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 "Local Development, Poverty Reduction and Enhanced Inclusion of Vulnerable Groups"

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
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Ingvid naess 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 Education and Science
Donor Programme Partner:	Norwegian Association of Local and Regional Authorities (KS)
IPO:	Council of Europe (CoE)
Other Programme Partner(s):	-

Programme Objective	Strengthened social and economic cohesion

PA	Outcome/Output	Expected programme results	Indicator	Disaggregation	Unit of measurement	Source of verification	Frequency of reporting	Baseline values	Baseline year	Target value
PA10	Outcome 1	Increased social and economic development in disadvantaged municipalities	Number of elderly individuals benefitting from telecare or tele-assistance services	Gender, Roma	Cumulative number	Beneficiary register	Semi-annually (APR and September IFR)	0	N/A	500
			Number of families benefitting from oncohaemathological rehabilitation centres	N/A	Cumulative number	Rehabilitation centre records	Semi-annually (APR and September IFR)	0	N/A	100
			Number of youth-led initiatives in targeted communities	N/A	Cumulative number	Project Promoters' records	Semi-annually (APR and September IFR)	50	2016	150
			Share of elderly beneficiaries of telecare or tele-assistance services satisfied with the services provided	N/A	Percentage	Survey results	Annually (APR)	N/A	N/A	85 %
			Share of families benefiting from the services provided by the children's	N/A	Percentage	Survey results	Annually (APR)	N/A	N/A	80 %

			oncohaemathological rehabilitation centre satisfied with the services provided							
			Number of jobs created in disadvantaged municipalities	Gender, Age	Cumulative number	Register of National Revenue Agency	Annually (APR)	0	N/A	80
	Output 1.1	Study of successful economic local development practices carried out	Study of successful economic local development practices completed	N/A	Binary	Copy of study report	Semi-annually (APR and September IFR)	No	N/A	Yes
	Output 1.2	Strategies for effective local development drafted	Number of strategies for effective local economic development drafted	N/A	Cumulative number	Copies of strategies	Semi-annually (APR and September IFR)	0	N/A	10
	Output 1.3	Projects for effective local development implemented	Number of projects for effective local development implemented	N/A	Cumulative number	Project Promoters' records	Semi-annually (APR and September IFR)	0	N/A	25
	Output 1.4	Partnerships (public-private) between the municipal authorities and relevant stakeholders for implementation of local strategies established	Number of partnerships (public-private) between the municipal authorities and relevant stakeholders for implementation of local strategies established	N/A	Cumulative number	Copies of partnership agreements	Annually (APR)	0	N/A	10
	Output 1.5	Home care centres for the elderly supported	Number of supported home care centres for the elderly	N/A	Cumulative number	Project Promoters' records	Semi-annually (APR and September IFR)	0	N/A	7
			Number of nurses, home helpers and tele-assistance staff employed	N/A	Cumulative number	Payroll records	Semi-annually (APR and	0	N/A	45

							September IFR)			
			Standards and legislative proposals enabling the nationwide provision of telecare services prepared	N/A	Binary	Project Promoters' records	2024	No	N/A	Yes
	Output 1.6	Rehabilitation centre for children with oncohaematological diseases established	Methodology developed to provide rehabilitation services to children with oncohaematological diseases	N/A	Binary	Copy of methodology guide	Semi-annually (APR and September IFR)	No	N/A	Yes
			Number of staff employed at the rehabilitation centre for children with oncohaematological diseases	Gender	Cumulative number	Payroll records	Semi-annually (APR and September IFR)	0	N/A	10
	Output 1.7	Mechanism for reporting and feedback between the health mediators, municipalities and Ministry of Health established	Mechanism for electronic reporting and feedback established	N/A	Binary	Project promoter's records	Annually (APR)	No	N/A	Yes
			Analysis on the main problems in the implementation of the national policy on health mediators approved by MoH	N/A	Binary	Copy of the analysis	Annually (APR)	No	N/A	Yes
	Output 1.9	Model for work of health mediators in hospitals and emergency medical units piloted	Number of health mediators trained and working in hospitals/emergency units	Gender, Roma	Cumulative number	Project Promoters' records; Attendance sheets	Semi-annually (APR and September IFR)	0	2021	12
	Output 1.10	Services based on community involvement provided	Number of women and children receiving maternal and child health care	Age, Gender, Roma	Cumulative number	Project Promoters' records	Semi-annually (APR and September IFR)	0	2021	4,000
			Number of individuals tested for syphilis (focus on congenital syphilis)	Age, Gender, Roma	Cumulative number	Project Promoters' records	Semi-annually (APR and	0	2021	4,000

