

**FINANCIAL MECHANISM OF THE EUROPEAN ECONOMIC AREA 2014 – 2021**

**APPLICATION GUIDELINES**

**UNDER THE FIRST CALL FOR PROJECT PROPOSALS**

**UNDER OUTCOME 2 „ACCESS TO ARTS AND CULTURE IMPROVED“**

**„CULTURAL ENTREPRENEURSHIP, HERITAGE AND COOPERATION“  
PROGRAMME**

**DEADLINE FOR SUBMISSION OF PROJECT PROPOSALS: 03.12.2019 (23:59)**

<b>Main aims of Outcome 2 „Access to Arts and Culture Improved“</b>	Outcome 2 „Access to Arts and Culture Improved“ under the PA14 “Cultural Entrepreneurship, Heritage and Cooperation“ Programme aims to improve and enhance the access to arts and culture as well as the engagement of the cultural operators. A focus is put over the access to culture in local and regional areas through the development of audiences and through entrepreneurship in the area of culture as well as through enhanced access for the ethnic and cultural minorities to cultural content.
<b>Total amount of the grant under the procedure</b>	<b>1 582 353 €</b>
<b>Minimum amount of the grant for a specific project proposal</b>	<b>50 000 €</b>
<b>Maximum amount of the grant for a specific project proposal</b>	<b>200 000 €</b>
<b>Minimum term for implementation of the projects</b>	<b>6 months</b>
<b>Maximum term for implementation of the projects</b>	<b>24 months</b>
<b>Deadline for submission of the project proposals</b>	<b>03.12.2019 (23:59)</b>

## Used abbreviations

<b>VAT</b>	Value Added Tax
<b>CAW</b>	<b>Construction and Assembly Works</b>
<b>BoQ</b>	<b>Bill of Quantity</b>
<b>NF</b>	National Fund Directorate
<b>EFTA</b>	European Free Trade Association
<b>EEA</b>	European Economic Area
<b>EU</b>	European Union
<b>VATA</b>	Value Added Tax Act
<b>PPA</b>	Public Procurement Act
<b>AEUF EA</b>	'Audit of EU Funds' Executive Agency
<b>CC</b>	Cooperation committee
<b>FMC</b>	Financial Mechanism Committee
<b>MC</b>	Ministry of Culture
<b>MoU</b>	Memorandum of Understanding
<b>CoM</b>	Council of Ministers
<b>MF</b>	Ministry of Finance
<b>NFP</b>	National Focal Point
<b>NGO</b>	Non-governmental organization
<b>AA</b>	Audit authority
<b>FMO</b>	Financial Mechanism Office
<b>PO</b>	Programme operator
<b>CA</b>	Certifying authority
<b>EEA FM</b>	Financial Mechanism of the European Economic Area



## MAIN DEFINITIONS

<p><b>Financial Mechanism of European Economic Area</b></p>	<p>Protocol 38c to the EEA Agreement on the EEA Financial Mechanism 2014-2021 establishes a mechanism through which the member states of the European Free Trade Association (EFTA) help to reduce economic and social disparities within the European Economic Area. The EEA Financial Mechanism aims to contribute to the reduction of economic and social disparities within the European Economic Area, as well as to deepen bilateral relations between the donor states – Norway, Iceland and Liechtenstein – and the states that are receiving support, Bulgaria being one of them.</p>
<p><b>Applicant (Project Promoter)</b></p>	<p>A leading organization that develops a project proposal for the future implementation of the approved project. According to the rules of the Programme, applicants under the current Call can be any non-commercial, public or private, entity as well as non-governmental organizations, established as a legal person in Bulgaria, whose principal activity is in the cultural and creative sectors as defined in Regulation (EU) No 1295/2013 on the Creative Europe Programme, including municipalities.</p>
<p><b>Project Partner</b></p>	<p>An organization, actively participating or actively contributing to the implementation of a given project with which the Project Promoter has a letter for partnership intent on the application phase and an approved by the Programme operator - partnership agreement</p>

	<p>on the implementation phase.</p> <p>According the Programme Agreement, under the current Call such organizations can be:</p> <ul style="list-style-type: none"> <li>- Any non-commercial, public or private, entity, and non-governmental organizations, established as a legal person in Bulgaria, whose principal activity is in the cultural and creative sectors as defined in Regulation (EU) No 1295/2013 on the Creative Europe Programme.</li> <li>- Any entity, public or private, commercial or non-commercial, and non-governmental organizations, established as a legal person in the Donor States, whose principal activity is in the cultural and creative sectors as defined in Regulation (EU) No 1295/2013 on the Creative Europe.</li> </ul>
<b>Project Proposal</b>	A proposal submitted in the Information System for Management and Monitoring of the EU Funds in Bulgaria - EUMIS2020 by applicant for a grant for implementation of a specific project, including an electronic application form and other accompanying documents.
<b>Project</b>	A set of interrelated and complementary activities with a predefined target (s), necessary funds and a timetable for implementation, leading to the achievement of specific quantifiable results.
<b>Activity</b>	A task or group of tasks (an action or group of actions) that have (result in) a concrete

	result (result/product) and through which the respective project is implemented.
<b>Grant</b>	The funding of the Financial Mechanism of the European Economic Area (EEA FM) including the respective national co-financing, provided through the Programme Operator with the aim of implementation of an approved project, directed towards the achievement of specific outcomes.
<b>Beneficiary of a grant</b>	A legal entity responsible for the implementation of a project.
<b>Contractor appointed by the Beneficiary</b>	Contractors of activities of a project appointed by the grant beneficiaries. The contractors from the side of the beneficiaries are not project partners and the conditions and the order of their appointment have been arranged in the Public Procurement Act, the Guidelines and in Ordinance № 118/20.05.2014 defining the conditions and the order for appointment of contractors by grant beneficiaries under the EEA Financial Mechanism, the Norwegian Financial Mechanism, “Asylum, Migration and Integration” Fund and the “Internal Security” Fund.
<b>Grant contract</b>	A contract that has been concluded between the head of a Programme Operator or a person who has been authorized by him/her and a beneficiary for the provision and spending of a grant in order to implement an approved project.
<b>De minimis aid</b>	Aid that does not distort or jeopardize competition or has a negligible impact on it

	<p>because of its minimum amount as defined in Regulation (EU) № 1407/2013 of the Commission from the 18th of December 2013 in relation to the application of the articles 107 and 108 from the Treaty on the Functioning of the European Union in response to the de minimis aid.</p>
<p><b>Irregularity</b></p>	<p>An infringement of the legal framework of the EEA Financial Mechanism 2014-2021 referred to in Art. 1.5 of the Regulation, of any provision of European Union Law or any provision of the national law which affects or prejudices any stage of implementation of the EEA FM, in particular, but not limited to, the implementation and/or the budget of the programme/project or other activities financed by the EEA Financial Mechanism 2014-2021..</p>



## **1. Introduction**

The Ministry of Culture in its capacity as Programme Operator of the “Cultural Entrepreneurship, Heritage and Cooperation” Programme announces the **first Call for project proposals under Outcome 2 “Access to Arts and Culture Improved”**

On the basis of article 7.3, it.1 of the Regulation, the “Cultural Entrepreneurship, Heritage and Cooperation” Programme is being implemented through the announcement of open calls, prepared and initiated by the Programme Operator – the Ministry of Culture.

The funded project shall contribute to the achievement of the overall aims of the Financial Mechanism of the European Economic Area and the Norwegian Financial Mechanism that are:

To reduce economic and social disparities in Europe

And

To strengthen the relations between the Donor States (Norway, Iceland and Lichtenstein) and the 15 Beneficiary States in Northern, Central and Southeast Europe.

### **1.1 Information on the Financial Mechanism of the European Economic Area**

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On 09.12.2016 the Memorandum of Understanding on the Implementation of the European Economic Area Financial Mechanism 2014-2021 between the Republic of Bulgaria and Iceland, the Principality of Liechtenstein and the Kingdom of Norway was signed.

The EEA FM aims to establish broad cooperation between donor and beneficiary state organizations and individuals to reduce economic and social disparities in Europe. As a result, the EEA FM aims to contribute to a green, competitive, and inclusive Europe, as is the slogan of the mechanism for the new programme period. In recognition of the growing importance of enhanced transnational cooperation in Europe, the Donor States have increased their funding for the EEA FM for the period 2014-2021, namely to promote such cooperation.

The Republic of Bulgaria is a Beneficiary State of the EEA Financial Mechanism 2014-2021. All projects that are approved for funding must comply with the national priorities, strategies, and policies of Bulgaria in the respective priority sectors as well as the agreements with the EEA and the European Union.

Pursuant to Art. 1, it. 2 of the Memorandum of Understanding, the priority sectors for which cooperation between Donor and Beneficiary State organizations will be encouraged and, respectively, projects will be funded, are the following:

- Innovations, research, education, and competition;
- Social inclusion, youth unemployment, and poverty reduction;
- Environment, energy, climate change, and low-carbon economy;
- **Culture**, civil society, good management, fundamental rights and freedoms;
- Justice and internal issues.

With the signing of the Memorandum of Understanding, the Ministry of Culture was officially designated as Programme Operator of the “Cultural Entrepreneurship, Heritage and Cooperation” Programme during the programme period 2014-2021.

The following documents are the legal framework of the Financial mechanism of the European Economic Area:

- Memorandum of Understanding on the Implementation of the Financial Mechanism of the European Economic Area 2014-2021;
- Regulation on the Implementation of the European Economic Area Financial Mechanism 2014-2021 and its annexes;
- Communication and Design Manual;
- The Management and Control Systems at national level.

The above-described documents are accessible on the unified portal of the EEA FM in Bulgaria: <http://www.eeagrants.bg>

All funded projects and activities that are funded by the EEA FM are based on the general values for:

- Preservation of human dignity;
- Freedom;
- Democracy;
- Equality;

- The rule of law;
- Recognition of human rights, incl. human rights of minorities.

All projects and activities follow the principles of good governance. They must be inclusive, accountable, transparent, responsive, effective, and efficient. All projects and activities must be consistent with the principles of sustainable development, long-term economic growth, social cohesion and environmental protection.

## **2. About the „Cultural Entrepreneurship, Heritage and Cooperation“ Programme**

The Programme focuses on the role that culture and immovable cultural heritage play as an engine for local and regional development by putting an accent on employment, social inclusion and entrepreneurship. During the preparation of the Programme, the Programme Operator together with the Financial Mechanism Office and the Donor States conducted open consultations with stakeholders from the cultural sector. On the basis of the conducted meetings and the expressed concrete opinions, recommendations and ideas on the priorities and the activities, the content of the Programme was formed. Therefore, the Programme emphasizes on the improvement of the conditions and the quality of representation of the rich cultural heritage, part of the repositories of museums, galleries, libraries and *chitalishta* (cultural community centers) through the introduction of interactive methods and through the generation of entrepreneurial ideas; such methods and ideas that will help the cultural operators to create a wider interest towards the heritage and to generate profit. The Programme also recognizes the necessity to encourage diversity in culture and arts within the frames of the European cultural heritage as well as the one for preservation of the heritage for future generations. In addition, a special focus is positioned also on the support for activities and initiatives which shall ensure cultural content to the wider public; cultural content which on the one hand shall underline the European identity and on the other – to encourage the cultural richness. Respectively, the “Cultural Entrepreneurship, Heritage and Cooperation” Programme is the only instrument on the national level created by the cultural operators for the cultural operators in Bulgaria that positions the culture in the center of processes for sustainable development.

In that respect, the Programme will fund projects within the frames of the following identified programme areas of support:

- Cultural heritage management, preservation and conservation related to national, regional and local development
- Documentation and accessibility of culture and cultural heritage
- Cultural entrepreneurship
- Audience development, including people in the diversity of culture, outreach and educational activities.
- Networking and international culture cooperation/exchange

The Programme will also take into account the challenges related to the instrumental value of culture and arts for social and economic development through the funding of bilateral projects within the frames of the following developed Outcomes:

- Cultural Heritage Management Enhanced;
- Access to Arts and Culture Improved;
- Awareness of Arts and Culture of Ethnic and Cultural Minorities Improved (Roma focus);

With the view of achieving the aims for enhanced exchange and cooperation between organizations from the Donor States and the Beneficiary State, the Ministry of Culture will implement the Programme together with a Donor Programme Partner – Arts Council - Norway.

Arts Council Norway provides funding for a variety of projects and activities within the performing arts, visual arts, music, literature, archives, museums and more. Arts Council Norway helps to ensure that art and culture are created, documented, preserved and made accessible to the broadest possible audience. The aim is to guarantee an arts and cultural sector in Norway that is vibrant and diverse. Together with the Council, the Programme Operator foresees that 50% of the approved under the Programme projects shall be implemented with the participation of a partner from the Donor States. This aim corresponds entirely with the priorities of the EEA FM for establishment and upgrade of wider transnational partnership between organizations from the Donor States and the Beneficiary States. The argument of the Programme Operator is that exactly through a wide international cooperation – the power of culture can contribute for the initiation of projects of high social significance which can lead to a variety of best practices. There is no doubt that through the positioning of cultural activity in a wider supranational context and through the linkage of cultural operators, organizations and institutions, the process of transformation of cities and communities will be greater. In that respect, the “Cultural Entrepreneurship, Heritage and Cooperation” Programme is a bilateral international programme and as such – the Programme

Operator will encourage projects that are based on partnerships between applicants and partners from Bulgaria and the Donor States.

## **2.1. About Outcome 2 „Access to Arts and Culture Improved“**

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Outcome 2 aims to enhance the access of people to culture and arts as well as their engagement through different activities. The further development of the capacity of the cultural operators in the field of attracting audiences and the transfer of knowledge through cultural cooperation on the international level between representatives of the cultural operators from Bulgaria and the Donor States are main elements for the maximum usage of the potential that arts and culture possess for greater social inclusion. In this regard, the Outcome aims to put focus on the access to culture in local and regional areas for instance through the development of audiences, cultural entrepreneurship and enhanced access for the ethnic and cultural minorities to cultural content. In correspondence to the analysis and the recommendations done by the stakeholders during the preparation of the Programme, a specific concern was expressed that the peripheral areas/districts in the cities continue to experience a lack of cultural events, initiatives and projects in comparison to the city center. The same tendencies are relevant for the saturation of cultural activity on the regional level within which there is a concentration of cultural events in the larger cities in comparison the smaller communities. That is why, in response to this specific concern, Outcome 2 was developed. It will support projects which allow the organization of diverse artistic and creative events, festivals, performances, exhibitions and initiatives which will revive the peripheral areas and will bring new life to the smaller cities and villages. Last but not least, such project shall attract new audiences. The inclusion of partners from the Donor States in the funded projects will lead to a better underlining of the rich artistic identity of Europe.

