carried out on behalf of the EFTA countries.

The EFTA Board of Auditors shall be able to conduct audits of all projects under the EEA Financial Mechanism 2009-2014 as well as the management of the EEA Financial Mechanism 2009-2014 by the recipient country. Representatives of the management structures in the recipient country shall accompany auditors and provide them with the necessary assistance.

The auditors shall have access to all documents or information they deem necessary, including such that are created or stored in electronic format. In particular, the auditors shall be granted access to the accounts of audited institutions and the documents relating to costs financed with the grant from the EEA

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Financial Mechanism 2009-2014. The auditors shall have the same rights as those granted to similar authorities in the beneficiary country.

The EFTA Board of Auditors, except in emergencies, should provide a two-week written notice to the FMC and the NFP before the conduction of an audit.

✓ Audits and inspections performed by the FMC

Without regard to audits carried out by the Audit Authority, the FMC shall be able to arrange audits and on-site inspections for programmes and projects or to verify the effective functioning of the management and control systems in the beneficiary country. The representatives of the NFP should, upon request, accompany the authorized representatives of the MFC and provide them with any necessary assistance.

The FMC, except in emergencies, should provide a two-week written notice to the NFP and the respective PO for an upcoming audit or an on-site inspection.

The auditors shall have access to all documents or information they deem necessary, including such that are created or stored in electronic format. In particular, the auditors shall be granted access to the accounts of audited institutions and the documents relating to costs financed with the grant from the EEA Financial Mechanism 2009-2014. The auditors shall have the same rights as those granted to similar authorities in the beneficiary country.

The EFTA Board of Auditors should be informed and be given the opportunity to take part in such audits.

✓ Audits and inspections by the AEUFEEA

AEUFEEA operates in accordance with internationally accepted auditing standards and in accordance with the national laws, the applicable EU legislation and the international agreements for receipt of funds from the EU, including the Regulation on the implementation of the EEA Financial Mechanism 2009-2014 and the Memorandum of Understanding on the implementation of the EEA Financial Mechanism 2009-2014, to which Bulgaria is a party.

The auditors shall have access to all documents or information they deem necessary, including such that are created or stored in electronic format. In particular, the auditors shall be granted access to the accounts of audited institutions and the documents relating to costs financed with the grant from the EEA Financial Mechanism 2009-2014.

✓ Audits and inspections by external audit companies hired by the FMC, the FMO or the PO

The FMC, the FMO or the PO shall be able to assign the conduction of an audit of the projects financed by the EEA Financial Mechanism 2009-2014 to external audit companies. In the event that the audit is assigned to an external auditor, they shall be responsible for the quality of the performed work and that the work complies with the internationally accepted auditing standards and is in compliance with the applicable laws.

The auditors shall have access to all documents or information they deem necessary, including such that are created or stored in electronic format. In particular, the auditors shall be granted access to the accounts of audited institutions and the documents relating to costs financed with the grant from the EEA Financial Mechanism 2009-2014.

### **10.8.4. Requirements for maintenance of an adequate audit trail**

The beneficiary shall be obliged to keep separately the accounting and financial and the technical documentation on project, classified by activities and arranged according to the reporting periods. The reports submitted to the PO should be an exact copy of the documentation stored by the beneficiary. The established audit trail should include at least the following: all financial and accounting documents, the accounting records of the actual costs incurred for the project, the technical specifications and the financial plan of operations, the

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reports on the progress of the project implementation and the documents relating to the approval of the grant, the procedures for tendering and contracting as well as the reports on the inspection of products and services, the technical documentation to the relevant costs, letters and other correspondence with the PO, the NFP and other stakeholders, etc.

### 10.9. Irregularities

The beneficiary and the Programme Operator should make all necessary efforts to prevent, identify and eliminate the impact of irregularities. Similarly, any suspected and actual cases of irregularities should be investigated promptly and effectively and to be properly eliminated, including through the respective financial adjustments, if necessary. Imposing financial corrections by the PO will be in accordance with Decree of the Council of Ministers 134/05.07.2010, by analogia legis.

Unduly paid amounts should be recovered in accordance with the grant contract and the Regulation.

In the presence or the doubt of a relation of any of the persons to whom the beneficiary should submit the signals of irregularities, the information shall be passed directly to one or more of the following authorities:

- to the Minister of Culture;
- to the Head of the Certifying Authority in the Ministry of Finance;
- to the Head of the NFP, etc.

The beneficiary shall be required to give signals for irregularities and fraud or suspected irregularities and fraud to the irregularities officer designated by the Programme Operator. The PO shall perform the respective checks for the signals for irregularities and fraud in order to establish the credibility of the circumstances specified in the signal. In the event of a confirmation of this credibility and in accordance with the scope of the definition of irregularity (Art. 11.2 of the Regulation), they shall initiate the procedure of recording and reporting irregularities. If the stated circumstances have not been confirmed by the respective checks and do not correspond to the definition of irregularity, irregularity shall not be reported. In this case, the PO should provide feedback to the sender of the signal within 3 months of its submission.

