EEA Financial Mechanism 2014-2021

PROGRAMME AGREEMENT

between

The Financial Mechanism Committee
established by Iceland, Liechtenstein and Norway

and

The Central Coordination Unit Directorate, administrative unit within the Ministry of Finance (NFP),
hereinafter referred to as the "National Focal Point",
representing Bulgaria,
hereinafter referred to as the "Beneficiary State"

together hereinafter referred to as the "Parties"

for the financing of the Programme "Cultural Entrepreneurship, Heritage and Cooperation"

hereinafter referred to as the "Programme"

Chapter 1
Scope, Legal Framework, and Definitions

Article 1.1
Scope

This programme agreement between the Financial Mechanism Committee (hereinafter referred to as the FMC) and the National Focal Point lays down the rights and obligations of the Parties regarding the implementation of the Programme and the financial contribution from the EEA Financial Mechanism 2014-2021 to the Programme.

Article 1.2
Legal Framework

1. This programme agreement shall be read in conjunction with the following documents which, together with this programme agreement, constitute the legal framework of the EEA Financial Mechanism 2014-2021:

(a) Protocol 38c to the EEA Agreement on the EEA Financial Mechanism 2014-2021;

(b) the Regulation on the implementation of the EEA Financial Mechanism 2014-2021 (hereinafter referred to as the "Regulation") issued by the Donor States in accordance with Article 10(5) of Protocol 38c;

(c) the Memorandum of Understanding on the Implementation of the EEA Financial Mechanism 2014-2021 (hereinafter referred to as the "MoU"), entered into between the Donor States and the Beneficiary State; and

(d) any guidelines adopted by the FMC in accordance with the Regulation.

2. In case of an inconsistency between this programme agreement and the Regulation, the Regulation shall prevail.

3. The legal framework is binding for the Parties. An act or omission by a Party to this programme agreement that is incompatible with the legal framework constitutes a breach of this programme agreement by that Party.

Article 1.3
Definitions

Terms used and institutions and documents referred to in this programme agreement shall be understood in accordance with the Regulation, in particular Article 1.6 thereof, and the legal framework referred to in Article 1.2 of this programme agreement.

Article 1.4
Annexes and hierarchy of documents

1. Annexes attached hereto form an integral part of this programme agreement. Any reference to this programme agreement includes a reference to its annexes unless otherwise stated or clear from the context.

2. The provisions of the annexes shall be interpreted in a manner consistent with this programme agreement. Should the meaning of any provision of the said annexes, so interpreted, remain inconsistent with this programme agreement, the provisions of the annexes shall prevail, provided that these provisions are compatible with the Regulation.

3. Commitments, statements and guarantees, explicit as well as implicit, made in the preparation of the programme are binding for the National Focal Point and the Programme Operator unless otherwise explicitly stipulated in the annexes to this programme agreement.

Chapter 2
The Programme

Article 2.1
Co-operation

1. The Parties shall take all appropriate and necessary measures to ensure fulfilment of the obligations and objectives arising out of this programme agreement.

2. The Parties agree to provide all information necessary for the good functioning of this programme agreement and to apply the principles of implementation as set out in the Regulation.

3. The Parties shall promptly inform each other of any circumstances that interfere or threaten to interfere with the successful implementation of the Programme.

4. In executing this programme agreement the Parties declare to counteract corrupt practices. Further, they declare not to accept, either directly or indirectly, any kind of offer, gift, payments or benefits which would or could be construed as illegal or corrupt practice. The Parties shall immediately inform each other of any indication of corruption or misuse of resources related to this programme agreement.

Article 2.2
Main responsibilities of the Parties

1. The National Focal Point is responsible and accountable for the overall management of the EEA Financial Mechanism 2014-2021 in the Beneficiary State and for the full and correct implementation of

this programme agreement. In particular, the National Focal Point undertakes to:

(a) comply with its obligations stipulated in the Regulation and this programme agreement;

(b) ensure that the Certifying Authority, the Audit Authority, the Irregularities Authority and the Programme Operator properly perform the tasks assigned to them in the Regulation, this programme agreement and the programme implementation agreement;

(c) take all necessary steps to ensure that the Programme Operator is fully committed and able to implement and manage the Programme;

(d) take the necessary measures to remedy irregularities in the implementation of the Programme and ensure that the Programme Operator takes appropriate measures to remedy irregularities in Projects within the Programme, including measures to recover misspent funds;

(e) make all the necessary and appropriate arrangements in order to strengthen or change the way the Programme is managed.

2. The FMC shall, subject to the rules stipulated in the legal framework referred to in Article 1.2 of this programme agreement, make available to the Beneficiary State a financial contribution (hereinafter referred to as "the programme grant") to be used exclusively to finance the eligible cost of the Programme.