**Important!** In section 1 “Main data”, part of the Application Form, each applicant shall formulate an overall aim of the project in correspondence with at minimum one of the aims of the Outcome as well as a specific aim/s of the project which shall be clearly defined and shall have a relation to the achievement of the overall aim. **In case that the project proposal is not directed towards achieving at minimum one of the aims of the Outcome, the project proposal will not be allowed to undergo technical and financial assessment.**

**Outcome 2 „Access to Arts and Culture Improved“ will support the following thematic areas:**

- arts (film, theater, dance, music, literature, visual arts, creative industries), culture and crafts in their diversity which shall be presented before the community;
- Presentation/Introduction of new cultural events and development of audience which shall contribute to multicultural dialogue on the local and on the regional level.

The project proposals can be focused on one or more of the thematic areas of the Outcome.

**Target Groups under Outcome 2 „Access to Arts and Culture“:**

- artists, employed in the area of culture, entrepreneurs, representatives of different minority or ethnic groups, young people;

### 3. Indicators

The project activities shall be directed towards the achievement of the aims of Outcome 2 “Access to Arts and Culture Improved” and of the “Cultural Entrepreneurship, Heritage and Cooperation” Programme.

The achievement of the aims of each project shall be based on the following objectively measured indicators:

	Expected Programme Results	Indicators	Baseline	Target
Programme Objectives	Social and economic development strengthened through cultural cooperation, cultural entrepreneurship and cultural heritage management			
Outcome 2	Access to Arts and Culture Improved	Number of people attending cultural activities	0	10 000
		Share of employees of cultural players who report enhanced capacity related to cultural entrepreneurship	0	90 %
Output 2.1	Audience development supported	Number of professional staff <sup>1</sup> (disaggregated by gender)	0	30

<sup>1</sup> Focus over non formal training - workshops, training during work and others.

		Number of non-touring artistic events implemented	0	25
		Number of touring artistic events implemented	0	25
Output 2.2	Cultural entrepreneurship enhanced	Number of audience development plans developed and implemented	0	25

Each applicant must include in section 8 of the Application Form all or one of the above cited indicators which the applicant will achieve with the implementation of the concrete project (depending on the target groups included in the activities of the project).

Each included indicator must be quantitatively defined with a positive target values, different from “0”.

For each included indicator, the applicant shall indicate a relevant measurement unit – for instance number, percentage or other.

The project proposals can be focused over one or more of the indicators.

#### **4. Correspondence with the national and European legislation**

The current Call under Outcome 2 has been prepared in correspondence with the applicable national and European legislation in the area of culture, including but not limited to:

- Regulation on the Implementation of the Financial Mechanism of the EEA 2014-2021;
- Memorandum of Understanding on the Implementation of the Financial Mechanism of the EEA 2014-2021;
- Programme Agreement for the Financing of the „Cultural Entrepreneurship, Heritage and Cooperation” Programme, signed on 23.05.2018;
- Agreement on the Implementation of the “Cultural Entrepreneurship, Heritage and Cooperation” Programme, signed on 1.08.2018;
- Agreement on the Fund for Bilateral Relations and the Bilateral Guideline adopted by the FMC;

- All rules and guidelines, adopted by the Donors in correspondence with the Regulation including the ones on publicity, bilateral relations and others published on the official portal of the EEA Grants - [www.eeagrants.org](http://www.eeagrants.org);

- The national legislation of Republic of Bulgaria in the area of public procurement, contracts, property, civil and legal issues settlement including but not limited to:

- the Administration Act (AA);

- the Value added tax act and Regulation for the application of the Value added tax act;

- The State Aid Act and the Guidelines on the Application of the State Aid Act, Regulation (EU) 1407/2013 of the Commission from 18.12.2013 in relation to the application of the articles 107 and 108 from the Treaty on the Functioning of the European Union in response to the de minimis aid;

- the Civil servant act;

- the Public Procurement Act and the Regulation for the application of the Public procurement act;

- the Anti-corruption and Seizure of Illegally Acquired Property Act;

- the Public Finances Act;

- the Accounting Act;

- the Cultural Heritage Act;

- the Cultural Protection and Development Act;

- the Public Libraries Act;

- the Community Centers Act;

- the Copyright and Its Related Rights Act;

- the Film Industry Act;

- the Radio and Television Act;

- CoM Decree № 118/20.05.2014 defining the conditions and the order for appointment of contractors by grant beneficiaries under the EEA Financial Mechanism, the Norwegian Financial Mechanism, “Asylum, Migration and Integration” Fund and the “Internal Security” Fund.

- The ordinance defining the conditions, the order and the mechanism for functioning of the Information System for Management and Monitoring of EU Funds.



## 5. Total Amount of the Grant

According to the Programme Agreement for financing the “Cultural Entrepreneurship, Heritage and Cooperation” Programme, the total amount of the funds allocated for funding of projects under Outcome 2 is **3 164 706 €** (three million one hundred sixty-four thousand seven hundred and six). Out of these funds, the EEA Grants contribution is 85% - **2 690 000 €** (two million six hundred ninety thousand) whereas the national co-financing is 15% - **474 706 €** (four hundred seventy-four thousand seven hundred and six)

The available budget on the present call is **1 582 353 € (one million five hundred eighty-two thousand three hundred and fifty-three)**.

The Programme Operator shall reserve the right not to provide the above-presented amount in full in case of insufficient amount of quality project proposals that meet the requirements, as well as to publish the present call again or to redistribute the funds for subsequent calls or other activities.

## 6. Minimum and Maximum Amount of the Grant for a Project

### Size of the grant for a specific project proposal:

Minimum amount of the grant:	50 000 (fifty thousand) euros;
Maximum amount of the grant	200 000 (two hundred thousand) euros;

Maximum amount of the grant for the projects for Outcome 2 is:

- Up to 100% of the total eligible expenditures of the project for public legal authorities;
- Up to 90% of the total eligible expenditures of the project for non-commercial organizations as per Art. 1.6 of the Regulation for Implementation of the FM of the EEA 2014-2021.

In case of support towards non-governmental organizations, the project grant can reach up to 90% of the eligible expenditures of the project.

**IMPORTANT!** In case of support towards non-governmental organizations, the project grant can reach up to 90% of the eligible expenditures of the project.

**In such cases** and pursuant to art. 6.4, it.4-6 of the Regulation, the co-financing can be given in the form of:

- cash, including electronic transfers;
- in-kind contribution in the form of voluntary work may constitute up to 50% of the co-financing required by the programme for the project.

The in-kind contribution can be provided only by the project promoter and/or by an NGO acting as project partner.

\* The Evaluation Committee reserves the right to recommend a reduction in the amount of project grant if costs are unreasonable and are considered to be excessive.

Maximum size of the grant when the “de minimis” regime is applicable according to Regulation (EU) № 1407/2013

The maximum size of the application’s grant under the de minimis regime together with the other received de minimis aid by the applicant cannot exceed the equivalent in Bulgarian leva of 200 000 euros for three budgetary years (the two preceding plus the current year).

The amount of the received de minimis aid is determined as a summation of the aid for which is being applied and the received de minimis aid on the territory of Republic of Bulgaria by:

- the enterprise applicant;
- the enterprises with which the applicant enterprise forms the "same enterprise" within the meaning of Art. 2, par. 2 of Regulation (EU) No 1407/2013 and Annex X to these Terms;
- all enterprises that have merged, merged with or were acquired by one of the undertakings forming the "same undertaking" with the applicant enterprise, pursuant to Art. 3, par. 8 of Regulation (EU) No 1407/2013;
- enterprises forming "the same enterprise" with the applicant enterprise that benefited from de minimis aid received prior to division or separation, in accordance with Art. 3, par. 9 of Regulation (EU) No 1407/2013

The above-cited thresholds cannot be deviated from through the artificial division of projects with similar characteristics or beneficiaries. The keeping of the thresholds will be done through the signing of a De minimis/State Aid Declaration (Annex №4) or through a check in the Information System “Registrar of the De minimis Aid”, the Public Registrar of the European Commission, the Information System on Management and Monitoring of the EU Funds in Bulgaria 2007-2013 (EUMIS), the Information System on Management and Monitoring of the EU Funds in Bulgaria (EUMIS 2020) and in the Commercial Registrar.

**IMPORTANT:** Before the signing of the contract for implementation of the project, the Programme Operator will execute a documental check of the declared data by the approved applicants in the De Minimis/State Aid Declaration - Annex №4, submitted both on the application phase as well as before the signature of the contract.

## 7. Eligible Applicants

Non-commercial, public or private, entities as well as non-governmental organizations, established as a legal person in Bulgaria, whose principal activity is in the cultural and creative sectors as defined in Regulation (EU) No 1295/2013 on the Creative Europe Programme, including municipalities.

**Public organization** shall be understood as “Budgetary organization” in the meaning of §1 it. 5 of the Additional guidelines of the Public Finances Act. Budgetary organizations are all legal entities whose budgets are included in the state budget, the municipal budgets, the budgets of social security funds as well are all entities whose assets, incomes and payments are included in the consolidate fiscal programme pursuant to a normative act or according to the order of art. 171 of Public Finances Act.

In view of achieving sustainability of the established partnerships as well as of the results from the future funded projects and in correspondence to the principles of good management and the availability of administrative, financial and operation capacity, in order to be considered eligible, the applicants that are non-governmental organizations shall be registered as such and shall have executed activity on the territory of Republic of Bulgaria at least 24 months before the date of the announcement of the current Call for project proposals.

The Applicant/Partner shall possess an administrative, financial and operation capacity for implementation of the project.

*Section 11 “Additional information necessary for the assessment of the project proposal”, field “Operational capacity and upgrade of the achieved results”, part of the Application Form, shall provide the following information:*

*- Information for successfully implemented projects by the Applicant/Partner, funded by the EU and/other donors (incl. reg. number of the contract, full title of the project, period of implementation, budget and achieved results);*

*- Information for successfully implemented activities similar to the envisaged in the project proposal incl. period of implementation, description of the activity and achieved results.*

*- Experience of the project management team in the management of project and/or similar type of activities;*

*- Description of how the project upgrades and/or supplements the achieved results in a particular area (if applicable).*

**Important!** Each applicant can submit only one project proposal under the current Call. In case the applicant has submitted more than one project proposal, only the first application in terms of time of submission will be considered for evaluation.

According to art. 7.3, par. 2, it. “k” of the Regulation, the Programme Operator requires the disclosure of all consultants that have participated in the preparation and writing of the project proposals and the accompanying documentation. During the submission of the project proposals, the applicants fill in and submit Declaration – **Annex 5a**;

## **8. Eligible Partners**

According to art. 4.5 of the Regulation, projects can be prepared and implemented in cooperation with one or more organizations from the Donor States in order to contribute to the achievement of the overall aim for strengthening of the relations between the Donor States and the Beneficiary States (art. 4.1.1 of the Regulation).

**Under the current Call, the partnership is desirable but not obligatory. The Programme Operator will encourage projects which are based on a partnership between the applicants and partners from Bulgaria and the Donor States.**

**IMPORTANT!** Projects which envisage the implementation of activities together with

partners from the Donor State will receive additional points during the assessment of the project proposals.

**One partner can participate in more than one project proposal.**

Project partners can be included if their capacity, experience and competences are necessary for the achievement of the aims of the project and if they would contribute for the sustainability of the results. The inclusion of partners needs to be justified and meticulously written in Section 7 “Plan for implementation/Activities of the project”, part of the Application Form.

The partnership must be balanced as the activities need to be actively implemented by all sides in the partnership including the exhaustion of the funds. With view of achieving balance and effectiveness during the implementation of the project activities, each project partner shall mandatory receive budget/funding. The allocation of budget to a project partner shall be described in section 5 “Budget”, part of the Application Form.

During the submission of the project proposal, the applicant provides a signed Letter of Partnership Intent (**Annex 3**). In case of approval of the project, the partner/partners sign a Partnership Agreement (**Annex 10**) with the applicant. The signed agreement is one of the obligatory documents which needs to be submitted before the signature of the project’s contract.

Eligible partners under the current Call shall be legal entities registered in Republic of Bulgaria or on the territory of a Donor State.

**Eligible partners from Republic of Bulgaria can be:**

- Any non-commercial, public or private, entity, and non-governmental organizations, established as a legal person in Bulgaria, whose principal activity is in the cultural and creative sectors as defined in Regulation (EU) No 1295/2013 on the Creative Europe Programme.

**Eligible partners from the Donor States (Iceland, Lichtenstein and Norway) can be:**

- Any entity, public or private, commercial or non-commercial, and non-governmental organizations, established as a legal person in the Donor States, whose principal

activity is in the cultural and creative sectors as defined in Regulation (EU) No 1295/2013 on the Creative Europe Programme.

The partner shall be actively participating or actively contributing to the implementation of a given project.

## 9. Eligible Activities

The projects under Outcome 2 “**Access to Arts and Culture Improved**” shall correspond to the following overall conditions of eligibility:

a) The envisaged project activities can be implemented **on the territory of Republic of Bulgaria** and in the case of a partnership – **on the territory of the partner from the Donor State.**

b) It is obligatory for the project proposals to include activities for the realization of new cultural and art events.

c) The project proposals must include **activity/activities which include the realization of cultural events/initiatives outside the urban (city) center – in the periphery of the respective inhabited places.**

d) The project proposals must include activity/activities **which include the realization of cultural event/initiative done on a local and regional level.**

e) The project proposals must foresee activity/activities **related to the preparation and implementation of a plan/strategy for gathering/attraction of audiences in relation to the realization of the event/initiative part of the project; such plan/strategy contributes to the sustainability of the project.**

f) The project proposals must foresee an activity for **training of the expert personnel of the beneficiary** in view of enhancing their professional competences and skills, in relation to the organization and the conduct of the cultural and/or artistic events, as well as in relation to the attraction of audiences.

g) Each project proposal must include an **activity for the formation of a project management team** as each beneficiary is directly responsible for the management of the project and in view of achieving qualitative implementation of the foreseen activities. The applicant shall foresee enough mechanisms for internal control and assessment, for

monitoring of the progress of the project and for the taking of preventative measures. All of the above shall be visible also by the qualification of the team members as well as by the way their responsibilities are described.