The report of irregularities shall be prepared in three original copies – one shall be attached to the file of the irregularity with the irregularities officer in the PO and the other two shall be sent to the NFP.

The PO shall be responsible for organizing the process of submitting timely information for the purposes of accounting coverage of cases of irregularities having financial terms. The PO shall be obliged to formally request the reimbursement by the beneficiary of all amounts on registered irregularities under the EEA Financial Mechanism 2009-2014 and/or all unduly paid funds.

PO shall provide additional information related to irregularities or suspected fraud/established fraud upon request of the NFP, the CA and the Audit Authority.

### 10.10. Financial adjustments

In cases of established irregularities, the PO shall prepare justified proposals to impose financial adjustments following a detailed study and evaluation. The report shall be submitted to the beneficiary who within 30 days of its receipt shall be able give an opinion in relation to the proposed adjustment.

The Programme Operator must take into account all evidence supplied by the beneficiary within the given deadline. At any time before making a final decision imposing or not imposing financial adjustments, the beneficiary can engage in dialogue in order to ensure that the decision is based on the true and correct facts. The beneficiary must be notified no later than 10 working days from the date of the decision as the notification shall include the reasons that led to its taking.

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### 10.11. Suspension of payments

The PO shall be able to make a decision to suspend payments if one or more of the following conditions are present:

- the conditions for payment under Chapter 8 of the Regulation are not met;
- reliable information indicates that the progress of the project is not in compliance with the project proposal and the grant contracts;
- the reports referred to in Chapter 11 of the Regulation or other information requested have not been submitted or the same contain incomplete information;
- the access required by Chapter 10 of the Regulation is limited;
- the financial management of the project does not conform to generally accepted accounting principles;
- there are potential or actual cases of irregularities or such cases were not adequately reported, investigated or removed;
- the project implementation is considered a violation of the national laws or the legislation of the European Union;
- there is a fundamental change in circumstances which constitutes an essential basis for the termination of the financial support of the EEA Financial Mechanism 2009-2014 for the project;
- there is evidence of misrepresentation of facts in the information provided by the NFP, the CA or the PO affecting, directly or indirectly, the performance of the project implementation contract;
- the interest generated on the beneficiary's accounts have not been accounted for and recovered;
- there is an open procedure for imposing financial adjustments;
- other obligations stipulated in the grant contract or the project proposal are not complied with.

### 10.12. Recovery of funds

The PO shall be entitled to terminate the grant contract without paying any compensation in the event that the beneficiary is found guilty of fraud, corruption, involvement in a criminal organization or any other illegal activities detrimental to the financial interests of the European Community. The beneficiary must strictly apply these conditions to partners and contractors on the project.

The beneficiary shall be responsible for returning the funds in case of allowed and/or performed irregularities in the project with financial terms. In case of established irregularities, the PO shall be entitled to require from the beneficiary recovery of unduly paid amounts. If the beneficiary does not recover the funds voluntarily, PO shall take action to absorb the amounts under Decree of the Council of Ministers 119/30.05.2008, their collection by court order or other order specified in the legislation.

In implementing the project, the beneficiary must provide provisions for recovery of unduly paid funds in the grant contracts signed by them in their capacity of a contractor for provision of services/supplies/construction.

In all cases where the beneficiary recovers the amounts due by them for irregularities, they shall be obliged to account for them in the accounting system and to provide to the PO a notification letter for accounted refunded amounts due to irregularities within 10 working days after the date of recovery.

### 10.13. Conflict of interest

The beneficiary must take all measures necessary to prevent or terminate any situation that could compromise the independent and objective performance of the grant contract. Such conflict of interests could arise in particular in relation to economic interests, political or national bias, family or emotional involvement



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or any other relevant connection or shared interest with other persons who can influence the outcome of the procedures for selection of contractors. The PO must be notified immediately of any conflict of interest that occurs during the implementation of the grant contract.

The PO shall reserve the right to verify that such measures are adequate and shall be able to require additional measures, if necessary. The beneficiary must ensure that their employees, including executives, are not placed in a situation that could lead to a conflict of interest.

The beneficiary shall undertake to change immediately and without compensation from the PO each employee of theirs who is exposed to such a situation.

### 10.14. Information and publicity measures

Each beneficiary shall be obliged to take measures for information and publicity to enhance the transparency in the implementation of projects financed by the EEA Financial Mechanism 2009-2014 and to increase the awareness of the general public and the media. The measures taken for publicity and information must comply with the Manual for Design and Communication and Annex IV of the Regulation.

In order to highlight the role of the EEA Financial Mechanism 2009-2014 and to ensure that the use of the grant is fully transparent, the beneficiary must provide information about the project to the widest possible range of stakeholders at regional and local level.