Article 2.3
Objective and outcomes of the Programme

1. This programme agreement sets out the objective, outcome(s), outputs, indicators and targets for the Programme.

2. The National Focal Point shall ensure that the Programme Operator implements and completes the Programme in accordance with the objective, outcome(s), outputs, indicators and targets set for the Programme.

Article 2.4
Programme grant

1. The maximum amount of the programme grant, the programme grant rate, and the estimated eligible cost of the Programme shall be as specified in this programme agreement.

2. In case the Programme is also supported by the Norwegian Financial Mechanism, this programme agreement shall be interpreted in conjunction with the agreement regulating that support.

3. The financial plan annexed to this programme agreement shall:

(a) contain a breakdown between the Programme's budget headings;

(b) indicate the agreed advance payment, if any.

4. The management cost of the Programme Operator shall not exceed the amount specified in this programme agreement.

Article 2.5
Special conditions and programme specific rules

1. This programme agreement shall list any conditions set by the FMC with reference to paragraph 2 of Article 6.3 of the Regulation. The National Focal Point shall ensure compliance with these conditions and take the necessary steps to ensure their fulfilment.

2. The National Focal Point shall ensure compliance with any other programme specific rules laid down in this programme agreement.

Article 2.6
Programme implementation agreement

With reference to Article 6.8 of the Regulation and without prejudice to paragraph 2 thereof, the National Focal Point shall, before any payment is made to the Programme, sign a programme implementation agreement with the Programme Operator. The National Focal Point shall notify the FMC of such signing.

Article 2.7
Reporting

The National Focal Point shall ensure that the Programme Operator provides financial reports, annual programme reports and a final programme report in accordance with Chapter 9 and Articles 6.11 and 6.12 of the Regulation as well as statistical reporting in accordance with guidelines adopted by the FMC.

Article 2.8
External monitoring

The external monitoring and audit referred to in Articles 11.1, 11.2, 11.3 and 11.4 of the Regulation shall not in any way relieve the National Focal Point or the Programme Operator of their obligations under the legal framework regarding monitoring of the Programme and/or its projects, financial control and audit.

Article 2.9
Modification of the Programme

1. Unless otherwise explicitly stipulated in this programme agreement, any modification of the Programme is subject to prior approval by the FMC.

2. Programme specific exceptions from paragraph 1, if any, are set in the annexes to this programme agreement.

3. Expenditures incurred in breach of this article are not eligible.

4. Should there be a doubt as to whether the proposed modifications require approval by the FMC, the National Focal Point shall consult the FMC before such modifications take effect.

5. Requests for modifications shall be submitted and assessed in accordance with Article 6.9 of the Regulation.

Article 2.10
Communication

1. All communication to the FMC regarding this programme agreement shall take place in English and be directed to the Financial Mechanism Office (hereinafter referred to as the FMO), which represents the FMC towards the National Focal Point and the Programme Operator in relation to the implementation of the Programme.

2. To the extent that original documents are not available in the English language, the documents shall be accompanied by full and accurate translations into English. The National Focal Point shall bear the responsibility for the accuracy of the translation that it provides and the possible consequences that might arise from any inaccurate translations.

Article 2.11
Contact information

1. The contact information of the Programme Operator is as specified in this programme agreement.

2. The contact information for the FMC and the Financial Mechanism Office are:

Financial Mechanism Office
Att: Director
EFTA Secretariat
Rue Joseph II, 12-16
1000 Brussels
Telephone: +32 (0)2 286 1701
Telefax (general): +32 (0)2 211 1889
E-mail: fmo@efta.int

3. Changes of or corrections to the contact information referred to in this article shall be given in writing without undue delay by the Parties to this programme agreement.

Article 2.12
Representations and Warranties

1. This programme agreement and the awarding of the programme grant is based on information provided by, through, or on behalf of the National Focal Point to the FMC prior to the signing of this programme agreement.

2. The National Focal Point represents and warrants that the information provided by, through, or on behalf of the National Focal Point, in connection with the implementation or conclusion of this programme agreement are authentic, accurate and complete.

Chapter 3
Projects

Article 3.1
Selection of projects and award of grants

1. The National Focal Point shall ensure that the Programme Operator selects projects in accordance with Chapter 7 of the Regulation and this programme agreement.

2. Eligibility of project promoters and project partners is stipulated in Article 7.2 of the Regulation and, in accordance with paragraph 4 thereof, subject only to the limitations stipulated in this programme agreement.

3. Pre-defined projects shall be outlined in this programme agreement.

4. The National Focal Point shall take proactive steps to ensure that the Programme Operator complies fully with Article 7.5 of the Regulation.

Article 3.2
Project contract

1. For each approved project a project contract shall be concluded between the Programme Operator and the Project Promoter.

2. In cases where a project contract cannot, due to provisions in the national legislation, be made between the Programme Operator and the Project Promoter, the Beneficiary State may instead issue a legislative or administrative act of similar effect and content.