The applicants shall present the structure of the project management team in the project proposal. In the structure, the applicants shall describe the relevant qualification and the responsibilities of each member – personnel of the beneficiary and/or external experts for the management of the project (if applicable). The functions and the tasks of the members shall not be mixed or overlapped among the different members as well as with the external experts. In that way, the foreseen organizational structure for management of the given project will demonstrate a clear distribution of the functions related to the management of the project. The beneficiaries shall select a project management team that includes a manager and members. All of the involved shall cover functions related to the preparation of the documentation necessary for the execution of payments and for verification of expenditures, for monitoring and reporting, for the information and communication measures, for the storage of project documentation as well as for coordination of the project activities. That is how the organizational structure will demonstrate the availability of administrative capacity for the implementation of such type of a project. The manager of the project cannot combine the function of a manager with that of a member of the team. Each applicant will be considered as having foreseen an organizational structure with reliable mechanisms if:

- the applicant has described the way the work under the project will be accepted and the mechanisms for control during the implementation of contract/s part of public procurement/s under the project, including the control that will be exercised on the way the payments under this/these contract/s are going to be done;

- the applicant has envisioned mechanisms for control during the execution of monitoring on the implementation of the project.

- the applicant has described the responsibilities of each team members as well as their interactions for the achievement of the aims of the project;

h) Each project proposals, if foresees the usage of experts, external to these directly responsible for the management of the project, but participating in the implementation/realization of the foreseen events/ initiatives as curators, painters, art-managers, animators and others similar, **shall foresee an obligatory activity which clearly**

**describes their role in the implementation of the activities including argumentation on their number within the frames of the project.**

i) Each project proposals **must include an activity for publicity and information on the aims and the activities of the project as well as on the underlining of the financial contribution of the EEA Grants.** The activity shall correspond to the criteria described in the Communication and Design Manual and to the Regulation on the Implementation of the EEA FM 2014-2021.

The activities must correspond to all requirement indicated in the current Guidelines.

**Important!** The applicants do not have the right to submit project proposals under the current Call if the proposals include products or results which have been already created/achieved or such which are in the process of implementation or such for which funding has been provided under another project, Programme or any other funding scheme based on the national budget, the budget of the EU or on other donor Programme.

**Important!** Ineligible for funding under the current Call are activities which have started before the date of signature of the project's contract.

**The project's activities shall be unified around the main processes necessary for the achievement of the project's aims.**

### **9.1. Exemplary Eligible Activities**

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The projects under Outcome 2 "Access to Arts and Culture Improved" can include the following activities:

- activities related to the creation, organization and conduct of new events/spectacles/performances of culture and arts in the area of theatrical, dance, music and stage arts including tours\* (traveling events) with the participation of representatives from the Donor States;

- activities related to the organization and the conduct of events (including traveling events/tours\*) dedicated to the artistic and cultural education, the cultural heritage (material



and immaterial, literature, archives and others), stage arts, fine and visual arts and others with the participation of representatives from the Donor States;

- activities related to the organization and conduct of events (including traveling events) related to traditional crafts, related to the participation of representatives of the Donor States;

- activities related to the creation, organization and conduct of artistic interventions in public spaces which include installations (including sound and light), sculptures, objects and screenings with the participation of representatives of the Donor States;

- activities related to the organization and conduct of open air events in the area of theatrical, dance, music and stage arts – dance, cinema, literature, music, visual arts and others with the participation of representatives of the Donor States;

- creation of new forms of innovative cultural events and initiatives which incorporate actions on the improvement of the joint work and exchange of experience through the organization of joint events in the area of visual and stage arts, music, photography, electronic arts and others;

- creation of joint platforms including ones for exchange of knowledge and skills, sharing of best practices in the area of culture among the cultural operators, the different social, age and ethnic groups, disabled groups and on improvement of the urban environment;

- development of new events (initiatives) related to contemporary art with the aim to attract young people including representatives of the ethnic minorities with special focus over the ROMA community and others.

- activities related to the conduct of events and initiatives of children and youth (amateur) creativity.

- Light repair activities directly related to the revitalization of the inner premise and/or related to the conduct of the cultural event/initiative. A light repair is each separate activity or a unification of activities directly related to the revitalization of the inner premise and/or related to the conduct of the cultural event/initiative.

**IMPORTANT!** The indicated activities are just exemplary and their listing is not exhaustive. The activities included in the project proposals must be concretely written and to correspond to the selected target group and the concrete project.

**IMPORTANT!** With the aim to reach the widest possible pool of stakeholders and in order to reach the potential for audience development, the current call does not make a difference between amateur and professional art. All project proposals must prove an equal access for participation for both amateurs and professionals.

In view of achieving the aims of Outcome 2 that are the enhancement of the scope of cultural activity through the realization of events/initiatives on local and regional level, the Programme Operator adopts the following working definition for a tour (traveling event) which all project proposals shall take into account:

**- The conduct of a tour/travelling event includes the presentation/realization of the event/initiative within the frames of one project in a minimum of 3 smaller communities in two different administrative areas.**

## **9.2 Ineligible Activities**

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- Activities/interventions over private property;
- Activities related to political parties;
- Donations;
- Activities done in violation of the de minimis rules;
- Activities which have already received funding for implementation by the European Structural and Investment Funds or by other instruments by the European Union or by other donors as well as by other public funding different from those of the beneficiary.

In case there are ineligible activities, the applicant shall indicate their worth as well as the source of funding in the project proposal. The expenditures for funding of ineligible activities are not to be included as eligible in the budget of the project proposal and will not be verified by the “Cultural Entrepreneurship, Heritage and Cooperation” Programme. The expenditures for the implementation of the ineligible activities shall be indicated in it. 5 “Budget” from the application form.

## **10. Categories of Eligible Expenditures**

When awarding grants under Outcome 2 only "eligible expenditures" will be taken into account, as detailed below. The budget is a preliminary estimate of expected costs and

must accurately correspond to the total cost of the project. The budget represents both a preliminary estimate of expected costs and a maximum amount of eligible costs. Eligible costs should be based on actual unit prices rather than being indicated as a total amount. During the evaluation of the project proposals it is possible to establish circumstances that would require a change in the budget. These circumstances may require the Evaluation Committee to request further clarification and information from the beneficiaries through the Communication Module of the Information System for Management and Monitoring 2020. The same circumstances may lead to a reduction in the budget of the project proposal. If applicable, the project proposal budget must also include costs that are ineligible for Outcome 2 but for which applicants have provided funding from other sources provided they are related to the implementation of the projects.

Expenditures incurred after 30 April 2024 will not be considered eligible.

When filling in the budget, for each budget line of type "1.1.", "1.2.", "2.1." etc., the Applicant should indicate to which activity under item 7. "Plan for Implementation/Project Activities" of the EUMIS 2020 application form refers to the planned expenditure.

Eligible are the expenditures intended to achieve the objectives of the project and should not be in contradiction with the Regulation on the Implementing the Financial Mechanism of the European Economic Area 2014-2021 and above all:

- *Art. 8.1. Eligible costs for the program;*
- *Art. 8.2. Basic principles of eligibility of costs;*
- *Art. 8.3. Eligible direct costs for a project;*
- *Art. 8.5. Indirect costs for a project;*
- *Art. 8.6. Purchase of real estate and land;*

In their project proposals, the applicants should take into account that in order to be eligible for funding, expenditures must be incurred and paid between the start and end dates of the project implementation as set out in the contract signed by the beneficiary and the Programme operator. For the expenditures for which the limitations in the legislation are provided, the eligible part of the expenditure is limited to the amount of the limitations. In preparing each project proposal, the applicant should bear in mind that percentage restrictions

are imposed on the actual, paid, verified and certified eligible expenditures and are equated at the final payment.

The inclusion of a given expenditure in the form of the budget approved by the Programme Operator shall not be considered as automatic confirmation on its eligibility.

In order to be considered eligible, expenditures can fall in the following budget categories:

<b>Expenditures for services</b>	<p>On the project application phase, the applicant submits a filled, signed and stamped financial argumentation (Annex 1) for the expenditures for external services which are going to be used within the frames of the project together with valuation that includes at least two quotations and/or researches/surveys from the internet for each external services as well as a detailed technical specification (Annex 11).</p>
	<p>Expenditures for contracts with external contractors related to the implementation of the project activities, assigned in correspondence with the public procurement legislation and the Regulation;</p>
<b>Expenditures for the conduct and participation in events/initiatives</b>	<p>Expenditures for preparation, organization and presentation of new events/initiatives of arts and culture;</p>
	<p>Expenditures for organization and conduct of trainings;</p>
<b>Costs for fixed assets</b>	<p>Expenditures for the acquisition of equipment, devices and appliances which contribute for the presentation of the events/initiatives of culture and arts (e.g digital technologies, 3D mapping, lighting equipment, holograms and others). On the project application phase, the applicant submits a filled, signed and stamped financial argumentation for the equipment (Annex 1) which will be acquired within the frames of the project together with valuation that includes two quotations/excerpts from catalogues of manufacturers/suppliers and/or</p>

	researches/surveys from the internet for each element as well as a detailed technical specification (Annex 11).
<b>Costs for intangible assets:</b>	Expenditures for the acquiring of software products directly related to the realization of the events/initiatives of culture and arts. On the project application phase, the applicant submits a filled, signed and stamped financial argumentation (Annex 1) of intangible assets which are going to be acquired within the frames of the project together with valuation that includes two quotations/excerpts from catalogues of manufacturers/suppliers and/or researches/surveys from the internet for each element as well as a detailed technical specification (Annex 11).
<b>Expenditures for taxes:</b>	Expenditures for permits directly related to the realization of the cultural event/initiative.
<b>Expenditures for experts</b>	<p>Expenditures for remuneration of external experts/personnel directly related to the implementation of the project (curators, art-managers, animators and other similar). On the project application phase, in the submitted financial argumentation (Annex 1), the applicant elaborates the remuneration of the external experts in correspondence with one of the three methods described in the Guidelines for Filling of the Financial Argumentation.</p> <p>Expenditures for business trips of the project management team and of the personnel directly related to the implementation of the project activities;</p> <p>Transportation, daily allowance and accommodation of the personnel directly related to the implementation of the project activities. For expenditures incurred by the beneficiary and/or the partners based in Republic of Bulgaria the applicable normative acts are the Ordinance on the Business Trips in the State as well as the Ordinance on the Business Trips and</p>

	<p>Specializations Abroad, adopted with Decree № 115 from 3.06.2004, published in SG, issue 50 from 11.06.2004, amended with issue 27 from 5.04.2016, in force from 5.04.2016, issue 2 from 6.01.2017.</p> <p>The following limitations apply for expenditures incurred by partners based in one of the three Donor States:</p> <ol style="list-style-type: none"> <li>1) Expenditures for daily allowance for personnel participating in the project or personnel directly related to the implementation of the project on the side of the Donor State partner to Bulgaria within the size of 54 (fifty four) euros per day, per person according to the Governmental Rates Abroad 2019. The governmental rates indicate the state rates for traveling abroad and in a special agreement there are specifications on the covering of the travel and dietary expenditures outside Norway. The tariffs apply from 1<sup>st</sup> of January, 2019. <a href="https://data.norge.no/data/direktoratet-forvaltning-og-ikt/statens-satser-utland-2019">https://data.norge.no/data/direktoratet-forvaltning-og-ikt/statens-satser-utland-2019</a></li> <li>2) Expenditures for accommodation of a personnel participating in the project or directly related to the implementation of the project on the side of the Donor State partner within the size of 130 (one hundred and thirty) euros per night, per person;</li> <li>3) Expenditures for airplane ticket for go and return (from Bulgaria to the Donor States and from the Donor States to Bulgaria). The persons have the right to an economic class.</li> </ol>
<p><b>Expenditures for personnel</b></p>	<p>Direct expenditures for personnel are the expenditures for remuneration for activities part of the project implementation that come up from work/state labour relations, relations under a special legal act (internal personnel) and/or contracts for provision of services (external personnel) that have been concluded by the beneficiary/partner and the persons executing such functions.</p> <p>“Expenditures for remuneration” are the expenditures for remuneration/salaries under work/state work relations or</p>