							September IFR)			
	Output 1.11	Social inclusion outreach provided to vulnerable communities	Number of people (non-youth) reached by project activities	Age, Gender, Roma	Cumulative number	Project Promoters' records	Semi-annually (APR and September IFR)	0	2021	1,500
			Number of youth reached by project activities	Gender, Roma	Cumulative number	Project Promoters' records	Semi-annually (APR and September IFR)	0	2021	5,000
			Number of youth centres supported	N/A	Cumulative number	Project promoter's records	Semi-annually (APR and September IFR)	0	2021	4
PA08	Outcome 2	Enhanced social inclusion of children and youth	Number of children directly benefitting from early education and care activities provided by the hubs	N/A	Cumulative number	Attendance sheets; Project Promoters' records	Semi-annually (APR and September IFR)	0	N/A	3,000
			Number of youth benefitting from youth work services	Gender	Cumulative number	Attendance sheets/; Project Promoters records	Semi-annually (APR and September IFR)	0	N/A	4,000
			Number of jobs created	Gender, Age	Cumulative number	Payroll records	Semi-annually (APR and September IFR)	0	N/A	40
			Level of perceived utility by the users of youth centres[1]	N/A	Scale 1-5	Survey results	Annually (APR)	N/A	N/A	3.5

[1] Survey to be developed in 2022-2024

	Output 2.1	Frameworks for educational mediators, youth workers, and pedagogical staff developed	Framework and basic content for educational mediators developed	N/A	Binary	Copy of formal approval by the Ministry of Education and Science	Annually (APR)	No	2021	Yes
			E-platform for inclusive education- knowledge/ hub for inclusive education developed	N/A	Binary	Project promoter's records	Annually (APR)	No	N/A	Yes
			Competency-based framework for training youth workers developed	N/A	Binary	Copy of the framework	Annually (APR)	No	N/A	Yes
			Competency based training methodology for implementation in pedagogical departments developed	N/A	Binary	Project promoter's records	Annually (APR)	No	N/A	Yes
	Output 2.6	Training of professional staff implemented	Number of professional staff trained	Age, Gender, Roma	Cumulative number	Project Promoters' records; Attendance sheets	Semi-annually (APR and September IFR)	0	2021	236[2]
	Output 2.7	Hubs implementing educational and social measures for vulnerable children age 0-6 established	Number of hubs implementing educational and social measures for vulnerable children age 0-6 established	N/A	Cumulative number	Project Promoters' records	Semi-annually (APR and September IFR)	0	N/A	30
	Output 2.8	Youth work services provided in the established youth centres	Number of youth centres established	N/A	Cumulative number	Project Promoters' records	Semi-annually (APR and September IFR)	0	N/A	4
PA07	Outcome 3	Enhanced inclusion and empowerment of	Level of acceptance by majority population (in	N/A	Scale 1-10	Survey results	Annually (APR)	3.4	2022	4.76

[2] Trainers in youth work (10), trainers for educational mediators (10), trainers of university professors(10), youth workers (56), pedagogues in early childhood education and care (40), university professors (30), municipal employees (64) , representatives of management teams of the youth centres (16)