3. The content and form or the project contract shall comply with Article 7.6 of the Regulation.

4. The National Focal Point shall ensure that the obligations of the Project Promoter under the project

contract are valid and enforceable under the applicable law of the Beneficiary State.

Article 3.3
Project partners and partnership agreements

1. A project may be implemented in a partnership between the Project Promoter and project partners as defined in paragraph 1(w) of Article 1.6 of the Regulation. If a project is implemented in such a partnership, the Project Promoter shall sign a partnership agreement with the project partners with the content and in the form stipulated in Article 7.7 of the Regulation.

2. The partnership agreement shall be in English if one of the parties to the agreement is an entity from the Donor States.

3. The eligibility of expenditures incurred by a project partner is subject to the same limitations as would apply if the expenditures were incurred by the Project Promoter.

4. The creation and implementation of the relationship between the Project Promoter and the project partner shall comply with the applicable national and European Union law on public procurement as well as Article 8.15 of the Regulation.

5. The National Focal Point shall ensure that the Programme Operator verifies that the partnership agreement complies with this article. A draft partnership agreement or letter of intent shall be submitted to the Programme Operator before the signing of the project contract.

Chapter 4
Finance

Article 4.1
Eligible expenditures

1. Subject to Article 8.7 of the Regulation, eligible expenditures of this Programme are:

(a) management costs of the Programme Operator in accordance with the detailed budget in the financial plan;

(b) payments to projects within this Programme in accordance with the Regulation, this programme agreement and the project contract.

2. Eligible expenditures of projects are those actually incurred by the Project Promoter or project partners, meet the criteria set in Article 8.2 of the Regulation and fall within the categories and fulfil the conditions of direct eligible expenditure set in Article 8.3 of the Regulation, the conditions regarding the use of standard scales of unit costs set in Article 8.4 of the Regulation as well as indirect costs in accordance with Article 8.5 of the Regulation.

4. The first date of eligibility of expenditures in projects shall be set in the project contract in accordance with Article 8.13 of the Regulation. The first date of eligibility of any pre-defined projects shall be no earlier than the date on which the National Focal Point notifies the FMC of a positive appraisal of the pre-defined projects by the Programme Operator in accordance with paragraph 3 of Article 6.5 of the Regulation.

5. The maximum eligible costs of the categories referred to in paragraph 1 are set in this programme agreement. Programme specific rules on the eligibility of expenditure set in this programme agreement shall be complied with.

Article 4.2
Proof of expenditure

Costs incurred by Programme Operators, Project Promoters and project partners shall be supported by documentary evidence as required in Article 8.12 of the Regulation.

Article 4.3
Payments

1. Payments to the Programme shall be made when all relevant conditions for payments stipulated in this programme agreement and the Regulation have been fulfilled.

2. Payments to the Programme shall take the form of an advance payment, interim payments and payment of the final balance and shall be made in accordance with Articles 9.2, 9.3 and 9.4 of the Regulation.

3. Payments of the project grant to the Project Promoters may take the form of advance payments, interim payments and payments of the final balance. The level of advance payments and their off-set mechanism is set in this programme agreement.

4. The National Focal Point shall ensure that payments are transferred in accordance with paragraph 2 of Article 9.1 of the Regulation.

5. Chapter 9 of the Regulation shall apply to all aspects related to payments, including currency exchange rules and handling of interests on bank accounts.

Article 4.4
Transparency and availability of documents

The National Focal Point shall ensure an audit trail for financial contributions from the EEA Financial

Mechanism 2014-2021 to the Programme in accordance with Article 9.8 of the Regulation.

Article 4.5
Irregularities, suspension and reimbursements

The FMC has the right to make use of the remedies provided in the Regulation, in particular Chapter 13 thereof. The National Focal Point has a duty to take all necessary measures to ensure that the provisions in Chapter 12 and 13 of the Regulation regarding irregularities, suspension of payments, financial corrections and reimbursement are complied with.

Chapter 5
Final provisions

Article 5.1
Dispute settlement

1. The Parties waive their rights to bring any dispute related to the programme agreement before any national or international court, and agree to settle such a dispute in an amicable manner.

2. If a demand for reimbursement to the FMC is not complied with by the Beneficiary State, or a dispute related to a demand for reimbursement arises that cannot be solved in accordance with paragraph 1, the Parties may bring the dispute before Oslo Tingrett.