	<p>relations under a special legal act for internal personnel or under a contract for the provision of service with external to the beneficiary/partner persons related to the implementation of the project including the expenditures for the obligatory social and health services at the expense of the beneficiary/partner.</p> <p>The expenditures for remuneration for internal personnel under a work/state labor relations or the ones under a special legal act or the ones under contracts for provision of services shall be calculated on the basis of hourly rates and for an actually executed work time under the respective projects. The hourly rate shall be formed in correspondence with the usual policy and practice for determination of remuneration by the beneficiary and/or the partner and shall not exceed the size of his/her usual remuneration in the organization for the execution of similar activities regardless of whether it is about internal or external personnel.</p> <p>The respective expenditures for salaries for the personnel in an administration are eligible as far as they are related to the implementation of activities which the respective organization/institution would not commit to if the respective project would not have started.</p> <p>“Expenditures for organization and management”/ (project management) are direct expenditures related to remuneration of the personnel dedicated to the administering of the project – project manager, technical associate, accountant and other expert or technical personnel as well as administrative expenditures related to the management of the project. In view of determining the realism of the foreseen direct expenditures for personnel, on the application phase, the applicant shall provide financial argumentation that is prepared according to the guidelines for its filling (Annex 1). A direct expenditure for personnel that have not been justified will be removed from the budget of the project (Section 5 from the Application Form) by the evaluation commission.</p>
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	<p>Project expenditures, incurred by a partner are eligible under the same conditions as the ones incurred by the beneficiary.</p> <p><b>IMPORTANT!</b> The total expenditures for management shall not exceed 8% of the total eligible expenditures under the project.</p> <p>Applicants under the Call shall bear in mind that execution of work outside the usual work time, under work or state labor relations, under the form of additional labor shall be applied by exception and only in the cases that it is necessary for the implementation of the project and have a concrete time period. The systematic work outside the usual work time for a project is not considered desirable in relation to the requirements for proportionality and good financial management of the Regulation (art. 8.2.2).</p>
<p><b>Expenditures for CAW:</b></p>	<p>Expenditures for CAW (light repairs) directly related to the revitalization of the inner premise and/or related to the conduct of the cultural event/initiative.</p> <p>Light repair or light repair activities is each separate activity or a unification of activities that are directly related to the revitalization of the inner premise and/or related to the conduct of the cultural event/initiative.</p> <p>A light repair is the improvement of the conditions in the premises including painting of wall, montage of movable systems for suspension and others during which the following does <b>not take place</b>:</p> <ul style="list-style-type: none"> <li>a) the construct of the building is not touched;</li> <li>б) there are no activities such are removal, moving of existing walls and there is no making of holes in the walls.</li> <li>в) the purpose of the premise as well as the lading on these premises is not changed;</li> <li>г) replacement of installations and others;</li> </ul> <p><b>IMPORTANT!</b> Each applicant shall justify in its project</p>



	proposal in what way the CAW activity, described in it. 7 “Plan for Implementation/Activities of the Project” is necessary and contribute for the implementation of the cultural event/initiative that is subject of the project proposal. In addition, the applicant shall provide an up to date bill of quantity (BoQ).
<b>IMPORTANT!!!</b>	The expenditures for CAW and the ones for fixed assets and intangible assets together shall not exceed 20% of the total eligible project expenditures.
<b>Expenditures for publicity and visualization</b>	Expenditures for publicity and information that are done in correspondence with the Communication and Design Manual of the Financial Mechanism of the European Economic Area and the Norwegian Financial Mechanism 2014-2021, Annex 3 and the Regulation for Implementation of the Financial Mechanism of the European Economic Area.
<b>Indirect expenditure</b>	<p>“Indirect expenditures” are the expenditure which cannot be identified by the beneficiary and/or the partner as directly related to the project, but can be determined and justified through its accounting system as having occurred in direct relation to the direct eligible expenditure of the project.</p> <p>Indirect project expenditures are:</p> <ul style="list-style-type: none"> <li>- <b>Administrative expenditures:</b> <ul style="list-style-type: none"> <li>- heating/ natural gas</li> <li>- utilities – electricity, water</li> <li>- postal services and expenditures for courier</li> <li>- telephones and internet</li> <li>- office supplies and consumables</li> <li>- bank taxes</li> <li>- translation services</li> </ul> </li> </ul> <p>The ineligible expenditures shall be calculated on the basis of a flat rate that is up to 15% of the eligible direct expenditures for personnel.</p>

The categories indicated above are considered with the categories of expenditures that are put in EUMIS 2020.

### 10.1 Indirect Project Expenditures

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According to Article 8.4 of the Regulation, eligible are indirect expenditures that can be identified by the beneficiary and/or the project partner as directly related to the project but can not be identified and justified through their accounting system as being directly related to the eligible direct project expenditures. They can not include eligible direct expenditures.

**IMPORTANT!** The method for estimation of indirect costs for the project partner should be specified in the partnership agreement.

**IMPORTANT!** The amount of indirect expenditures for the project should be defined as a fair share of the total overheads of the beneficiary or partner. Indirect expenditures can be calculated on a flat rate basis up to 15% of eligible direct personnel costs without requiring the Project Operator to develop a method for determining the applicable rate.

### 10.2 Ineligible Expenditures

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According to art. 8.7 of the Regulation, the following expenditures under the PA13 “Cultural Entrepreneurship, Heritage and Cooperation” Programme are considered ineligible:

- a) interest on loans, debt service charges and penalties for late payments;
- b) costs for fees, etc.;
- c) charges for financial transactions and other purely financial costs, except costs related to accounts required by the FMC, the National Focal Point or the applicable law and costs of financial services imposed by the project contract;
- d) provisions for losses or potential future liabilities;
- e) exchange losses;
- f) recoverable VAT;
- g) costs that are covered by other sources;

h) fines, penalties and costs of litigation, except where litigation is an integral and necessary component for achieving the outcomes of the project;

i) excessive or reckless expenditure;

j) costs for acquiring trucks for land transport

k) expenditures that have incurred following a change that have not been reported and approved by the Programme Operator or has not been reported inadvertently;

l) all expenditures which do not fall within the scope of the eligible activities under the current Call.

When acquiring equipment - new or second hand (art. 8.3, letter "b" - "c" of the Regulation), that is necessary for the implementation of the project, for eligible are considered the expenditures for depreciation, ascribed for the period of the project and which have being reported periodically towards the FMO. By exception, the PO may recognize the whole worth of the expenditure for equipment in case the equipment is inseparable and necessary condition for the achievement of the results of the project. The exception shall be explicitly put in the contact for implementation of the project and the conditions under art. 8.3.2 of the Regulation shall be indicated.

In regard to the projects, implemented by beneficiaries that are budgetary organizations, the depreciation rules has been regulated with Guidelines of the Minister of Finance ДДC 5/30.09.2016 which determines the conceptual model for application of the national accounting standard (CC 4 Reporting on Depreciation).

### **10.3. VAT**

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The applicant should bear in mind that the cost value of the activities set out in Section 7 "Plan for Implementation / Project activities" of the EUMIS 2020 application form shall indicate the VAT value (if applicable)).

VAT costs are ineligible in the category "Direct expenditures for personnel".

The Project Promoter and Partner (s) should keep a detailed account of the VAT accrued on the cost of delivering the goods and services used to implement each project

contract under the Programme. The data from this reporting must be sufficient to identify and track VAT related to the project and to categorize it as "refundable" or "non-refundable".

**All costs are to be entered in the relevant VAT lines for the budget items when it is non-refundable within the meaning of the Instructions of the Minister of Finance No. 3/23.12.2016 on the treatment of value added tax as eligible expenditure in the implementation of projects under the operational programmes co-financed by the European Regional Development Fund (ERDF), the European Social Fund (ESF), the Cohesion Fund (CF) and the European Maritime and Fisheries Fund (EUFOR) for the programming period 2014-2020 according to the attached statement on the part of the applicant state.**

## 11. Payments

The Plan for Implementation/Activities of the Project (Section 7 of Application form in EUMIS 2020), the project budget – (Section 5 of the Application Form in EUMIS2020) and the disbursement plan (Annex №6) shall be prepared by the applicant.

The payments under the project will be done on the basis of request for payment made by the Project Promoter. The Project Promoter has the right to advance payment within the limits of 30% from the agreed project budget.

Interim and final payments will be executed following verification of the made expenditures if all applicable conditions for payment, put in the contract for implementation, the Management and Control Systems as well as the Regulation are fulfilled.

The total value of the advance and the interim payments shall not exceed 80 % of the budget of the project, part of the contract for implementation. The Programme Operator keeps 20% of the agreed budget until approval of the final report of the beneficiary.

<b>Advance payment</b>	<b>Interim payment</b>	<b>Final payment</b>
Up to 30%	Up to 80%	Up to 20%

The advance payments shall be indicated in the disbursement plan (Annex № 6), part of Guidelines.

The advance payment can be requested by the beneficiary following the signature of the contract for implementation and after the provision (through EUMIS 2020) of a bank

guarantee or a promissory note before the Programme Operator together with a Request for advance payment.

The term of validity of the guarantee/promissory note for the advance payment cannot be shorter than the term for execution of a final project payment defined in the contract for implementation.

In case a bank guarantee is used, it is unconditional and irrevocable for the benefit of the administration part of which is the Programme Operator.

The promissory note shall be “without protest” and “without costs”

## 12. Rules for Evaluation of Project Proposals

The Programme Operator is responsible for the execution of assessment and for the granting of funding towards the selected beneficiaries in accordance to the Regulation for Implementation of the European Economic Area Financial Mechanism 2014-2021, the Programme Agreement and its annexes, the Programme Implementation Agreement and the Supplementary Information.

The evaluation and the selection of the project proposals will be done in three stages:

- Administrative compliance and eligibility (ACE); - Annex №7a, part of the information documents
- Technical and financial assessment (TFA) – Annex №7б, part of the information documents
- Selection Committee (SC)

**The administrative compliance and eligibility** – on that stage it is being considered whether the project proposal corresponds to all criteria for eligibility and the completeness of the project proposal in correspondence with the requirements of the PO and the published Guidelines under the respective Call.

The administrative compliance and eligibility assessment of the applicant/partner will be executed by two employees of the Programme Operator or by proposed by the PO – external experts.

The assessment of administrative compliance and eligibility of a given project will be executed by two employees, independent from one another.

If during the assessment of the project proposal, it is being ascertained that there is an absence of a document and/or incompliance, through EUMIS 2020, the PO sends notification to the applicant about the detected incompliances/absences and sets a reasonable term for their removal; the term cannot be smaller than 5 working days and shall be the same for all applicants under the Call. The clarifications which the applicants present cannot lead to a qualitative improvement of the project proposal.

The communication with the applicants takes place entirely through EUMIS 2020 (the system's "Communication" module). The PO sends a request for additional information towards the e-mail address of the applicant, indicated in its profile. On the basis of the received information, the evaluation committee corrects only that section of the applicant form where the additional information is necessary.

Assessment on the eligibility of the project proposals will be executed only when it is being confirmed that the project meets the administrative criteria.

The applicants can withdraw their project proposal from the assessment process by sending a written request towards the Head of the Programme operator; in such cases, the assessment of the project proposals stops. This circumstance is being added to the protocol from the administrative compliance and eligibility assessment by the applicant/partner.

An applicant whose project proposal is included in the list with the rejected projects can make a written objection towards the Head of the PO in a week following the notification. With the submission of the objection, the applicant cannot provide new documents or documents that have not been initially part of the project proposal and/or the requested by the evaluation committee additional documentation. The Head of the PO acts on the reasonability of the objection within one week. The act of the Head of PO with which the PO takes decision on the reasonability of the objection is being communicated to the applicant in accordance to the order of art. 61 of the Code on Administrative Procedures through EUMIS 2020.

A signal or an appeal can be filed also through the "button for irregularities" on the unified information portal of the EEA Grants (<https://www.eeagrants.bg/contact/signal-zanerednosti>) on which suspicions for incompliances with the principles of good governance and irregularities can be filed. The NFP shall provide feedback to the sender of the signal within the frames of three months since its filing. In case of more complicated cases which require interaction with more than one institution, the term can be prolonged. When the irregularity can be classified as a suspicion for fraud, a signal to the Prosecution shall be sent.

**The technical and financial assessment of the project proposal (TFA)** is a substantive project evaluation process that is carried out in accordance with the assessment criteria described in the Guidelines for the relevant Call.

The assessment criteria are not subject to change during the course of the procedure.

The technical and financial assessment shall be carried out only for project proposals that have successfully passed the assessment of administrative compliance and eligibility.

The assessment is being documented through the filling of assessment grids that are available in the EUMIS 2020 system.

The project proposals which have reached the TFA stage are being reviewed by two impartial and independent from one another experts as at least one of them is external to the Programme Operator.

During the TFA process of assessment, the asking of questions by the evaluation committee towards the applicants is eligible if the committee ascertains circumstances which require reduction of the budget. In such circumstances, the committee may require additional clarifications and information by the applicants through the “Communication” module in EUMIS 2020.

The final assessment is the arithmetic mean of the two assessments done by the two experts. If the difference between the scores given by the two experts is more than 20% of the higher score, the chairperson of the evaluation committee assigns the assessment to a third person – independent and impartial to the PO and the CSP – expert-arbitrary. The final assessment is the arithmetic mean of the two closest assessments.

In the cases when one of the assessments is below the minimal eligible assessment under the Call whereas the other assessment is above it or equal to it, then the chairperson of the evaluation committee assigns the assessment to a third person – impartial and independent to the PO and the SCP – expert-arbitrary. The final assessment is the arithmetic mean of the assessment done by the third person and the one similar to his/her in relation to the thresholds of the first two assessments.

Each expert that is executing TFA fills in and signs a Declaration for confidentiality, impartiality and absence of conflict of interest (*Annex 5.7.1*)

The TFA concludes with a protocol that consists of three separate project lists:

- projects suggested for funding in the order of their ranking (descending order);
- a lists with reserve projects in the order of their ranking (descending order);
- projects suggested for rejections together with description on the justification for their rejection;

The protocol shall be signed by the chairperson of the evaluation committee and by the secretary.

The criteria for technical and financial assessment of the project proposals are being separated into criteria and sub-criteria as it is indicated in table – **Annex 7b**.

**The technical and financial assessment** consists of the following criteria:

1. Operational and administrative capacity – experience in the management of projects funded by the FM of the EEA or the Structural and Cohesion Funds of the EU as well as experience of the project management team in the management of projects and/or similar type of activities;

2. Compliance and justification of the project proposal which includes the justification of the project proposal in response to its compliance with the overall objectives of the EEA FM 2014-2021, of the “Cultural Entrepreneurship, Heritage and Cooperation” Programme and of Outcome 2 “Access to Arts and Culture Improved”;

3. Artistic value, complexity, variability and development of audiences;

4. Financial justification and budget – budget and effectiveness, efficiency and economy of the expenditures.

Each criterion includes from one to four sub-criteria. The assessment of the project proposal under a given criterion comes up as a summation of the total amount of points under the respective sub-criteria.

**IMPORTANT!!!** If the total amount of points under **one of the criteria under it. 2-4 (exception for sub-criterion under it.4.2)** is **0**, the evaluation committee suggests the project proposal for rejection.