		Roma	project intervention areas) of Roma							
			Number of jobs created	Gender, Age	Cumulative number	Payroll records	Semi-annually (APR and September IFR)	0	N/A	30
			Number of Roma that have received integrated social inclusion services	Gender, Roma	Cumulative number	List of beneficiaries	Semi-annually (APR and September IFR)	0	N/A	4,000
	Output 3.1	Integrated measures for social inclusion provided to Roma communities	Number of communities where social inclusion services are provided to Roma	N/A	Cumulative number	Project Promoters' records	Semi-annually (APR and September IFR)	0	N/A	12
	Output 3.2	Comprehensive data on vulnerable groups collected and analysed	Data collection on vulnerable groups is completed	N/A	Binary	Copy of collected data	Semi-annually (APR and September IFR)	No	N/A	Yes
			Report with recommendations on the use of collected data is published	N/A	Binary	Copy of the report	Semi-annually (APR and September IFR)	No	N/A	Yes
	Output 3.3	Inter-community activities joining Roma & non-Roma carried out	Number of information campaigns targeting Roma	N/A	Cumulative number	Project Promoters' records	Semi-annually (APR and September IFR)	0	N/A	24
			Number of people reached by information campaigns	Roma	Cumulative number	Attendance sheets/PO Monitoring reports	Semi-annually (APR and September IFR)	0	N/A	12,000

			Number of activities other than information campaigns	N/A	Cumulative number	Attendance sheets/PO Monitoring reports	Semi-annually (APR and September IFR)	0	N/A	24
			Number of people reached by activities other than information campaigns	Roma	Cumulative number	Project Promoters' records	Semi-annually (APR and September IFR)	0	N/A	12,000
PA10	Bilateral Outcome	Enhanced collaboration between beneficiary and donor state entities involved in the programme	Level of satisfaction with the partnership	State type	Scale 1-7	Survey results	Annually (APR)	6.4[3]	2023[4]	4.5[5]
			Level of trust between cooperating entities in Beneficiary States and Donor States	State type	Scale 1-7	Survey results	Annually (APR)	6.27[6]	2023[7]	4.5[8]
			Share of cooperating organisations that apply the knowledge acquired from bilateral partnership	State type	Percentage	Survey results	Annually (APR)	N/A	N/A	50 %[9]
	Bilateral Output 1	Exchanges between beneficiary and Donor State entities supported	Number of staff from Bulgaria participating in exchanges with Donor States	Donor State, Gender, Type of exchange	Cumulative number	List of participants	Semi-annually (APR and September IFR)	0	N/A	310
			Number of staff from Donor States participating in exchanges with Bulgarian projects	Donor State, Gender, Type of exchange	Cumulative number	List of participants	Semi-annually (APR and September IFR)	0	N/A	100

[3] Based on the survey carried out on behalf of the FMO
[4] Survey carried out on behalf of the FMO
[5] Target is ≥4.5, and an increase on the baseline value
[6] Based on the survey carried out on behalf of the FMO
[7] Survey carried out on behalf of the FMO
[8] Target is ≥4.5, and an increase on the baseline value
[9] Target is minimum 50 %

	Bilateral Output 3	Partnerships between project promoters and entities in Donor States supported	Number of projects involving cooperation with a donor project partner	Donor State	Cumulative number	Partnership agreements between Project Promoters and project partners	Semi-annually (APR and September IFR)	0	N/A	10

Conditions

General

1. The maximum level of funding available from the total eligible expenditure of the programme for infrastructure (hard measures) shall be 50%.

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 National Focal Point and the Programme Operator shall ensure joint ownership of the process and results among all relevant national stakeholders.

4. The National Focal Point shall ensure that the Programme Operator ensures the sustainability of the youth centers and of the services provided.

5. For outcome 3 indicator "Level of acceptance by majority population (in project intervention areas) of Roma", 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 of projects under the call for proposals within this outcome. The updated baseline value shall be agreed upon through a modification of the programme agreement.

6. 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.