Article 5.2
Termination

1. The FMC may, after consultation with the National Focal Point, terminate this programme agreement if:

(a) a general suspension decision according to Article 13.6 of the Regulation or a decision to suspend payments according to paragraph 1(h) of Article 13.1 of the Regulation has not been lifted within 6 months of such a decision;

(b) a suspension of payments according to Article 13.1 of the Regulation, other than under paragraph 1(h), has not been lifted within one year of such a decision;

(c) a request for reimbursement according to Article 13.2 of the Regulation has not been complied with within one year from such a decision;

(d) the Programme Operator becomes bankrupt, is deemed to be insolvent, or declares that it does not have the financial capacity to continue with the implementation of the Programme; or

(e) the Programme Operator has, in the opinion of the FMC, been engaged in corruption, fraud or similar activities or has not taken the appropriate measures to detect or prevent such activities or, if they have occurred, nullify their effects.

2. This programme agreement can be terminated by mutual agreement between the Parties.

3. Termination does not affect the right of the Parties to make use of the dispute settlement mechanism referred to in Article 5.1 or the right of the FMC to make use of the remedies provided in Chapter 13 of the Regulation.

Article 5.3
Waiver of responsibility

1. Any appraisal of the Programme undertaken before or after its approval by the FMC, does not in any way diminish the responsibility of the National Focal Point and the Programme Operator to verify and confirm the correctness of the documents and information forming the basis of the programme agreement.

2. Nothing contained in the programme agreement shall be construed as imposing upon the FMC or the FMO any responsibility of any kind for the supervision, execution, completion, or operation of the Programme or its projects.

3. The FMC does not assume any risk or responsibility whatsoever for any damages, injuries, or other possible adverse effects caused by the Programme or its projects including, but not limited to inconsistencies in the planning of the Programme or its projects, other project(s) that might affect it or that it might affect, or public discontent. It is the full and sole responsibility of the National Focal Point and the Programme Operator to satisfactorily address such issues.

4. Neither the National Focal Point, the Programme Operator, entities involved in the implementation of projects, nor any other party shall have recourse to the FMC for further financial support or assistance to the Programme in whatsoever form over and above what has been provided for in the programme agreement.

5. Neither the European Free Trade Association, its Secretariat, including the FMO, its officials or employees, nor the FMC, its members or alternate members, nor the EFTA States, can be held liable for any damages or injuries of whatever nature sustained by the National Focal Point or the Beneficiary State, the Programme Operator, Project Promoters or any other third person, in connection, be it direct or indirect, with this programme agreement.

6. Nothing in this programme agreement shall be construed as a waiver of diplomatic immunities and privileges awarded to the European Free Trade Association, its assets, officials or employees.

1. This programme agreement shall enter into force on the date of the last signature of the Parties.

2. This programme agreement shall remain in force until five years have elapsed after the date of the acceptance of the final programme report.

Article 5.4
Entry into force and duration

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This programme agreement is drawn up in two originals in the English language.

For the Donors	For the National Focal Point
Signed in Sofia on 23/05/2018	Signed in Sofia on 23/05/2018
.....	.....
Ingvild Næss Stub State Secretary, Office of the Prime Minister	Ivan Ivanov Head of the National Focal Point, Director of Central Coordination Unit Directorate, Council of Ministers

Annex I to the Programme Agreement

Programme Operators and Partners	
Programme Operator:	Ministry of Culture - Bulgaria
Donor Programme Partner:	Arts and Culture Norway (ACN)
IPO:	-
Other Programme Partner(s):	-

Programme Objective	Social and economic development strengthened through cultural cooperation, cultural entrepreneurship and cultural heritage management

PA	Outcome/Output	Expected programme results	Indicator	Disaggregation	Unit of measurement	Source of verification	Frequency of reporting	Baseline values	Baseline year	Target value
PA14	Outcome 1	Cultural heritage management enhanced	Annual revenues generated by cultural heritage objects safeguarded and revitalized	N/A	Annual number	Project promoters' records of revenues	2022 and then annually	3,459,818.09	2022	3,805,800
			Annual number of visitors to supported cultural heritage sites, museums and cultural activities	N/A	Annual number	Attendance sheets, Ticketing systems records	2022 and then annually	1,536,366	2022	1,843,640
			Number of jobs created	Gender	Cumulative number	Documents certifying job creation	Semi-annually (APR and September IFR)	0	N/A	30
			Number of staff trained	Gender	Cumulative number	List of trained participants, level of satisfaction questionnaires;	Semi-annually (APR and September IFR)	0	N/A	50
	Output 1.1	Cultural heritage presented in revitalized,	Number of revitalized spaces	N/A	Cumulative number	Records of restoration works	Semi-annually (APR and	0	N/A	13