**The maximum amount of points that a given project proposal can receive is 100 points. In order for a project proposal to be suggested for funding, the total assessment on the technical and financial assessment stage must be equal or higher than 60 points.**

The evaluation of the submitted projects shall be carried out by an Evaluation Committee appointed with an order of the Head of the PO that is issued within 2 weeks following the deadline for submission of project proposals. The Evaluation Committee shall include:



- A Chairperson (without voting rights) – responsible for guidance and coordination of the selection process;
- Secretary (without voting rights) – in charge of technical and administrative support in the selection process;
- Experts nominated for the PO to perform the assessment for Administrative compliance and eligibility;
- Experts who shall perform the technical and financial assessment – at least 50% of the expert shall be independent from the PO and the Evaluation Committee.

The complete assessment (ACE + TFA) shall be executed within the limits of 3 months following the date of the decree for formation of the evaluation committee.

With a decree of the Head of the PO, the Programme Operator determines a Selection Committee (SC). The SC reviews the protocol and the lists with the projects for compliance with objective and accepted criteria, related to the aims of the Programme and accepted before the review of the projects by all members of the CSP by consensus.

The SC consists of a chairperson (without the right to a vote), a secretary (without the right to a vote), two representatives of the PO with the right to a vote and at least one external to the PO and the partners – independent expert.

The chairperson and the secretary are employees of the PO and they do not have voting power. The chairperson guides and coordinates the complete process of assessment within the indicated above three stages and the secretary supports him/her.

Representatives of the NFP, the FMC, the Embassy of Kingdom of Norway and the Arts Council – Norway shall be invited to the meetings of the SC as observers. Each participant in the meeting fills in and signs a Declaration on confidentiality, impartiality and absence of conflict of interest.

The members of the SC receive the three project lists (for funding, reserves and rejected projects and in cases there have been withdrawn projects – a list with the withdrawn project proposals) and they are given access to the complete and necessary documentation on the reviewed projects.

The SC takes decision for funding of projects by consensus among all members with voting rights. .

The SC has the right to change the ranking of the projects in justified cases and in accordance with objective and accepted criteria, related to the aims of the Programme and accepted before the review of the projects by all members of the CSP by consensus. The justification for changing of the ranking shall be described in detail in the minutes from the meeting of the SC ; the minutes shall be signed on each page by all members of the SC , the

chairperson, the secretary and the observers. The minutes from the meeting of the SC shall at minimum contain the following:

- A list of the suggested for funding project proposals in the order of their ranking and the size of the allocated funding;
- A list with the reserve projects;
- A list with the rejected project proposal and the reasons for their rejection;
- A list with the withdrawn project proposal during the assessment process;
- Motives and justification on the changes in the ranking of the projects (*if it is applicable*).

The chairperson of the SC presents to the Head of the PO the final report from the conducted procedure for assessment which contains – the protocols from AEC, TFA, the minutes from the SC meeting as well as the annexes towards them.

The Head of the PO conducts a check whether the process for selection of projects is done in correspondence with the Regulation and the accompanying legal framework as well as a check of whether the decision of the SC for the suggestion for funding is done in correspondence with rules and the aims of the Programme. After the check, the Head of the PO, on the basis of the decision of the SC takes a final decision on the funding of projects.

The Head of the PO can:

- Approve the report submitted by the head of the SC ;
- Give back the report of the SC and to request a repetition of the process for selection in case of violation of the procedure, if the violation can be removed;
- Not to approve the report in case there are serious violations in the procedure.
- The Head of the PO can modify the decision of the SC in justified cases and shall provide the justification for modification in the decision

The Programme Operator informs the applicants on the results from the selection process in a reasonable term and publicize the results for publication on the unified web portal of the EEA Grants in Bulgaria - <https://www.eeagrants.bg/>.

In case of change in the ranking or in case of rejection of a given project as a result of decision by the SC or the Head of the PO, the justification for the modification shall be described in detail and shall be justified in the decision.

### **13. Rules for Projects Generating Income**

In view of providing the opportunity for the development of entrepreneurship models in the area of culture, the current call permits the approved projects to generate income.

A project that generates income is every activity that includes the provision of a service that requires payment or activity which in any case will allow the applying organization to generate income.

According to art.6.4, it.2 of the Regulation, when setting the project grant, the Programme Operator shall take into account every economic benefit, e.g. cost savings or increased profit, which is a result from receiving a the financial contribution. The economic benefit shall be used in a way which supports the objectives of the project.

In view of the above, when there is one of the following circumstances – economic benefit, for instance cost savings or increased profit as a result of the received financial contribution, then the applicant shall on the applicant stage develop a detailed financial plan (in a free text) with argumentation and calculation about the expected income which the project will generate on the basis of the future cultural product, for 5 year period following the approval of the final project report as well as all expected expenditures for maintenance of the made investment during the same period.

The detailed financial plan must clearly show the following:

- What is the amount of the investment;
- What is the expected indicative income for the period of sustainability of the project as well as how the same income will be used;
- What is the amount of the expenditures for maintenance of the made investment (including taking into account the inflation rate for the period);

The Programme Operator will not reduce the maximum grant rate in case it ascertains that the following conditions/requirements are fulfilled:

- The expected income does not exceed the maintenance costs and is used in accordance with the requirement: Economic benefit are being used in way which supports the objectives of the project;
- The income generated within the approved project will be used/reinvested by the Project Promoter only and solely for the sustainability of the objectives and outcomes achieved under the project. .

The detailed financial plan shall be submitted in section 13 “Attached Electronically Submitted Documents” in EUMIS.

**IMPORTANT!** The income generated within an approved project can be used and respectively reinvested by the beneficiary only and solely for the sustainability of the project results. The sustainability of the project under the “Cultural Entrepreneurship, Heritage and Cooperation” Programme is 3 or 5 (five) years following the approval of the final project report.

In view of following the requirements of the “Cultural Entrepreneurship, Heritage and Cooperation” Programme, in the detailed financial plan, the applicant shall calculate also the usage of the generated income in correspondence with the responsibilities of the beneficiaries on the sustainability of the project results that are:

- Responsibility to insure the acquired equipment/assets for the usual insurance risks (theft, fire and other) and this shall be done both during the implementation of the project and during the 5 (five) year period following the approval of the final project report (art. 8.3.2, b of the Regulation);
- Responsibility to allocate enough resource for the maintenance of the acquired equipment/asset for the period of at least 5 (five) years following the approval of the final project report;
- Responsibility to organize the same cultural event/initiative minimum once within the frames of 5 (five) years/ 3 (three) years following the approval of the final project report.

#### **14. De minimis Regime**

The current Call applies the de minimis rules under the meaning of Regulation (EU) № 1407/2013 of the Commission from 18.12.2013 on the application of the articles 107 and 108 of the Treaty on the Functioning of the European Union in response to the de minimis aid, published in the Official Gazette of the EU L 352 from 24.12.2013.

According to art. 4, § 2 of Regulation (EU) № 1407/2013 of the Commission from 18.12.2013, the aid provided under the form of a grant is transparent de minimis aid.

"De minimis" is aid that does not distort or threaten competition, due to its minimum size, as defined in the current EU regulation, on the application of Art. 107 and 108 of the Treaty on the Functioning of the EU with regard to de minimis aid.

An enterprise within the meaning of the competition rules is any entity pursuing an economic activity, regardless of its legal status and the way in which it is financed.

"Business activity" is the supply of goods and / or services to an existing competitive market.

**IMPORTANT:** The maximum amount of the funds allocated under the Call under the form of de minimis aid to the same enterprise may not exceed the BGN equivalent of 200 000 EUR over a three-year period<sup>2</sup> (the current year and the two preceding budgetary years).

The above cited maximum amount of the funds that are to be allocated under the Call that are under the form of de minimis aid is being applied regardless of the form of the aid or regardless of the sought aim and regardless if the provided by the member state – aid is being funded entirely or partially with funds coming from the Union. The period of three budgetary years is being determined according to the budgetary years used by the enterprise in the respective member state.

The overall amount of the aid granted in the form of de minimis aid to the same undertaking performing road freight transport for hire or reward may not exceed the equivalent of 100 000 BGN for a period of three budget years. This de minimis aid can not be used for the acquisition of road freight transport vehicles.

The amount of the de minimis granted is defined as the sum of the aid for which the contract is awarded under the call for proposals under Outcome 2 "Access to Arts and Culture Improved" and the de minimis aid received by:

- applicant/partner enterprise;
- the enterprises with which the applicant /partner forms the "same enterprise" within the meaning of Art. 2, par. 2 of Regulation (EU) No 1407/2013;
- all undertakings which have merged, merged with, or were acquired by, one of the undertakings forming the "same undertaking" with the applicant / partner under Art. 3, par. 8 of Regulation (EU) No 1407/2013;
- undertakings "forming the same enterprise" with the applicant / partner who have benefited from de minimis received prior to division or separation, according to Art. 3, par. 9 of Regulation (EU) No 1407/2013.

The definitions under art. 2, §1 of Regulation (EU) No 1407/2013 are also applicable.

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<sup>2</sup> Three budgetary years – takes into account the application year and the two preceding budgetary years.

To the extent that a public entity pursues an economic activity which can be separated from the exercise of official authority, the entity in question acts as an undertaking in respect of that activity and should be treated as the recipient of the de minimis aid.

During the preparation of the project proposal under the current Call, applicant shall bear in mind that for de minimis aid will be considered the complete amount of the requested grant. In case that during the project, it is foreseen that the partner/s will exhaust funding for labor remuneration, the same funds shall be considered as de minimis aid for the respective partner/s and shall be included in the Application Form, section 3, “Data of the Partner”, field – “Financial Participation”.

The de minimis aid rules are applicable also to all partners as far as these partners are enterprises and the activities they execute including the ones part of the project proposal (under the current Call) are economic activities.

The above requirement applies to partners from the Donor States.

For the purposes of Regulation (EU) No 1407/2013, 'one and the same undertaking' means all undertakings which have at least one of the following relationships with each other:

- a) an enterprise owns a majority of the votes of the shareholders or partners in another enterprise;
- b) an enterprise has the right to appoint or remove a majority of the members of the administrative, management or supervisory body of another undertaking;
- c) an undertaking is entitled to exercise a dominant influence over another undertaking by virtue of a contract concluded with that undertaking or a provision in its statutes or instrument of incorporation;
- d) an undertaking which is a shareholder or partner in another undertaking independently controls, by agreement with the other shareholders or members of that undertaking, the majority of the votes of the shareholders or members of that undertaking.

Enterprises/undertaking that maintain one of the relationship, indicated in the letters a) – d) through one or various other enterprises shall also be reviewed as one and the same undertaking.

Applicant (s) and / or partner (s) are ineligible to receive minimal assistance under this procedure if they fall under the prohibited aid schemes in accordance with Regulation (EU) No 1407/2013, namely:

a) aid granted to undertakings active in the fisheries and aquaculture sector covered by Regulation (EU) No 1379/2013 of the European Parliament and of the Council of 11 December 2013 on the common organization of the markets in fishery and aquaculture products, amending Regulations (EC) No 1184/2006 and (EC) No 1224/2009 and repealing Council Regulation (EC) No 104/2000 (OJ L 354 of 28.12.2013);

b) aid granted to undertakings active in the primary production of agricultural products;

Under the current call, aid will not be provided to applicant/partner (s) when its provision leads to the violation of the terms of Regulation (EU) No 1407/2013 including art.1, letter c), d), e) of the Regulation.

**IMPORTANT:** When a given enterprise exercises activity in the sectors, indicated in the above letters a) and b) as well as in one or more of the sectors or the activities designated in Regulation (EC) No 1407/2013, then the Regulation applies in relation to the aid, provided for the respective one or more sectors or activities, in condition that the recipient of the aid guarantees through suitable means such as separation of activities or distinction of the expenditures that the activities in the included sectors do not benefit from de minimis aid, provided according to Regulation (EU) No 1407/2013.

**IMPORTANT:** In order to certify that they execute economic activity in the eligible sectors, the applicants/partners shall provide together with their project proposal – a Certificate for Code for Economic Activity for the last concluded financial year (2018), issued by the National Statistics Institute.

**IMPORTANT! The Programme Operator considers all eligible activities under the current Call as economic activities.**

A new state aid is not permitted to an enterprise which has not implemented a decision of the European Commission or has not reimburse the illegally received state aid (art.9, par. 3 of the Guidelines for Application of the State Aids).

The de minimis aid, provided according to Regulation (EU) № 1407/2013 can be accumulated with minimal aid provided according to Regulation (EU) № 1408/2013 of the Commission from 18.12.2013 on the application of the articles 107 and 108 of the Treaty on the Functioning of the European Union in relation to the de minimis aid in the agricultural sector (OB L 352 from 24.12.2013) and Regulation EU № 717/2014 of the Commission from 27.06.2014 on the application of the articles 107 and 108 of the Treaty of the Functioning of the European Union in the fisheries and aquaculture sector (OB L 190 from 28.06.2014) to the respective size, determined in art.3, par.2 of the Regulation as the accumulation of the de minimis aid happens by types of activities until the respective threshold for the concrete type of activity. In cases that enterprises/undertakings which fall in the scope of Regulation (EU) 360/2012 of the Commission from 25.04.2011 on the application of the articles 107 and 108 of the Treaty of the Functioning of the European Union in relation to de minimis aid for undertakings/enterprises providing services of overall economic interest (OB : 113 from 26.04.2012), the applicable threshold for accumulation of the de minimis aid is up to BGN equivalent of 500 000 euros.

When with the provision of new aid (de minimis aid), the ceiling under art. 3, § 2 of Regulation (EU) № 1407/2013 is being surpassed, then no part of this new aid can fall in the scope of Regulation (EU) № 1407/2013. In such cases, there is no way that a favorable treatment of the measure under the Regulation can be requested; not in the moment of provision of the aid and not on a later date. In case an actual surpassing of the ceiling is being ascertained, then the applicant shall take measures for reimbursement of the complete amount under the last signed contract (such circumstance is applicable also to the partners).

In relation to art. 3, § 7 of the Regulation (EU) № 1407/2013 and according to art. 36 of the State Aid Act, the Administrator<sup>3</sup> of the aid set rules for application of the conditions for the aid's provision and control as well as mechanisms for ascertainment of illegally received de minimis aid. The rules are set in the act for provision of the de minimis aid or for the aid that is being exempted from notification by an act of the Council of the European Union or of the European Commission.