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 (€)		€ 41,764,706
Programme grant rate (%)		85.00 %
Maximum amount of Programme grant - EEA Financial Mechanism (€)		€ 35,500,000
Maximum amount of Programme grant - Norwegian Financial Mechanism (€)		-
Maximum amount of Programme grant - Total (€)		€ 35,500,000

PA	Budget Heading	EEA Grants	Total grant	Programme grant rate	Programme co-financing	Programme eligible expenditure	Advance payment
PA10	Programme management	€ 2,230,199	€ 2,230,199	85.00 %	€ 393,565	€ 2,623,764	€ 400,000
PA10	Outcome 1 (EEA Grants)	€ 12,289,014	€ 12,289,014	85.00 %	€ 2,168,650	€ 14,457,664	€ 1,890,000
PA08	Outcome 2 (EEA Grants)	€ 12,246,904	€ 12,246,904	85.00 %	€ 2,161,218	€ 14,408,122	€ 800,000
PA07	Outcome 3 (EEA Grants)	€ 8,733,883	€ 8,733,883	85.00 %	€ 1,541,273	€ 10,275,156	€ 200,000
Total		**€ 35,500,000**	**€ 35,500,000**	**85.00 %**	**€ 6,264,706**[10]	**€ 41,764,706**	**€ 3,290,000**

Retention of management costs	
Retention of management costs - Percentage of the management costs	10.00 %
Retention of management costs - Planned Euro value	€ 262,376

[10] The programme co-financing rounded to two decimal places is € 6,264,705.88. The above discrepancy appears because of displaying numbers rounded to the whole euro.

Local Development, Poverty Reduction and Enhanced Inclusion of Vulnerable Groups

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 Education and Science. The Norwegian Association of Local and Regional Authorities (KS) is Donor Programme Partner (DPP). The Council of Europe is International Partner Organisation (IPO).

The programme objective, "Strengthened social and economic cohesion", will be attained through three outcomes:

The programme shall support the outcome "Increased social and economic development in disadvantaged municipalities" (Outcome 1) by way of four pre-defined projects (PDPs): "Grow through Activating Local Potential (GALOP)" (PDP no. 1), "Innovative Community Care Models in Favour of People with Chronic Diseases and Permanent Disabilities" (PDP no. 2), "Recovery Centre for Children with Oncoheamathological Diseases" (PDP no. 3) and "Healthcare for everyone " (PDP no. 4), as well as one small grant scheme (SGS) and one restricted call for proposals. The SGS will enhance local development through supporting innovative approaches strengthening economic activities and generating jobs in targeted areas. The SGS will be complementary to PDP no. 1; projects shall be implemented in the 10 municipalities selected under PDP no. 1. The restricted call for proposals shall be addressed to the four youth centers established under the "Children and Youth at Risk" programme supported under the EEA Financial Mechanism 2009-2014 in Bulgaria. It will aim at expanding the scope of activities and community outreach of these youth centers.

The programme shall support the outcome "Enhanced social inclusion of children and youth" (Outcome 2) by way of pre-defined project "Building Capacity for Educational and Social Inclusion" (PDP no. 5), and two calls for proposals (calls no. 1 and 2). Call no. 1 shall aim to support pre-school education and early childcare in remote, rural and/or poor settlements. Call no. 2 shall aim to support the establishment of new youth centers in communities with a large share of youth at risk, notably Roma.

The programme shall support the outcome "Enhanced inclusion and empowerment of Roma" (Outcome 3) by way of pre-defined project "Novel Approaches to Generating Data on Hard-to-reach Populations at Risk of Violation of their Rights" (PDP no. 6) and one call for proposals "Integrated measures for Roma inclusion and empowerment" (call no. 3). Call no. 3 shall aim to support integrated projects on improved access to education, employment, social and health services.

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 limitations shall apply :

	Eligible applicants (Project Promoters)	**Eligible partners**
Restricted call for proposals **Outcome 1** "Increased social and economic development in disadvantaged municipalities"	Municipalities of Stara Zagora, Dobrich, Vratsa, Plovdiv	In accordance with Article 7.2.2 of the Regulation Partners established in Bulgaria shall be limited to public authorities, municipalities, associations of