Any information (printed, distributed on the Internet or through audio-visual materials) supplied by the beneficiary, must include the following:

- the logo of the EEA Financial Mechanism 2009-2014;
- the logo of the beneficiary;
- name of the project;

The beneficiary shall inform the Programme Operator at least two weeks in advance of planned public events on the project.

**The beneficiary shall agree for the data associated with the project implementation to be used in the information systems and records for the purpose of administration of the European Economic Area Financial Mechanism 2009-2014.**

#### 10.14.1. Plan for Information and Publicity

The Plan for Information and Publicity shall be an integral part of the application documents in order to give "visibility" of the objectives, the scope and the result of the use of the EEA Financial Mechanism 2009-2014, ensuring openness and transparency in project implementation.

The beneficiary must develop and monitor the implementation of the Plan for Information and Publicity, which must contain at least the following:

- ✓ the objectives and target groups including the stakeholders at regional and/or local level;
- ✓ strategy and measures for information and publicity, including activities, communication tools and timetable of their implementation;
- ✓ at least three outreach activities with information on the progress, the results and the achievements of the project, such as seminars or conferences with the stakeholders, a conference or an event, including for the launch of new project activities or the completion of already started ones. For projects where the grant is less than 500 000 Euro, two information events shall be planned;
- ✓ taking measures for dissemination of information about the project and its financing on the internet either by developing a website or through a dedicated webpage to an existing website;
- all beneficiaries must regularly update the information on the Internet in Bulgarian and English language;



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- all projects that receive a minimum of 50 000 Euro from the EEA Financial Mechanism 2009-2014 should develop a website on which they should upload regularly information about the progress of the project;
- all projects that receive a minimum of 150 000 Euro from the EEA Financial Mechanism 2009-2014 and/or have a partner from a donor country, should develop a website on which they should upload regularly information about the progress of the project in Bulgarian and English language;
- the information on the Internet should include information about the project, its progress, achievements and results, the cooperation with donor countries, photos, contact information and a clear expression of the contribution of the EEA Financial Mechanism 2009-2014 and the donor countries;
- information on the administrative structures and individuals responsible for implementing the measures for information and publicity, including a contact person;
- indicators for assessment of the measures for information and publicity.

### 10.14.2. Implementation of the Plan for Information and Publicity

The beneficiary must ensure that the information and publicity measures are implemented in accordance with the Plan for Information and Publicity and reach the wide public, the media and the stakeholders at regional and local level.

The organizers of information events (conferences, seminars, fairs, exhibitions, etc.) relating to the implementation of the EEA Financial Mechanism 2009-2014 shall undertake to make the support of the EEA Financial Mechanism 2009-2014 and the donor countries a clear and visible.

During the implementation of projects for which the total funding exceeds 50 000 Euro and the activity is associated with a physical object, infrastructure or construction and repair works, the beneficiaries must put up a billboard at the site of each project activity, in compliance with the Manual for Design and Communication.

The beneficiary must replace the billboard with an information board placed at a visible place, with an appropriate size and in accordance with the Manual for Design and Communication not later than six months after the project completion.

The beneficiaries must ensure that everyone who participated in the project, was informed of the funding of the respective project and the EEA Financial Mechanism 2009-2014.

### 10.14.3. Design and visualizations

All materials for information and publicity related to the EEA Financial Mechanism 2009-2014 of the beneficiaries must be in accordance with the requirements of the Manual for Design and Communication. It shall define the strict technical requirements for use of the logo of the EEA Financial Mechanism 2009-2014 on billboards, plates, posters, publications, websites and audio-visual materials.

### 10.15. Archiving and storage of documentation

All documents under the grant contract must be stored in a separate file of the project, with an inscription containing its name and number, including all supporting technical and financial documents.

The beneficiary shall keep all documents related to the project implementation for a period of five years from the date of approval of the final report of the project.

#### 10.15.1. Completion of projects

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The beneficiary shall prepare a final report on the completion of the project in accordance with the requirements of the grant contract. The PO shall perform reimbursement of the outstanding 20% based on the approved report for the project completion.

✓ Other obligations after project completion

The beneficiary must guarantee that projects involving investment in real property and/or land (including renovation) will be operating at least 10 (ten) years after the approval of by the PO of the report on completion of the project, and that the real property and/or the land are used for the project purposes as described in the project grant contract.

For the rest of the projects, the minimum period of operation after completion shall be determined by the PO and shall be included in the grant contract. The determination of this period should be guided by the objective of increasing the sustainability of the project and ensuring maximum benefits generated by the financial support for the project, the target group and the end beneficiaries.

The ex-post evaluation of the projects which determines discrepancy between the Regulation and the grant contract may give grounds to FMC to take corrective measures, including a request for recovery of funds.

**In case of amendments in the legislation relating to the current Call for proposals, the Programme Operator shall reserve the right to enter the relevant amendments to the Guidelines for Applicants. The amendments shall be announced on the website of Programme BG08 [www.Culture-EEA-BG.org](http://www.Culture-EEA-BG.org).**