Illegally received de minimis aid or aid, exempted from notification by an act of the Council of the European Union or of the European Commission represents public claim and

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<sup>3</sup> According to art.9, § 7 of the State Aid Act, when a state aid or a de minimis aid is being provided by an organ, Programme Operator, then the administrator of the aid is the organ responsible for the management and implementation of the Programme.



such fact shall be ascertained by the administrator of the aid through the issuing of an act for ascertainment of a public claim under the order set in the Code of Administrative Procedure.

De minimis aid shall not be accumulated with state aid provided for the same eligible expenditures or with state aid with the same measure for funding of the risk, if through such accumulation it can surpass the highest applicable intensity of the aid or the size of the aid, determined in the concrete circumstances for each separate case with the Regulation for Group Exemption or with a Decision, adopted by the Commission.

The data on the received minimal aid shall be indicated by the applicants and the partners (if it is applicable) in the Declaration for De minimis and State Aids (Annex towards the current Guidelines).

The declaration shall be submitted by the applicants/partners including by the partners from the Donor States on the application stage as well as later in case of approval of the project proposals – before the signature of the contract for implementation.

During the assessment process, a revision on the surpassing of the maximum eligible ceiling for de minimis aid, determined in art.3, it.2 of the Regulation № 1407/2013 will be executed on the basis of the data, indicated in the Declaration for De minimis and State Aid.

The de minimis aid is considered as provided in the moment during which the legal act to receive the aid is given to the enterprise/undertaking (the signature of the contract for implementation), regardless of the date of the payment of the aid to the enterprise/undertaking.

**IMPORTANT:** Before the signature of the contract for implementation, the Programme Operator will execute revision on the declared by the approved applicants information on the received de minimis aid. In case that it is found out that there is a wrongly declared amount which actually surpasses the respective ceiling, determined in art.3 of Regulation (EU) № 1407/2013, the Programme Operator is not going to sign the contract for implementation with the applicant. The revision will be executed through comparison of the whole information on the received de minimis aid which the PO possesses including revision in the Information system “Registrar of the De minimis Aid” maintained by the Ministry of Finance.

The Programme Operator does not hold responsibility for a wrongly declared amount of the received de minimis aid that led to the rejection for signing a contract for implementation.

In order to calculate the aid intensity, all figures are expressed in gross terms - before deduction of taxes and other charges. Aid granted in several installments (ie where the applicant intends to use an advance and / or interim payment) shall be discounted to their amount at the time of submission. Eligible costs are discounted to their value at the time the aid is granted. The interest rate to be used for discounting is the discount rate applicable at the time the aid is granted, in accordance with art. 3, par. 6 of Commission Regulation (EU) No 1407/2013 of 18.12.2013. The intensity of the grant is calculated by determining the discounted value of the aid, expressed as a percentage of the discounted value of the eligible costs.

Discounting will be made by the PA prior to each payment to ensure that the grant awarded complies with the thresholds and intensities for the type of aid concerned as laid down in Commission Regulation (EU) No 1407/2013.

The documentation on individual de minimis aid shall be kept for a period of 10 budget years from the date of their submission. Documentation on de minimis aid schemes shall be kept for a period of 10 fiscal years from the date on which the last individual aid was granted under such scheme, according to art. 6. 4 of Commission Regulation (EU) No 1407/2013 of 18 December 2013.

After the announcement of the current Guidelines, no amendments are eligible if such amendments can affect the correspondence of the Call with the requirements set in Regulation (EU) № 1407/2013.

## **15. Sustainability of the Project Proposals**

The sustainability of the results of the project is of main significance for the assuring long-term benefits. For the PO it is necessary to guarantee sustainability of the results from the projects.

The Application Form must include information on the concrete measures for utilization of the project results within the period of sustainability and information on how the results of the project will be replicated by the applicant/partner or by other entities.

According to art. 8.12 of the Regulation, the minimal term for sustainability of the projects is:

- 3 years following the approval of the final project report by the Programme Operator if the project does not include the acquisition of fixed assets, intangible assets whose expenditures for acquisition have been covered within the frames of the project or CAW;

- 5 years following the approval of the final project report by the Programme Operator if the project includes CAWs or acquisition of fixed and intangible assets, whose expenditures for acquisition have been covered within the frames of the project. The project promoter has the responsibility to use the material and the intangible assets as well as the premise/building subject to CAWs solely for the aims of the project. The premise/building must function for the whole period of sustainability of the project.

## **16. Partnerships under Projects and Partnership Agreements**

According to art. 4.5 of the Regulation, projects can be prepared and implemented in cooperation with one or more organizations from the Donor States in order to contribute for the achievement of the overall aim of enhancing the relations between the Donor States and the Beneficiary states (art. 4.1.1. of the Regulation). Under the current Call, as eligible partners are also considered organizations from the Republic of Bulgaria. The legal form of eligibility of the organizations which can be partners under the Call have been defined in it.8 “Eligible Partners”.

On the project application stage, the project partners shall submit in EUMIS (it. 13 “Attached Electronically Submitted Documents”) a letter of partnership intent signed and stamped by all participating partners , which proves the partners’ intention for joint participation within the frames of the project; the letter shall describe the partners’ roles and the concrete activities that each of the partners have the intention to realize if the project proposal is approved.

There is no limitation on the maximum number of partners per one project proposal. The establishment of a partnership consisting of two organizations is considered favorable. The partnerships must be balanced and the activities must be implemented actively by all sides in the partnership including in the use of the financial resources.. In view of achieving balance and effectiveness during the implementation of the project activities, each project

partner must receive funding and this needs to be reflected in section 5 “Budget” in the Application Form. Within the frames of section 7 of the Application Form – “Plan for Implementation/Activities of the Project”, the applicant shall explicitly and in detail describe the participation of each sides in the partnership. In section 12 of the Application Form, the applicant shall justify the need for the partnership by tying the expertise and the experience of the participants in relation to the future achievement of the project’s aims. *The partnerships, its expertise, its experience and justification will be subject to assessment during the assessment process and the degree of detail and developed justification will give additional points.*

After received approval for funding of a project, according to art. 7.7, par. 7 of the Regulation, before signing the contract for implementation, a partnership agreement shall be signed for each partnership (**Annex 6**).

The agreement must at minimum contain the following:

- provisions on the roles and the responsibilities of the sides;
- provisions on the funding relations between the sides including but not limited to which expenditures of the partners will be for the expense of the project budget;
- provisions on the methods for calculation of the indirect expenditures and their maximum size;
- rules on the currency exchange, proof and eligibility;
- provisions on the audits of the project partners;
- detailed budget;
- provisions on the settlement of disputes;
- Provisions on the methods for informing the partner when there are intentions for amendment of the contract for implementation from the side of the Project Promoter as well as the methods for informing the partner when amendment of the contract for implementation has happened.

The partnership agreement shall be signed in Bulgarian and in English if at least one of the sides in the partnership is registered in any of the Donor States; in such cases the text in English is the leading one.

The establishment and realization of partnership<sup>4</sup> relations between a Project Promoter and a partner shall be implemented in accordance with the applicable national and European

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<sup>4</sup> A partnership in which the partner from the Donor States has only a consultative role (supplier of services) will not be considered as a partnership.

legislation in the area of public procurement in accordance with art. 8.15 and art. 6.7 of the Regulation as the type of activities executed by the partner and their worth shall be assessed.

**IMPORTANT!** The Programme Operator does not require the partnership agreements that are signed for the aims of the current Call to have notary stamp on the signatures.

The partners participate during the implementation of the project and the expenditures done by them are eligible in the same way as the expenditures done by the Project Promoter.

The eligibility of the expenditures executed by the partner are subject to the same limitations as the expenditures done by the beneficiary.

### **17. Contractors From the Side of the Project Promoter**

The Project Promoter is entitled to conclude contracts with contractors for the implementation of project activities. The contractors are not partners and are subject to selection according to PPA or Decree of the CoM 118/20.05.2014 depending on whether the applicant is considered assignor according to PPA or not.

The assigning of public procurement shall be done in accordance with the applicable national legislation.

Documentation relating to procurement procedures for the supply of goods / services / works is subject to verification by the Programme Operator.

When spending funds from the EEA FM, **two specific arrangements** are established for the designation of contractors under contracts for the award of works, services, supplies of goods:

1) In cases where the beneficiaries fall within the scope of the addressees under Art. 5 of the Public Procurement Act, the designation of a contractor shall be carried out in accordance with the PPA and the Regulation for implementation thereof.

2) When the beneficiaries under grant contracts do not appear to be contracting authorities under Art. 5 of the PPA, Decree No. 118/2014 is applied.

Project Promoters /partners are required to implement the relevant regulatory act as described above and to monitor possible changes to the applicable legislation.

At the application stage, applicants complete section 10 "Outsourcing Plan" of the EUMIS 2020 Application Form, describing the procedures envisaged, the type of orders, their sites, the estimated value and a short description.

## **18. Duration of the Projects**

The planned duration of each project in respect to the grant, including the foreseen activities **cannot be less than 6 months and cannot exceed 24 months.**

The duration of a given project shall be taken into account during the preparation of the project proposal as the applicant shall foresee a realistic term for the implementation of the activities.

The foreseen indicative beginning of implementation of the project is from 01.06.2020.

The activities of the project must be concluded not later than 30.04.2024 when it is the final eligible term for implementation of the projects under the "Cultural Entrepreneurship, Heritage and Cooperation" Programme.

The start and the final date of eligibility of a given project are being indicated in the contract for implementation.

### **According to art. 8.15(1) and 8.3.2 of the Regulation:**

- Project Promoters/partners whose projects include investment in immovable property (incl. renovation) must guarantee that the sites will be in exploitation for at least 5 (five) years following the approval of the final project report and they will be used for the aims of the project;

- the Project Promoter commits itself not to change the ownership and the purpose of the acquired equipment/asset for a period of at least 5 (five) years following the approval of the final project report and within the same period, the equipment/asset will be used for the aims of the project;

- the Project Promoter commits itself to insure the acquired equipment/asset for the usual insurance risks (theft, fire and others) during the implementation of the project as well as for a period of at least 5 years following the approval of the final project report;

- the Project Promoter commits itself to assure enough resource for maintenance of the acquired equipment/asset for a period of at least 5 years following the approval of the final project report.

## **19. Information and Communication**

The requirements for effective communication and dissemination of project results will be included in the contracts for implementation to be concluded between the Programme Operator and the Project Promoters under this Call for Proposals.

According to Art. 1.7, Chapter 3, Annex 3 of the Regulation for Implementation of the European Economic Area Financial Mechanism 2014-2021 and the Communication and Design Manual of the EEA FM and the Norwegian Financial Mechanism 2014-2021, all project promoters and partners must cover the following information and communication requirements in their project proposals:

1) All Project Promoters share the responsibility to carry out information and communication activities in accordance with the principle of proportionality by ensuring the widest possible dissemination of information, raising public awareness and enhancing transparency on project activities, the “Cultural Entrepreneurship, Heritage and Cooperation” Programme and the contribution of the EEA FM 2014-2021 and the Donor States at national, regional and/or local level.

2) All Project Promoters have the obligation to attach to their project proposals a communication plan, which includes all the activities/measures envisaged for information and communication of their project proposals. Plans must include clear measures to ensure visibility of the programme, EEA FM 2014-2021 and public awareness of projects. Project Promoters ensure that project information is accessible to the widest possible audience, including in the Donor States. The communication plan has to be approved by the official representative of the Project Promoter and should be attached in section 13 "Attached Electronically Submitted Documents" in EUMIS. The structure and content of the Communication Plan must be consistent with the requirements set forth in Annex 3 and the Communication and Design Manual and also correspond to the content of the mandatory publicity and information activity described in it. 7 of the Action Plan/Activities under the project“ – Annex № 17.3.1 Communication plan of the project.

3) Obligation to clearly highlight the contribution of Iceland, the Principality of Liechtenstein and the Kingdom of Norway through the EEA FM 2014-2021 grant in all publications and activities for which financing under the Programme is used. This includes mentioning the names of the three Donor States and the EEA FM logos in all publications, posters, webpages and other products and infrastructure as well as all events realized on the projects.

4) Obligation to clearly highlight the bilateral cooperation between the applicant and the partner (s) from the Donor States on the basis of which the project proposal is implemented.

5) Each Project Promoter has the responsibility to inform regularly, in written form the Programme Operator on the implemented activities for communication and information. The Project Promoter shall provide the necessary assistance during the conduct of events on the Programme or on the national level by presenting project results or providing advertising materials and products.

6) Mandatory arrangements for publishing information on the funded project on the Internet through a dedicated website or through a dedicated webpage on the organisation's existing website with linking between the two pages. All projects that receive a minimum financial support of € 150,000 under the programme and/or have a partner from donor states, must necessarily provide for the production of a dedicated and updated project website with information in English and Bulgarian.

7) All information published on the web should include information on the project, its progress, achievements and results, cooperation with donor partners, appropriate photo/ visualization material, contact information and a clear reference to the program and the EEA FM 2014-2021.

8) For projects receiving grant funding exceeding € 50,000, the beneficiary must provide a billboard when the project activities include financing of a physical site or minor repairs. The billboard should be positioned near the object of intervention. Within 6 months of completing the project, the beneficiary must replace the notice board with a commemorative plaque; the commemorative plaque must be visible and comply with the requirements of the Communication and Design Manual.



9) Obligation to organize two information activities on the progress, achievements and results of the funded project such as a seminar or stakeholder conference, a press conference or a press event, including a start-up event and/or a closing event for the project.

10) All manufactured promotional materials on funded projects must comply with the visualization requirements laid down in the Communication and Design Manual of the EEA FM and the Norwegian Financial Mechanism 2014-2021

11) In view of the specifics of the priority area, each beneficiary shall include in its communication activities the development of a video clip that represent the results from the project activities including events funded under the project. The video clip shall have the duration of at least 2 minutes and shall be of high quality in view of its usage for later activities during the reporting of the results on Programme and on the national level.