		municipalities and non-governmental organisations
Restricted call for proposals (small grant scheme) **Outcome 1 "Job creation"** The call is restricted for implementation in the following municipalities - Valchi dol, Levski, Ivanovo, Dimitrovgrad, Bansko, Brezovo, Belitsa, Elena, Momchilgrad, Lyaskovets	In accordance with Article 7.2.1 of the Regulation	In accordance with Article 7.2.2 of the Regulation
Call no. 1 **Outcome 2** "Enhanced social inclusion of children and youth"	Municipalities	In accordance with Article 7.2.2 of the Regulation Partners established in Bulgaria shall be limited to public authorities, municipalities, associations of municipalities and non-governmental organisations Projects shall be implemented in partnership with a non-governmental organisation established in Bulgaria working in the area of Roma social inclusion, early childhood care, education and/or social activities and having the necessary experience
Call no. 2 **Outcome 2** "Enhanced social inclusion of children and youth"	Municipalities, except for municipalities of Stara Zagora, Plovdiv, Vratsa and Dobrich	In accordance with Article 7.2.2 of the Regulation Partners established in Bulgaria shall be limited to public authorities, municipalities, associations of municipalities and non-governmental organisations
Call no. 3 **Outcome 3** "Enhanced inclusion and empowerment of Roma"	Municipalities	In accordance with Article 7.2.2 of the Regulation Partners established in Bulgaria shall be limited to public authorities, municipalities, associations of

		municipalities and non-governmental organisations

2.2 Special rules on eligibility of costs:
Costs are eligible in accordance with chapter 8 of the Regulation.

In accordance with Article 8.5.1 e) of the Regulation, project promoters or project partners that are international organisations or bodies or agencies thereof, may identify their indirect costs in accordance with the relevant rules established by such organisations.

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*, match-making 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**
Small grant scheme **Outcome 1** "Increased social and economic development in disadvantaged municipalities"	Firstsemester 2022	€ 3,810,150~~957,324~~	€ 200,000/ € 5,000
Restricted call for proposals **Outcome 1** "Increased social and economic development in disadvantaged municipalities"	Second semester 2019	€ 3,787,354	€ 1,500,000/ € 500,000
Call no. 1	Second semester 2021	€ 4,928,732	€ 500,000/ € 200,000

Outcome 2 "Enhanced social inclusion of children and youth"			
Call no. 2 **Outcome 2** "Enhanced social inclusion of children and youth"	Second semester 2019	€ 7,694,458	€ 2,000,000/ € 1,500,000
Restricted call for proposals **Outcome 2** "Enhanced social inclusion of children and youth	Second semester 2022	€ 1,200,000	€ 500,000/ € 0
Call no. 3 **Outcome 3** "Enhanced inclusion and empowerment of Roma"	Second semester 2021	€ 9,4906,7723	€ 1,200,000/ € 500,000

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 five voting members, including representatives of the Programme Operator, the DPP and the IPO. At least one of the voting members shall be external to the Programme Operator and its Partners. There should be an equal number of representatives of the Programme Operator on one side and of the DPP and the IPO on the other. The FMC 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 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. Any remaining costs of the project shall be provided or obtained by the project promoter.

5. Additional mechanisms within the Programme

5.1 Pre-defined projects

There will be six pre-defined projects implemented under the programme:

1) "Grow through Activating Local Potential (GALOP)"

Project Promoter:	National Association of Municipalities of the Republic of Bulgaria (NAMRB)
Donor project partner(s):	Norwegian Association of Local and Regional Authorities (KS)
Total maximum eligible costs:	€ 892,000
Project grant rate:	100.00 %
Maximum project grant amount:	€ 892,000

The project will aim at developing and implementing sustainable models of local development in 10 municipalities in disadvantaged geographical areas.

The pre-defined project will include, *inter alia*, the following activities:

- Study of successful practices from Bulgaria and Norway using the local potential and resources (historical, natural and cultural) to stimulate economic development and employment;
- Identification of underused resources of Bulgarian municipalities and selection of 10 pilot municipalities (or groups of municipalities) on the basis of a survey among local authorities and analysis of their municipal development plans until 2020;
- Design of 10 strategies for effective local development through activating the existing territorial resources in partnership with the local community, NGOs and business stakeholders and preparation of business plans for the implementation of strategies;
- Preparation of sample development models, based on activating local capacities; promotion of the models and support for their transfer to other municipalities;
- Creating Internet portal and investment profile of Bulgarian municipalities.