		restored and renovated spaces	of/in cultural heritage institutes				September IFR)			
			Number of entrepreneurship plans developed and implemented	N/A	Cumulative number	Project promoters' records	Semi-annually (APR and September IFR)	0	N/A	13
			Number of new exhibitions organised	N/A	Cumulative number	Receipt record of services, photographic/video material, attendance sheets	Semi-annually (APR and September IFR)	0	N/A	13
	Output 1.2	Cultural heritage objects made digitally accessible	Number of cultural heritage value items converted into digital format for the first time, including Roma cultural heritage	N/A	Cumulative number	Copies of the digitalised items	Semi-annually (APR and September IFR)	0	N/A	150,000
			Number of digital exhibitions organised	N/A	Cumulative number	Website analytics	Semi-annually (APR and September IFR)	0	N/A	5
			Number of visits to the digital exhibitions	N/A	Cumulative number	Website analytics	Semi-annually (APR and September IFR)	0	N/A	1,000,000
PA14	Outcome 2	Access to arts and culture improved	Number of people attending cultural activities (including digital)	N/A	Cumulative number	Attendance sheets, Ticketing systems records, Web analytics	Annually (APR)	0	N/A	107,000
			Share of employees of cultural players who report enhanced capacity related to cultural entrepreneurship	N/A	Percentage	Survey results	Annually (APR)	0 %	N/A	90 %

	Output 2.1	Audience development supported	Number of non-touring artistic events implemented	N/A	Cumulative number	Receipt record of services, photographic/ video material	Semi-annually (APR and September IFR)	0	N/A	38
			Number of touring artistic events implemented	N/A	Cumulative number	Receipt record of services, photographic/ video material	Semi-annually (APR and September IFR)	0	N/A	38
			Number of professional staff trained	Gender	Cumulative number	List of training/trained participants, level of satisfaction questionnaires	Semi-annually (APR and September IFR)	0	N/A	46
	Output 2.2	Cultural entrepreneurship enhanced	Number of audience development plans developed and implemented	N/A	Cumulative number	Receipt record of services	Semi-annually (APR and September IFR)	0	N/A	25
PA14	Outcome 3	Awareness of arts and culture of ethnic and cultural minorities improved (Roma focus)	Number of people attending cultural/educational events (including digital) related to minority (Roma) culture	N/A	Cumulative number	Receipt record of services, photographic/ video material, web analytics	Annually (APR)	0	N/A	10,000
	Output 3.1	Audience development supported	Number of cultural events (including digital) with a focus on minority (Roma) culture	N/A	Cumulative number	Receipt record of services, photographic/ video material, screenshot (with clear identification of the event, date and place)	Semi-annually (APR and September IFR)	0	N/A	17
			Number of educational events (including digital) with a focus on	N/A	Cumulative number	Receipt record of services, photographic/ video material,	Semi-annually (APR and	0	N/A	17

			minority (Roma) culture			screenshot (with clear identification of the event, date and place)	September IFR)			
PA14	Bilateral Outcome	Enhanced collaboration between beneficiary and donor state entities involved in the programme	Level of satisfaction with the partnership	N/A	Scale 1-7	Survey results	Annually (APR)	6.49[1]	2023[2]	4.5[3]
			Level of trust between cooperating entities in Beneficiary States and Donor States	N/A	Scale 1-7	Survey results	Annually (APR)	6.49[4]	2023[5]	4.5[6]
			Share of cooperating organisations that apply the knowledge acquired from bilateral partnership	N/A	Percentage	Survey results	Annually (APR)	N/A	N/A	60 %
	Bilateral Output 1	Bilateral cultural cooperation supported	Number of skills development events/workshops co-organized by donor and beneficiary state entities	N/A	Cumulative number	Receipt record of services	Annually (APR)	0	N/A	56
			Number of projects involving cooperation with a donor project partner	N/A	Cumulative number	Signed partnership agreements	Semi-annually (APR and September IFR)	0	N/A	35

[1] Based on the survey carried out on behalf of the FMO
[2] Survey carried out on behalf of the FMO
[3] Target is ≥4.5, and an increase on the baseline value
[4] Based on the survey carried out on behalf of the FMO
[5] Survey carried out on behalf of the FMO
[6] Target is ≥4.5, and an increase on the baseline value

			Number of staff from beneficiary states in exchanges	Donor State, Gender, Type of exchange	Cumulative number	List of participants, boarding passes	Semi-annually (APR and September IFR)	0	N/A	75
			Number of staff from donor states in exchanges	Donor State, Gender, Type of exchange	Cumulative number	List of participants, boarding passes	Semi-annually (APR and September IFR)	0	N/A	75

Conditions

General

1. At least 10% of the total eligible costs of the programme shall target the improvement of the situation of the Roma population. The fulfilment of this condition shall be reported on, through the use of quantitative and qualitative data, inter alia, in the annual and final programme reports.

2. The National Focal Point and the Programme Operator shall seek coordination and synergies with other Roma inclusion relevant measures across the different programmes of the EEA and Norwegian Financial Mechanisms 2014-2021 in Bulgaria.

3. The maximum level of funding available from the total eligible expenditure of the programme for infrastructure (hard measures) shall be 60%.