## **20. Way of Applying and Procedure**

### **20.1. Common Rules**

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Applicants who wish to participate with project proposals under the current Call must prepare and submit a project proposal by filling a web based application form with an electronic signature in the EUMIS 2020 system (<http://eumis2020.government.bg>). The project proposals under the call can be submitted by legal representatives of the applicants or by authorized persons.

The preparation and submission of the Application Form in EUMIS shall be done in the following way: the applicant registers in EUMIS, logs in with a username and a password, selects the current call from “Open Procedures” and creates a new project proposal.

The application form under the call shall be filled by the applicant according to the instructions of the Programme Operator given in the Guidelines for Electronic Application (**Annex 9** towards the current Guidelines). EUMIS allows the correction and the further supplementing of the Application Form when it is in a draft regime and consequently the done work is being stored on the system’s servers.

All documents indicated in it. 19.2 of the current Guidelines are attached to the Application Form by obligation. A document whose original is in a foreign language shall be presented with a translation to Bulgarian.

Before submitting the project proposal, the application form must be signed by QES with detached signature by at least one person empowered to represent the applicant or by authorized/commissioned person.

If the applicant is represented **together** by several entities, the form is signed with QES by all of them.

In case the QES is of authorized person, a scanned power of attorney certified by a notary must be attached to the project proposal (in Section 12 of the Application Form). The power of attorney must explicitly state that the person is authorized to submit a project proposal under Outcome 2 "Access to Arts and Culture Improved", PA14 "Cultural Entrepreneurship, Heritage and Cooperation" Programme. The power of attorney must be issued as of the date of submission of the project proposal. If the same is not attached in Section 13 of the form, the Evaluation Committee shall request it from the applicant. If the power of attorney is not presented or submitted but the date of issue is later than the date of submission of the project proposal, the project proposal shall be rejected.

The applicants fill in the Application Form in Bulgarian and provide an English translation as an attached file in Section 13 of the Application Form.

Each candidate must indicate the official email address of its organization with which to register and log in EUMIS 2020. This email address shall be retrieved automatically and shall be displayed in the field „E-mail“ in item 2 „Data of the Applicant“ of the application form. Once indicated, this email address should not change during the application and evaluation period until the conclusion of the administrative agreement for the grant award under the programme with the respective candidate. During the evaluation of the project proposal - the communication with the applicant on the submitted project proposal shall be done electronically through the candidate account in UMIS 2020 from which the project was submitted.

## **20.2. List of the documents which shall be submitted on the application phase:**

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**1. Application Form** (the applicant fills in the form in EUMIS 2020 and shall not attach a separate file) – the Application Form shall be submitted in Bulgarian and in English as in EUMIS 2020 the applicants fills in the form in Bulgarian and a translation in English is being provided as an attached file in Section 13 of the Application Form, signed by the person who has the right to represent the applicant or authorized person;

**2. Financial Argumentation of the budget of the project**, filled in according to the Guidelines for Filling of the Financial Argumentation – *Annex №1*

*The documents shall be filled in Excel and shall be attached in Section 13 of the Application Form.*

**3. Annexes towards the Financial Argumentation** - According to these Guidelines and the Guidelines for Filling of the Financial Argumentation, the annexes shall be attached by the Applicant in section 13 of the Application Form as the offers shall be attached in rar. or in zip. format.

*Documents which are on paper shall be scanned and be attached in section 13 of the Application Form, certified with a signature and stamp “True to the Original”.*

**4. Disbursement Plan** – *Annex № 6* – signed and stamped by the applicant in Bulgarian and in English language in word or in pdf. Shall be attached by the applicant in section 13 of the Application Form.

**5. Detailed Financial Plan** - signed and stamped by the applicant in Bulgarian and in English in word and pdf. The applicant attaches in section 13 of the Application Form. The financial plan is applicable only to project proposals which envision to generate income.

**6. Certificate of Good Standing of the Applicant/Partner (s)** (if there are partners), issued no later than 3 months before the deadline for submission.

*The documents shall be scanned and attached in section 13 of the Application Form.*

*- Certificate(s) of Good Standing of the Applicant/Partner(s) (if there are such) shall not be presented if the data in them are accessible through a public registrar or if the data can be ensured through a direct and free access to national data basis of the Member States.*

*If a discrepancy is found between data in the relevant registry and data, related to good standing of the Candidate / Partner (s) contained in the Application Form and its Annexes submitted by the Applicant, **the Programme Operator may require the submission of Certificate (s) of good standing of the Candidate / Partner (s) (if any) issued not earlier than 3 months before the deadline for application.***

*In cases when the applicant is being registered under the Commercial Registrar Act and in the Registrar of the NGOs, the circumstance will be checked in accordance with art. 23, par. 6 of the Commercial Registrar Act.*

**7. Balance sheet for the last completed financial year** of the Candidate and Partner (s) (if any)

*The document is scanned and attached to Section 13 of the Application Form.*

- *The document shall not be presented when the latter is published and when the data in it / them is accessible through a public register, or can be provided through direct and free access to Member States' national databases.*

**8. Decision of the Municipal Council of the municipality for application under the current Call, in the cases when the applicant is a municipality or a secondary spending unit towards the municipality.**

**9. Certificate for Code for Economic Activity** (the main economic activity and additional economic activity) by the National Statistics Institute with data for the last concluded financial year of the applicant/partner(s) (if there are any).

*The document is scanned and attached in Section 13 of the Application Form.*

*Certificate for Code for Economic Activity of a partner is not required when it is not applicable under the partner's national law.*

**10. Declaration by the Applicant/Partner – Annex № 2**

*Each person who represents the applicant/partner signs a separate declaration. The declaration by the applicant/partner cannot be signed by authorized persons as it declares personal data or data for the legal entity concerned and for their trueness there is criminal responsibility, which is also personal. The declaration(s) shall be submitted in one of the following ways: 1. The declaration(s) shall be signed on paper, scanned and attached in section 13 of the Application Form; 2. The declarations shall be signed with electronic signature<sup>5</sup> and shall be attached in section 13 of the Application Form. The declaration shall be submitted in English in case the partner is from a Donor State.*

**11. Declaration on the Identity of Information – Annex № 2a**

**12. Letter of Partnership Intent** (if it is applicable) – Annex № 3

*The letter of partnership intent shall be filled separately for each of the partners. It shall be signed by at least one of the persons which represent the partner. In case the partner is from a Donor State, the letter shall be submitted in English.*

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<sup>5</sup> The signing shall be executed through the "Attached Signature" scheme; in that case a new file shall be created which includes two files – the original document plus the digital signature. The new file shall be attached.

*When the legal entity – partner is being represented by two or more persons, each person that represent the partner signs the letter of partnership intent.*

*The letter can be submitted in one of the following ways: 1. Signed on paper and following a scan, it shall be attached in Section 13 of the Application Form or with electronic signature<sup>6</sup>*

**13. De Minimis/State Aid Declaration** (shall be submitted by the Applicant and the Partner(s) (if any)) - Annex № 4

*The declaration shall be signed by at least one of the persons who represent the applicant/partner in any of the following ways: 1. The declaration is signed on paper, scanned and attached in Section 13 of the Application Form; 2. The declaration is signed with electronic signature<sup>7</sup> and is attached in section 13 of the Application Form.*

*When the legal entity – applicant or partner is being represented by two or more persons together, each person representing the applicant/partner signs a separate declaration.*

**14. C.V of the project manager and each project management team members –**  
Annex № 5

*The C.Vs shall be filled according to the example and shall be attached in section 13 of the Application Form.*

**15. Statute or Articles of Association of the Applicant and the Partner(s)** (if any), as well as other documents which certify that the applicant/partner(s) participating in the Call are organizations whose activities are being executed in the cultural or creative sectors as it is defined in Regulation №1295/2013 of the Creative Europe Programme and in line with it.7 of the Guidelines.

*The indicated documents shall be submitted only by applicants and partners that are NGOs.*

*The document shall not be submitted if it is published and when the data that it contains are accessible through a public registrar or the data can be found through a direct and free access to the national data basis of the Member States.*

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<sup>6</sup> Вж. бележка 7

<sup>7</sup> Вж. бележка 7

*In case the applicant is registered according to the Commercial Registrar Act and the Registrar of the NGOs, the circumstance will be checked by the PO according to art. 23, par.6 of the Commercial Registrar Act.*

*The document(s) shall be scanned and attached in section 13 of the Application Form.*

**16. Declaration for Information on the Consultants Participating in the Preparation and Writing of the Project Proposal and the Accompanying Documentation** – Annex № 5a;

**17. Notarized power of attorney for authorization of a person representing the Applicant** (if applicable) in relation to the submission of the project proposal and the signature with QES.

*The document shall be applied only in case that the project proposal is submitted by a person, different than the legal representative of the applicant. The document shall be scanned and attached in section 13 of the Application Form.*

**18. Bill of quantity for the CAW (BoQ)** – the document shall be filled in Excel and shall be attached in section 13 of the Application Form.

**19. Technical Specification** – Annex № 11

*The document shall be filled in Word and shall be attached in section 12 of the Application Form.*

**20. Budget in Euro** – Annex № 14

*The document shall be filled in Excel and shall be attached in Section 13 of the Application Form.*

**IMPORTANT!** The documents indicated in **it.2, 4, 10 - 13, it.16, it.19 and it.20** shall be filled according to the example provided by the Programme Operator.

**IMPORTANT!** Each applied file shall be signed by the person who represents the applicant or by authorized person with electronic signature as each files shall be published in EUMIS 2020, section 13 “Attached Electronically Submitted Documents” of the Application Form, fields “File” and “Signature”.

**IMPORTANT!** In case the project proposal is submitted by an authorized person, it shall be taken into account that the declarations which certify the absence or availability of circumstances in relation to the persons that represent the applicant shall be filled in and signed personally by the legal representative(s).

Applicants shall put number and put the name of the applied documents in Latin so that the content is understandable (for instance – “deklaracia\_Prilojenie\_5”) in view of facilitating the review of the documentation.

### **20.3. Supporting Documents, submitted by the applicant and the partner(s):**

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a) Court decision for registration or relevant founding documents (Statute or Articles of association of the applicant organization (s) – a copy certified by the applicant / partner and text "True to the original".

*The document shall not be presented if it is published and the data in it / them are accessible through a public register, or can be provided through direct and free access to Member States' national databases.*

б) Registration under BULSTAT (UIC, if applicable) - a copy certified by the applicant / partner and text "True to the original";

*The document shall not be presented if it is published and the data in it / them are accessible through a public register, or can be provided through direct and free access to Member States' national databases.*

*In case the applicant is registered under the Commercial Registrar Act and under the Registrar of NGOs, this circumstance will be checked by the PO according to art.23, par.6 of the Commercial Registrar Act.*

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

*The document shall not be presented if it is published and the data in it / them are accessible through a public register, or can be provided through direct and free access to Member States' national databases.*

**Note:** The documents under it.19.3 shall be presented by the partners based on the territory on Republic of Bulgaria.

## Documents that shall be presented by the Donor States partners

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### **Partner organizations from Kingdom of Norway:**

a) Register transcript, certifying the legal status and the main activities, executed by the organization – excerpt from the official registrar of Kingdom of Norway - Brønnøysundregisteret.

b) Certificate of Good Standing – issued by the competent authority in the Donor State.

### **Partner organizations from Iceland:**

a) Certificate of Registration – issued by the Registrar of Enterprises - Skráasvið.

### **Partner organizations from Principality of Lichtenstein:**

a) Registration transcript certifying the legal status and the main activities, executed by the organization – excerpt from the official registrar of Principality of Lichtenstein - Handelsregisterauszug

**Apart from the indicated above documents, the partner organization shall present also a document from which it is visible who is the legal representative of the organization in correspondence with the national legislation.**

**IMPORTANT! The supporting documents shall be presented in Bulgarian from the side of the applicant and in English from the side of the partner from Donor States.**

**IMPORTANT!** Each applied document shall be signed with electronic signature as all files shall be published in EUMIS 2020, section 13 “Attached Electronically Submitted Documents” from the Application Form, fields “File” and “Signature”.

Applicants shall put number and put the name of the applied documents in Latin so that the content is understandable (for instance – “deklaracia\_Prilojenie\_5”) in view of facilitating the review of the documentation.

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## **20.4. Deadline for Submission of Project Proposals**



Deadline for receipt of project proposals is 03.12.2019 (23:59). Project proposals are submitted only through the EUMIS system, as when submitted, the system generates a project proposal number and registers the exact date and time of submission.

Any project proposal submitted after the deadline shall not be considered under this call.

Project proposals submitted on paper shall not be considered.

## 21. Additional Information

Before submitting the project proposal, the applicants may request clarifications in response to the Call. The questions can be sent to the Programme Operator of the “Cultural Entrepreneurship, Heritage and Cooperation” Programme via e-mail: [pa14culture@mc.government.bg](mailto:pa14culture@mc.government.bg)

The questions and answers will be published on the internet site of the Programme, part of the unified web portal of the FM of EAA in Bulgaria as well as in EUMIS 2020.

The questions can be asked **no later than 21 days before the deadline for submission of the project proposals.**

**The clarification shall be published within the frames of 10 days from their reception on the above cited e-mail, but not later than 14 days before the deadline for submission. Clarifications are to be given in response to the Guidelines and the Annexes towards them and shall not contain statement on the quality of the project proposals. The clarifications are obligatory for all applicants.**

**The requests for clarifications will be published together with the clarifications on the internet site of the Programme, part of the unified web portal of the FM of EEA in Bulgaria as well as in EUMIS 2020.**

In order to ensure equal treatment of applicants, the PO will not issue preliminary opinions on the compliance of an application or candidate with the application conditions.

The PO will conduct information days where he/she will explain the specific requirements for applying under this procedure. More information on the date and place of the information day will be published on the website, dedicated to the programmes of the Financial Mechanism of European Economic Area - <https://www.eeagrants.bg/>.

## 22. Signature of Contracts for Implementation

### 22.1. Notification on the Decision of the Programme Operator

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The Programme Operator issues Decision on the funding of the suggested for funding project proposals and set a deadline for provision of all necessary documents for the signature of contract.