2) "Innovative Community Care Models in Favour of People with Chronic Diseases and Permanent Disabilities"

Project Promoter:	Bulgarian Red Cross (BRC)
Donor project partner(s):	Norwegian Association of Local and Regional Authorities (KS)
Other project partner(s):	Ministry of Labor and Social Policy (MLSP) Ministry of Health (MH)
Total maximum eligible costs:	€ 3,935,324
Project grant rate:	90.00 %
Maximum project grant amount:	€ 3,541,792
Estimated duration:	60 months

The project will aim at establishing an innovative model of distant chronic disease management.

The pre-defined project will include, *inter alia*, the following activities:

- Establishment of 3 new Home Care Centers in the regions of Vidin and Montana;
- Provision of home care services to a total of 750 older people with chronic diseases and disabilities in the regions of Vidin, Vratsa and Montana;
- Establishment of a call center;
- Integration of teleassistance/telecare services in the home care services provision;
- Study visit for Bulgarian officials to Norway to exchange knowledge on provision of teleassistance/telecare services;
- Provision of teleassistance/telecare services to 500 beneficiaries in the regions of Vidin, Vratsa and Montana;
- Training and inclusion of volunteers to support the home care services activities;
- Review of relevant legislation;
- Elaboration of legislation proposals and quality standards for teleassistance/telecare services.

3) "Recovery Centre for Children with Oncoheamathological Diseases"

Project Promoter:	Kostinbrod Municipality
Total maximum eligible costs:	€ 1,316,649
Project grant rate:	100.00 %
Maximum project grant amount:	€ 1,316,649
Estimated duration:	42 months

The project will aim at developing a detailed methodology for running the rehabilitation centre and a training programme for the specialists who will work in the center. The center will provide integrated psychological and social care for vulnerable children with cancer and their families.

The pre-defined project will include, *inter alia*, the following activities:

- Developing strategy and methodology for provision of the service, programmes for working with children and their families;
- Training of the staff directly engaged with provision of the service;
- Piloting the service;
- Provision of the service for a period of 42 months;
- Publicity and awareness activities.

4) "Healthcare for Everyone"

Project Promoter:	Ministry of Health (MH)
Other project partner(s):	National Network of Health Mediators
Total maximum eligible costs:	€ 1,109,718
Project grant rate:	100.00 %
Maximum project grant amount:	€ 1,109,718

This project will address the systemic problems related to lack of systematization of data of the real situation in marginalized Roma communities and the actual impact of national health policies on this situation, as well as the fragmentation of the efforts of the different local stakeholders for effective health policy implementation. It will assist the optimization of the application of the health mediation

policy by connecting the work of health mediators with multidisciplinary and multiagency coordination at the local level, as well as providing linkage between locally gathered data and the national health policy formulation. The goal of this pre-defined project is to address the need for improvement of the health status and more efficient implementation of the national health policies in location where live marginalized communities in extreme poverty and social isolation. The specific objectives that PDP is aimed to achieve are:

- Improving the mechanism for implementation of national health policies at local level;
- Development of effective model of action in crisis settings such as Covid-19 in regard to socially excluded and isolated marginalized communities;
- Improving the system for regular provision with health information;
- Approbating services and approaches based on community involvement and inter-agency coordination and overcoming the existent deficits;
- Enlarge the scope of work of the health mediators.

Thematically, the current project will focus on system problems in the field of the maternal and child healthcare, including family planning, and sexually transmitted infections, especially syphilis and congenital syphilis.

5) "Building Capacity for Educational and Social Inclusion"

Project Promoter:	Centre for Educational Integration of Children and Students from Ethnic Minorities (CEICSEM)
Other project partner(s):	Sofia University "St. Kliment Ohridski"
Total maximum eligible costs:	€ 584,933
Project grant rate:	100.00 %
Maximum project grant amount:	€ 584,933
Estimated duration:	32 months

This project envisages building of administrative capacity for educational and social inclusion by providing relevant trainings in different fields to several types of participants involved in implementation of other projects in the Local Development Programme. The project promoter is the Centre for Educational Integration of Children and Students from Ethnic Minorities (CEICSEM) in partnership with Sofia University “St. Kliment Ohridski“, particular the Faculty of Pedagogy. The partnership will be expressed in the provision of expert capacity for the development of upgrading training frameworks, providing methodological resources, the result of extensive experience in higher education (methodological materials, supporting literature, developed curricula and expert advice).