4. The National Focal Point shall ensure that the Programme Operator ensures that project promoters who have, in line with this Agreement, purchased, constructed, renovated or reconstructed any buildings:

- Keep any buildings purchased, constructed, renovated or reconstructed under the project in their ownership for a period of at least 5 years following the completion of the project and continue to use such buildings for the benefit of the overall objectives of the project for the same period;
- Keep any buildings purchased, constructed, renovated or reconstructed under the project properly insured against losses such as fire, theft and other normally insurable incidents both during project implementation and for at least 5 years following the completion of the project; and
- Set aside appropriate resources for the maintenance of any buildings purchased, constructed, renovated or reconstructed under the project for at least 5 years following the completion of the project. The specific means for implementation of this obligation shall be specified in the project contract.

5. For the outcome 1 indicator “Annual number of visitors to supported cultural heritage sites, museums and cultural activities” where the baseline value is “to be determined” (TBD), the Programme Operator shall submit to the FMO for approval the baseline value, together with a description of the data collection method used, no later than six months after the finalisation of the selection or projects under both calls for proposals under this outcome. The updated baseline value shall be agreed upon through a modification of the programme agreement.

6. For the outcome 1 indicator “Annual revenues generated by cultural heritage objects safeguarded and revitalised” where the baseline value is “to be determined” (TBD), the Programme Operator shall submit to the FMO for approval the baseline value, together with a description of the data collection method used, no later than six months after the finalisation of the selection or projects under both calls for proposals under this outcome. The updated baseline value shall be agreed upon through a modification of the programme agreement.

Pre-eligibility

Not applicable

Pre-payment

Not applicable

Pre-completion

Not applicable

Post-completion

Not applicable

Eligibility of costs - period	**First date**	**Final date**
Eligibility of costs	10/12/2016	30/04/2025
Grant rate and co-financing		
Programme eligible expenditure (€)		€ 12,085,949
Programme grant rate (%)		85.00 %
Maximum amount of Programme grant - EEA Financial Mechanism (€)		€ 10,273,057
Maximum amount of Programme grant - Norwegian Financial Mechanism (€)		-
Maximum amount of Programme grant - Total (€)		€ 10,273,057

PA	Budget Heading	EEA Grants	Total grant	Programme grant rate	Programme co-financing	Programme eligible expenditure	Advance payment
PA14	Programme management	€ 850,000	€ 850,000	85.00 %	€ 150,000	€ 1,000,000	€ 150,000
PA14	Outcome 1 (EEA Grants)	€ 5,549,653	€ 5,549,653	85.00 %	€ 979,351	€ 6,529,004	€ 960,000
PA14	Outcome 2 (EEA Grants)	€ 2,902,882	€ 2,902,882	85.00 %	€ 512,273	€ 3,415,155	€ 474,706
PA14	Outcome 3 (EEA Grants)	€ 970,522	€ 970,522	85.00 %	€ 171,269	€ 1,141,791	€ 180,000
Total		**€ 10,273,057**	**€ 10,273,057**	**85.00 %**	**€ 1,812,892**	**€ 12,085,949**	**€ 1,764,706**

Retention of management costs	
Retention of management costs - Percentage of the management costs	10.00 %
Retention of management costs - Planned Euro value	€ 100,000

Cultural Entrepreneurship, Heritage and Cooperation

Operational rules (Annex II)

1. **Programme summary**

This Annex sets out the operational rules for the programme. The programme agreement is based on the MoU, the concept note and comments made by the FMC. Commitments, statements and guarantees, explicit as well as implicit, made in the concept note, are binding for the National Focal Point and the Programme Operator unless otherwise explicitly stipulated in the annexes to this programme agreement.

The Programme Operator is the Ministry of Culture. The Arts and Culture Norway is Donor Programme Partner.

The programme objective "Social and economic development strengthened through cultural cooperation, cultural entrepreneurship and cultural heritage management", shall be attained through three outcomes:

- Outcome 1: "Cultural heritage management enhanced"

The outcome will be supported by way of two calls for proposals. Call no. 1 shall support projects on cultural heritage presented in revitalized, restored and renovated spaces. Call no. 2 shall support projects making cultural heritage accessible.

- Outcome 2: "Access to arts and culture improved"

The outcome will be supported by way of two calls for proposals (calls no. 3 and 4). Projects supported under this outcome shall address audience development and cultural entrepreneurship.

- Outcome 3: "Awareness of arts and culture of ethnic and cultural minorities improved (Roma focus)"

The outcome will be supported through one Small Grant Scheme (SGS) to be implemented by way of one call. Projects supported under this outcome shall contribute to reaching the target on Roma inclusion under this programme. They will aim to improve the situation of the Roma population in Bulgaria using culture and art as a means for skills and capacity development or as a pathway into education.

Approximately 50% of all projects supported across the three outcomes shall be implemented together with partners from the Donors States.