Through the “Communication” module in EUMIS 2020, the Programme Operator sends a notification letter to the approved candidate. The notification letter is signed by the Head of the PO or by authorized person and shall contain guidelines on the necessary documents, the deadline and the way of their submission. The letter shall at the minimum indicate the following information:

- the total amount of the approved project budget;
- the changes in the budget which have been done by the Evaluation Committee (if applicable)
- the documents which the applicant needs to present as well as the number of copies;
- The deadline for submission of the necessary documents.

The approved for funding applicants send the indicated documents through the “Communication” module in EUMIS2020 in the way and the deadlines, indicated in the notification letter.

In case discrepancies in some of the documents are found, the Programme Operator sends a letter through EUMIS2020 with a request for correction of the documentations and sets a new deadline (3 working days) for their submission. The beneficiary prepares the documents and sends them through the “Communication” module in EUMIS 2020.

**IMPORTANT! The Programme Operator cannot request the same documents twice.**

In case that during the revision of the submitted documents, the PO ascertains that a given applicant does not correspond to the requirements of eligibility and does not present in the indicated deadlines the necessary documents for the signature of the contract including if the applicant has not given the documents after a second request, the Head of the PO issues a motivated decision for rejection of the funding. The decision can be subject to objection before the competent administrative court under the Administrative Procedural Code.

In case that, when carrying out a substantive examination of the documents submitted by the applicants, a discrepancy is found between the data declared by the applicant and the information given in the official documents he /she has submitted no contract shall be concluded with the applicant. In this case, the persons conducting the inspection recommend, through a motivated report, transmitted via EUMIS 2020 to the Head of PO, decision for refusal to be issued for this candidate.

## **22.2 Documents Submitted Before Conclusion of Contract for Implementation**

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**Annex № 13:** Partnership Agreement for projects under Outcome 2 “Access to Arts and Culture Improved” under the PA14 “Cultural Entrepreneurship, Heritage and Cooperation” Programme (example provided), signed by the Applicant and the Partner(s) (if applicable).

**Annex № 16:** Declaration for Consent on the Provision of Information (shall be submitted by the Applicant and the Partner(s) (if any)

*The declaration shall be signed by at least one of the persons that represent the applicant/partner and shall be submitted to PO by the applicant.*

**Annex № 18:** Financial Identification (example provided).

**Annex № 4:** De minimis/State Aid Declaration, signed towards the date of signature of the contract for implementation (shall be submitted by the Applicant and the Partner(s) (if applicable).

*The declaration shall be signed by at least one of the persons representing the applicant/partner.*

In view of following the de minimis aid rules together with the declaration, the applicant shall provide also the statute or the articles of association of the applicant and the partner(s) (if any) and documents which certify the composition of the management and control organs of the applicant/partner (if any)<sup>8</sup> as well as a list of the members of the legal entity – applicant or partner (in case it is an NGO). In case of necessity, the PO can request from the applicant other relevant documents.

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<sup>8</sup> For instance – protocols/excerpts of protocols which contain the decisions of the organs of the applicant and the partner(s) (if any) which have chosen the respective management and control organs or other that contain the respective information documentation

*On the basis of art. 23, par.6 of the Commercial Registrar Act and the Registrar of NGOs, the Programme Operator will not require the proof of circumstances that have been inscribed in the commercial registrar and in the registrar of NGOs.*

**Annex № 15.2.1** - *Declaration for irregularities and fraud*

**Annex № 9** - *Request for Access to EUMIS of the Manager and/or Authorized Person;*

Persons cannot participate in the Call for project proposals and grant cannot be awarded to them if there are circumstances for rejection from participation in a procedure for public procurement according to the PPA or persons who have not implemented a decision of the European Commission for reimbursement of the provided to them unlawful and incompatible state aid. In case of an approval of a project proposal under the current call, before the signature of the contract for implementation, **the applicant will be requested to submit also the following documents:**

1. Certificate of Good Standing by the Applicant/ Partner(s) (if any);

*The certificate of good standing of the applicant/partner (if any) will not be requested if the data in it are accessible through a public free of charge registrar.*

*Before the signature of the contract for implementation, the applicant is required to announce to the PO any change in the data related to the good standing of the applicant/partner(s) (if any); change that is relevant towards the contract for implementation, regardless of whether the same change is inscribed in the respective public registrar. Furthermore, the applicant will be required to submit proof of the same change.*

2. Certificate (or notarized copy) issued by the competent court which proves that in respect to the applicant/partner(s) (if any) there is no court case for insolvency;

*The certificate will not be requested if the data in it are accessible through a public free of charge registrar. Not applicable for public organizations.*

3. Certificate for the Presence or Absence of Debt by the Applicant/Partner(s) (if any).

*The certificate, issued by the competent organs on incomes is about taxes and the obligatory social security installments towards the state or towards Sofia Municipality or the municipality where the HQ of the applicant/partner is located, in the meaning of art. 162, par.2, it.1 of the Tax-Insurance Procedural Code as well as the interest towards the taxes and the social security installments.*

4. Criminal Record Certificate of all persons who have the right to represent the applicant/partner regardless of whether they represent together or separately or in any other way (issued not earlier than 6 months before the date of its submission) – original or copy certified by the applicant.

**IMPORTANT:** Provided that the abovementioned persons were born in Bulgaria, have not been convicted and no administrative penalty has been imposed, the Program Operator will carry out an official check for them. In this case, it is not necessary to present a Criminal Certificate to the persons empowered to represent the applicant. Where, for any of the abovementioned persons, a criminal record is subject to issuance by a foreign authority, it shall be presented in a certified translation - an original or a copy certified by the applicant. Where a criminal record or equivalent document is not issued in the foreign country concerned, the person concerned shall provide a declaration under the law of the State in which he is established.

5. A Certificate by the organs of the “Chief Inspection on Labor” Executive Agency for the presence or absence of the circumstances under art.54, par.1, it.6 of the PPA in respect to the applicant/partner(s) if any).

*The documents under it.1 – 5 will not be requested by the applicant in case that towards the date of the sending of the notification for the signature of the contract the absence of such circumstance can be detected through a normative act or the PO has the technical opportunity to execute official check.*

### **22.3. Contract for Implementation**

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The applicants approved for funding as well as applicants from the reserve list, in cases where residual financial resources are available, are invited to provide evidence that they meet the requirements for being beneficiaries, including the requirements set out in the Guidelines and / or other documents endorsed by the Head of the PO if they are not attached to the application form.

Applicants send the listed documents through the “Communication” module of the EUMIS2020 in the manner and within the deadlines specified in the notification letter.

In case of inconsistencies with some of the contract documents, the PO sends a letter via EUMIS 2020 with a request for correction of the documents and sets a new deadline

within 3 working days for their submission. The applicant prepares the documents and sends them through the “Communication” module of the EUMIS 2020.

In the event that it is established that an applicant does not meet the eligibility requirements or does not submit within a specified time the documents necessary for the conclusion of the contract, including at the second request or does not present the necessary documents in full, the Program Operator's Head shall issue a motivated decision for rejection of funding. A decision for rejection of funding is also issued in cases where, when carrying out a substantive examination of the documents submitted by the applicants when concluding grant contracts, a discrepancy is found between the information declared by an applicant and the information given in the official documents submitted by him / her.

The decision for rejection of funding is subject to objection before the competent administrative court in the order of APC.

If an applicant for a project approved for funding refuses to conclude a contract for implementation, a contract with the applicants from the reserve list (if applicable) will be made in order of their ranking, until the available budget for the procedure is exhausted.

The contract for implementation is being prepared by the Programme Operator and is available as an example in the annexes towards the current Guidelines.

The contract for implementation sets out the conditions for the award of the grant, as well as the roles and responsibilities of the parties, and in particular clauses are included ensuring that the beneficiary commits to comply with the legal framework of the EEA FM 2014 – 2021 referred to in point 1.5 of the Regulation, which is relevant to the implementation of the project, including any obligations that are valid after the project completion. The contract for implementation contains a clear reference to the Programme Agreement and the Regulation and, as a minimum, contains the following clauses:

- The maximum amount of eligible costs in euros and the maximum grant amount for the project;
- The applicable state/de-minimis aid scheme and the amount of aid granted;
- The first and last date of eligibility of costs;
- The method of calculating indirect costs and their maximum amount;
- Eligibility of expenditure and requirements for proof of expenditure;

- Reporting obligations, reporting periods;
- Way of payment;
- Conditions for changing the project and the contract;
- Obligations to comply with information and publicity requirements;
- Obligations to provide access to monitoring, audit, on-the-spot verification and evaluation;
- Reporting that shall allow the POs to fulfill their reporting obligations to the FMC and the NFP;
- The PO's right to suspend payments and to require reimbursement by the beneficiary in the event that such action is decided by FMC, PO or NFP;
- Conditions for terminating the project;
- Dispute settlement and jurisdiction;
- Reference to a partnership agreement or partner letter;
- Provisions that ensure that project partners are informed in advance about the changes in the project affecting them.

The following attachments are an integral part of the contract:

- The application form submitted by the applicant in EUMIS and evaluated by the evaluation committee;
- Actual and detailed project budget;
- Actual implementation plan;
- Actual outsourcing plan;
- Actual risk reduction plan;
- Actual plan / plans to attract audiences (Applicable to Outcome 2);
- Actual Financial/Entrepreneurship plan;

- Technical specification - containing the minimum technical and functional characteristics of the assets to be purchased (fixed tangible assets and intangible assets) under the project;
- Declaration of State / Minimum aid (if applicable);
- Partnership agreements, if applicable.
- The obligations of the applicant imputed by the grant agreement are valid and enforceable in accordance with relevant national and European legislation.

On the part of the PO, the contract is signed by the Head of PO or a person authorized by it, as well as by the person entitled to a second signature in assuming financial obligations from the PO.

On the part of the applicant the contract shall be signed by the person who, by virtue of a normative or other act, has the right to represent him/ her or by a person authorized by him/her, with a notarized power of attorney in connection with the signing of a contract. If the contract is also signed by a person entitled to a second signature, the applicant shall provide a certified copy of an authorization to make a second signature.

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**IMPORTANT!**

**INDICATIVE TERMS :**

Deadline for submission of project proposals: Within three months from the date of announcement of the Guidelines.

Beginning of the assessment process: Immediately after the deadline for submission of project proposals

End of the assessment process: Within three months from the deadline for submission.

Signing of the contracts: After the issuing of the decision for funding and after all the documents necessary for the signature of the contracts for implementation are submitted before the PO

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**22.4. Technical and Financial Implementation of the Projects**

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Beneficiaries shall report their costs to the PO with at least two mandatory reports in the year, respecting the following deadlines:

1. For costs incurred from 1 January to 30 April, an interim report with all supporting documents must be submitted to the Program Operator on or before May 15;

2. For costs incurred from May 1 to August 31, an interim report with all supporting documents must be submitted to the Program Operator on or before September 15;

3. For costs incurred from 1 September to 31 December, an interim technical report with all supporting documents must be submitted to the Program Operator on or before January 15;

For reporting purposes, the EUMIS 2020 reporting system is used. Reporting is done electronically by the project manager or a person authorized by the beneficiary. In EUMIS 2020, an interim report on the project, a technical report, a financial statement is filled in as part of the reporting documents package and accruals are automatically considered by the system and a payment request. In the electronic system EUMIS 2020, electronic copies of the original financial and accounting documents signed by the project manager or a person authorized by the beneficiary shall be uploaded, certifying that the expenditure has been incurred in the respective project. The Project Report (IPR - Annex 15.2) should be completed according to the activities carried out, supported by the financial and accounting documents and the necessary technical evidence of the activity carried out. The costs included in the statement should meet the basic eligibility principles, be invoiced, paid and have actual delivery, service or construction to the final date of eligibility for the reporting period concerned.

## **ANNEXES TOWARDS THE GUIDELINES**

### **I. DOCUMENTS FOR APPLICATION:**

1. Financial Argumentation of the budget of the project and Guidelines for Filling of the Financial Argumentation – **Annex № 1;**
2. Declaration by the Applicant/Partner – **Annex № 2;**
3. Declaration on the Identity of Information – **Annex № 2a**
4. Letter of Partnership Intent (if applicable) – **Annex № 3;**
5. De Minimis/State Aid Declaration – **Annex № 4;**

6. C.V of the project manager and each project management team members – **Annex № 5.**

7. Declaration for Information on the Consultants Participating in the Preparation and Writing of the Project Proposal and the Accompanying Documentation – Annex 5a;

8. Disbursement Plan – **Annex № 6**

9. Technical Specification – **Annex №11**

10. Example of a budget in English, filled in euros – **Annex № 14**

11. Communication Plan of the Project - **Annex № 17.3.1**

## **II. DOCUMENTS FOR INFORMATION:**

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**Annex № 7:** Methodology for Assessment of Project Proposals – Annex 7a – Table for Administrative Compliance and Eligibility, Annex 7b – Table for Technical and Financial Assessment;

**Annex № 8:** Contract for Implementation of project under Outcome 2 “Access to Arts and Culture Improved” under the Pa14 “Cultural Entrepreneurship, Heritage and Cooperation” Programme

**Annex № 9:** *Request for Access to EUMIS (for correspondence purposes and for the reporting of the project)*<sup>9</sup>;

**Annex №14a:** Instruction for Preparation of the Budget;

**Annex № 13** – Partnership Agreement;

**Annex № 15.2.1** – Declaration for Irregularity and Fraud;

**Annex № 16:** : Declaration for Consent on the Provision of Information (shall be submitted by the Applicant and the Partner(s) (if any)).

**Annex № 18:** Financial Identification

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<sup>9</sup> Права за достъп до ИСУН, свързани с конкретния проект, се предоставят въз основа на подадено от бенефициента заявление по образец (Приложение 10) след сключването на договора за предоставяне на БФП, като по негова преценка може да се поиска предоставянето на права за достъп на повече от едно лице (препоръчва се лицата да са поне две). Законният представител на бенефициента или овластено от него лице подава заявлението с официална кореспонденция на хартиен носител до ПО. Когато заявлението е подписано от упълномощено лице, се представя и документът за упълномощаване. След като ПО създаде профил на посочено в заявлението лице в ИСУН, последното получава и-мейл за потвърждаване от системата. При необходимост от промяна на първоначално посочено в заявлението лице се подава ново заявление.