The added value of the project will be that it will prepare and present for approval to the Ministry of Education and Science the methodological framework and the basic content of the educational module for educational mediators. Another contribution will be the development of an e-platform, meant to become a knowledge hub on inclusive education, managed by the Centre and improved regularly. The e-platform will be widely publicised and will provide a free access to a vast content in the field of the inclusive education. The trainings for youth workers will be developed with the essential inclusion of representatives of the Ministry of Youth and Sports. The joint effort will be aimed at establishing of comprehensive competence based framework for training of youth workers, approved by the Ministry of Youth and Sports and available on a national level to provide guidance and methodological framework for training of youth workers. An innovative approach to close the gap and to prepare adequately trained teachers will be the establishment of competency based training methodology for implementation in pedagogical departments in universities, preparing the future teachers and pedagogical personnel for the kindergartens and schools. As it will be implemented as a pilot activity, if proven efficient, it will be applied in all the pedagogical faculties.

The project will aim at updating existing and designing new training frameworks, methodologies and training programs for training of university professors, youth workers, Roma educational mediators, pedagogical specialists and non-pedagogical staff, and trainers. In terms of content, these will be trainings based on the competency approach – developing of knowledge, skills and attitudes such as ones in social skills, intercultural communication, conflict management, teamwork, anti-discrimination competence, etc.

The trainings will be provided following the best practices in the field, they will be long-term, interactive, they will include non-formal educational methods, they will provide a follow-up for the trainees by comprehensive and active mentoring, and the trainees should be able to receive supervision and practical help in finding solutions to individual cases.

6) "Novel Approaches to Generating Data on Hard-to-reach Populations at Risk of Violation of their Rights"

Project Promoter:	National Statistical Institute BG
Other project partner(s):	European Union Agency for Fundamental Rights (FRA)
Total maximum eligible costs:	€ 868,384
Project grant rate:	100.00 %
Maximum project grant amount:	€ 868,384

The project will pilot new approaches to data collection disaggregated by ethnicity, disability, age and other characteristics. The project will establish data sets visualized in a set of “vulnerability maps”.

The pre-defined project will include, *inter alia*, the following activities:

- Investigation of the existing good practices and methods of identifying vulnerable populations;
- Field survey design (questionnaires, sampling, IT tools development, logistics) – elaboration of tools and methodology for application of new approaches in collection of data on vulnerable populations;
- Training – different target groups will be trained – trainers, interviewers, accompanying persons will be trained to apply the survey tools and methodology in a proper way in order to achieve expected results and quality requirements;
- Data collection – organisation and monitoring of the field work with interviewers and supervisors work;
- Data processing – processing, validation, coding of survey data according to the quality requirements and project purposes;
- Combining/matching data from different sources – application of new approaches in data analysis based on linking data from different sources (population census, NSI regular surveys data, data from administrative registers, and others);

- Analysis of the survey results – production of validated data set, analysis of frequencies and cross tabulations. Analysis of the applicability of the used data collection approaches and methods;
- Preparation of four thematic reports - on the situation of children, of people with disabilities, of old people, and of Roma;
- Preparation of a report on "Overview of core Sustainable Development Goals indicators".

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 and interim payment shall be linked to the project budget and type of project promoter as follows:

Project Promoter	Advance payment	Interim payments	Final payment (reimbursement)
Municipalities, National and regional authorities, PDP2	Up to 20%	Up to 90%	10%
International organisations	Up to 40%	Up to 90%	10%
Entities financed under SGS	Up to 40%	Up to 90%	10%

The 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 30 days upon submission of a request after signature of the project contract. The interim payments may include pre-financing of forecast expenditure and shall be paid within 30 days after the approval of project interim reports.

Upon approval of the final project report a final balance payment, if applicable, shall be made within 30 days.

The approval of project interim and final reports shall take place within 2 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 organisations, 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 National Focal Point 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 applicaple.