2. Eligibility

2.1 Eligible applicants:

The rules on eligibility of project promoters and project partners are set in Article 7.2 of the Regulation. In accordance with Article 7.2.4 of the Regulation, the following entities shall be eligible:

	Eligible applicants (Project Promoters)	**Eligible partners**
Call no.1 **Outcome 1** "Cultural heritage management enhanced" Output 1.1	Any non-commercial public entity, 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[1], including municipalities and regional administrations.	Any non-commercial, public or private, entity, and non-governmental organisations, established as a legal person in Bulgaria or in the Donor States. Natural persons are not eligible project partners.

	Natural persons are not eligible project promoters.	
Call no. 2 **Outcome 1** "Cultural heritage management enhanced" Output 1.2	Any non-commercial public entity, 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[1], including municipalities and regional administrations. Natural persons are not eligible project promoters.	Any non-commercial, public or private, entity and non-governmental organisations, established as a legal person in Bulgaria or in the Donor States. Natural persons are not eligible project partners.
Calls no. 3 and 4 **Outcome 2** "Access to arts and culture improved" Outputs 2.1 and 2.2	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[1], including municipalities. Natural persons are not eligible project promoters.	Any non-commercial, public or private, entity, and non-governmental organisations, 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[1]. Any entity, public or private, commercial or non-commercial, and non-governmental organisations, 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[1]. Natural persons are not eligible project partners.
SGS call **Outcome 3** "Awareness of arts and culture of ethnic and cultural minorities improved (Roma focus)" Output 3.1	Any non-commercial, public or private, entity, as well as non-governmental organisations, 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[1], including municipalities. Non-governmental organisations must have been established at least 24 months prior to the announcement of the call. Natural persons are not eligible project promoters.	Any non-commercial, public or private, entity, and non-governmental organisations, 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[1]. Any entity, public or private, commercial or non-commercial, and non-governmental organisations, 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[1]. Natural persons are not eligible project partners.

[1] OJ L 347, 20.12.2013.

2.2 Special rules on eligibility of costs:

Costs are eligible in accordance with chapter 8 of the Regulation.

3. Bilateral relations

3.1 Bilateral relations

The programme shall contribute to strengthening bilateral relations between Bulgaria and the Donor States.

The programme shall as appropriate facilitate donor partnership projects by carrying out, *inter alia*, matchmaking events and activities in conjunction with launching calls for proposals, as well as by encouraging donor partnership projects in call texts.

The further use of the funds for bilateral relations allocated to the programme shall be agreed in the Cooperation Committee.

4. Selection of projects and financial parameters

4.1 Open calls and availability of funds (including number of calls, duration of calls, and estimated size):

Amounts uncommitted following one call may be transferred to subsequent calls within the same outcome.

	Indicative timing	**Total available amount**	**Maximum/Minimum grant applied for**
Call no.1 **Outcome 1** "Cultural heritage management enhanced" Output 1.1	First semester 2021	€ 5,561769	€ 400,000/ € 150,000
Call no. 2 **Outcome 1** "Cultural heritage management enhanced" Output 1.2	First semester 2021	€ 967,234	€ 350,000/ € 150,000
Call no. 3 **Outcome 2** "Access to arts and culture improved" Outputs 2.1 and 2.2	First semester 2019	€ 1,980,502	€ 200,000/ € 50,000
Call no. 4 **Outcome 2** "Access to arts and culture improved" Outputs 2.1 and 2.2	First semester 2021	€ 1,434,653	€ 200,000/ € 50,000
SGS call **Outcome 3** "Awareness of arts and culture of ethnic and cultural minorities improved (Roma focus)" Output 3.1	First semester 2021	€ 1,141,791	€ 75,000/ € 25,000

4.2 Selection procedures:

The project evaluation and award of grants shall be in accordance with Article 7.4 of the Regulation.

The Programme Operator shall be responsible for project evaluation and for the award of grants.

The Programme Operator shall appoint a person who is going to lead and coordinate the selection process.

Experts nominated by the Programme Operator shall review the applications for compliance with administrative and eligibility criteria. Applicants whose applications are rejected at this stage shall be informed and given a reasonable time to appeal that decision.

Each application that meets the administrative and eligibility criteria shall be reviewed by two impartial experts appointed by the Programme Operator, at least one of which shall be independent of the Programme Operator and the Selection Committee. The experts shall separately score the project according to the selection criteria published with the call for proposals. For the purposes of ranking the projects, the average of the scores awarded by the experts shall be used. If the difference between the scores given by the two experts is more than 20% of the higher score, a third expert, who shall be impartial and independent of the Programme Operator and the Selection Committee, shall be commissioned by the Programme Operator to score the project independently. In such cases, the average score of the two closest scores shall be used for the ranking of the projects.

The Programme Operator shall establish a Selection Committee. The Selection Committee shall consist of a Chairman and a secretary – representatives of the Programme Operator – without voting rights, and at least three voting members. At least one of the voting members shall be external to the Programme Operator and its Partners. The FMC, the DPP and the National Focal Point shall be invited to participate in the Selection Committee meetings as observers.

The Programme Operator shall provide the Selection Committee with a list of the ranked projects. The Selection Committee shall review the ranked list of projects. The decision of the Selection Committee shall be taken by consensus of all voting members. The Selection Committee may modify the ranking of the projects in justified cases, in accordance with objective and commonly agreed criteria related to the objectives of the programme. The justification for modifications shall be detailed in the minutes of the meeting of the Selection Committee. The minutes shall be signed by all members of the Selection Committee. The Chairman of the Selection Committee shall submit a report, including the list of the recommended projects, together with a reserve list and the list of rejected project proposals and the reason for their rejection, to the Programme Operator.

The Programme Operator shall verify that the selection process has been conducted in accordance with the Regulation and that the recommendations from the Selection Committee comply with the rules and objectives of the programme. Following such verification, the Programme Operator shall, based on the decision of the Selection Committee, make a decision on which projects shall be supported. The Programme Operator may return the report to the Selection Committee requesting a repetition of the selection process in case of a violation of the procedure that can be remedied or not approve the report when there has been a serious violation of the procedure. The Programme Operator may modify the decision of the Selection Committee in justified cases.

The Programme Operator shall notify the applicants about the results of the selection process within a reasonable time and publicise the results. If the modification of the ranking of the projects by the Selection Committee results in a project's rejection, or if the Programme Operator modifies the decision of the Selection Committee, the Programme Operator shall inform the applicants affected and provide them with a justification for the modification.

The process set out in this Article shall apply to all calls for project proposals, including under the SGS, under this programme.

4.3 Project grant rate:

Grants to all projects from the programme may be up to 100% of total eligible expenditure of the project. In the case of projects where the project promoter is a social partner, as defined in Article 1.6 of the Regulation, the project grant rate may be up to 90% of total eligible expenditure of the project. The project grant rate shall in all cases be set at a level that complies with the State Aid rules in force and takes into account any and all other forms of public support granted to projects. The remining costs of the project shall be provided or obtained by the project promoter.

5. Additional mechanisms within the Programme

5.1 Pre-defined projects

Not applicable

5.2 Financial Instruments

Not applicable

6. Programme Management

6.1 Payment flows

The Programme Operator shall ensure that payments to projects are made in a timely manner. Interim and final payments to the projects shall be based on approved project reports.

Payments of the project grant shall take the form of advance payments, interim payments and a final payment. The level of advance payment to projects shall be set out in the project contract. The maximum level of advance payment shall be as follows:

Advance payment	**Interim payments**	**Final payment**
Up to 30%	Up to 80%	Up to 20%

The first advance instalment shall be paid following the signature of the project contract. Subsequent payments shall be paid after the approval of project interim reports. The final payment will be paid after approval of the final report.

An advance payment of a percentage of the total grant amount shall be paid within one month from the submission of a request after signature of the project contract. The interim payments shall be paid within one month after the approval of project interim reports.

Upon approval of the final project report a final balance payment, if applicable, shall be made within one month.

The approval of project interim and final reports shall take place within two months from the submission of the required information.

The periodicity of reporting periods, and deadlines for reporting will be further detailed in the description of the Programme Operator’s management and control systems.

In case of euro-denominated contracts with entities from Donor States or with intergovernmental organizations, the Programme Operator shall transfer the amounts in euro.

6.2 Verification of payment claims

Project promoters shall submit interim and final project reports containing information on project progress and incurred expenditure.

In line with point i) of Article 5.6.2 of the Regulation incurred expenditure reported shall be subject to administrative verifications before the report is approved. Verifications to be carried out shall cover administrative, financial, technical and physical aspects of projects, as appropriate and be in accordance with the principle of proportionality.

Additionally, in line with point ii) of Article 5.6.2 of the Regulation on–the-spot verifications of projects, which may be carried out on a sample basis, shall be carried out.

The detailed procedure for verification will be further detailed in the description of the Programme Operator's management and control systems.

6.3 Monitoring and reporting

The Programme Operator shall monitor, record and report on progress towards the programme's outcomes in accordance with the provisions contained in the legal framework. The Programme Operator shall ensure that suitable and sufficient monitoring and reporting arrangements are made with the project promoters in order to enable the Programme Operator and the NFP to meet its obligations to the Donors.

When reporting on progress achieved in Annual and Final Programme Reports, the Programme Operator shall disaggregate results achieved as appropriate and in accordance with instructions received from the FMO.

6.4 Programme administrative structures

Not applicable

7. Communication

The Programme Operator shall comply with Article 3.3 of the Regulation, the Information and Communication Requirements in Annex 3 of the Regulation and the Communication plan for the programme.

8. Miscellaneous

Not applicable