

Norwegian Financial Mechanism 2009-2014

PROGRAMME AGREEMENT

between

The Norwegian Ministry of Foreign Affairs

and

The Council of Ministers of the Republic of Bulgaria,  
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 "Schengen Cooperation and Combating Cross-border and Organised  
Crime, including Trafficking and Itinerant Criminal Groups "

hereinafter referred to as the "Programme"

Chapter 1  
Scope, Legal Framework, and  
Definitions

Article 1.1  
Scope

This programme agreement between the Norwegian Ministry of Foreign Affairs (hereinafter referred to as the NMFA) 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 Norwegian Financial Mechanism 2009-2014 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 Norwegian Financial Mechanism 2009-2014:

a. the Agreement between the Kingdom of Norway and the European Union on the Norwegian Financial Mechanism 2009-2014 (hereinafter referred to as the Agreement);

b. the Regulation on the implementation of the Norwegian Financial Mechanism 2009-2014 (hereinafter referred to as the "Regulation") issued by Norway in accordance with Article 8(8) of the Agreement;

c. the Memorandum of Understanding on the Implementation of the Norwegian Financial Mechanism 2009-2014 (hereinafter referred to as the "MoU"), entered into between the Kingdom of Norway and the Beneficiary State; and

d. any guidelines adopted by the NMFA 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 1.5 thereof, and the legal framework referred to in Article 1.2 of this programme agreement.

Article 1.4  
Annexes and hierarchy of documents

1. The programme decision, including the financial plan (Annex I), and the operational rules (Annex II) 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 former shall prevail, provided that these provisions are compatible with the Regulation.

3. Commitments, statements and guarantees, explicit as well as implicit, made in the programme proposal 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 highest degree of transparency, accountability and cost efficiency as well as the principles of good governance, sustainable development, gender equality and equal opportunities.

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 Norwegian Financial Mechanism 2009-2014 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 Monitoring Committee 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 NMFA 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. The programme decision 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 the programme decision.

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

3. The financial plan shall:

a. contain a breakdown between the Programme's budget headings using the description put forward in the template for the programme proposal;

b. indicate the agreed advance payment, if any.

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

## Article 2.5

### Special conditions and programme specific rules

1. The programme decision shall list any conditions set by the NMFA with reference to paragraph 3 of Article 5.3 of the Regulation. The National Focal Point shall ensure compliance with these conditions and, in a timely manner, 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 the operational rules.

## Article 2.6

### Programme implementation agreement

1. With reference to Article 5.8 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 NMFA of such signing.

2. The signed programme implementation agreement shall be identical to the draft programme implementation agreement confirmed by the NMFA in accordance with paragraph 5 of Article 5.8 of the Regulation with regard to the content required according to paragraph 3 thereof. The National Focal Point shall inform the NMFA of any deviation from that confirmed draft which may be subject to a new confirmation according to paragraph 5 of Article 5.8 of the Regulation prior to any payment to the Programme.

## 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 8 and Articles 5.11 and 5.12 of the Regulation as well as statistical reporting in accordance with the Programme Operator's Manual (Annex 9 to the Regulation).

Article 2.8  
External monitoring

The external monitoring and audit referred to in Articles 10.1, 10.2, 10.3 and 10.4 of the Regulation shall not in any way relieve the National Focal Point or the Programme Operator of its obligations under the programme agreement 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 NMFA.

2. Modifications that do not affect the objective, outcomes, outputs, indicators or targets of the Programme are permitted without NMFA's prior approval provided that they are limited to the following:

a. cumulative transfers between budget headings related to outcomes of an amount less than 10 % of total eligible expenditure of the Programme or € 1,000,000, whichever is higher, and

b. changes of internal practices of the Programme Operator that are not stipulated in the programme agreement.

3. Programme specific exceptions from paragraphs 1 and 2, if any, are set in the operational rules.

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

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

6. Requests for modifications shall be submitted and assessed in accordance with Article 5.9 of the Regulation.

Article 2.10  
Communication

1. All communication to the NMFA 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 NMFA 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.

3. 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.

4. The NMFA shall ensure that the National Focal Point is informed about communication between the NMFA and the Programme Operator that is relevant for the responsibilities of the National Focal Point under this programme agreement.

Article 2.11  
Contact information

1. The contact information of the National Focal Point and the Programme Operator is as specified in the programme proposal.

2. The contact information for the NMFA 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 NMFA in the programme proposal or other communication 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 the programme proposal, in connection with the programme proposal, the implementation or conclusion of this programme agreement are authentic, accurate and complete.

## Chapter 3 Projects

### Article 3.1 Selection of projects

1. The National Focal Point shall ensure that the Programme Operator selects projects in accordance with Chapter 6 of the Regulation and the operational rules.
2. Eligibility of applicants is stipulated in Article 6. 2 of the Regulation and, in accordance with paragraph 3 thereof, subject only to the limitations stipulated in the operational rules.
3. Pre-defined projects shall be outlined in the operational rules.
4. The National Focal Point shall take proactive steps to ensure that the Programme Operator complies fully with Article 6.6 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 of the project contract shall comply with Article 6.7 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 1.5 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 6.8 of the Regulation.
2. The partnership agreement shall be in English if one of the parties to the agreement is an entity from Norway.
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 7.16 of the Regulation.

5. The National Focal Point shall ensure that the Programme Operator verifies that the partnership agreement complies with this article before the signing of the project contract.

### Article 3.4 Reallocation of funds

1. Reallocation of unused or cancelled financial contributions to projects shall be made in compliance with Article 6.9 of the Regulation.
2. Project grants not reallocated shall be reimbursed to the NMFA in accordance with Article 6.9 of the Regulation.

## Chapter 4 Finance

### Article 4.1 Eligible expenditures

1. Subject to Article 7.6 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;
  - c. expenditure of funds for bilateral relations in accordance with Article 7.7 of the Regulation;
2. Expenditure related to the categories referred to in subparagraphs (d), (e) and (f) of Article 7.1 of the Regulation are eligible in accordance with Chapter 7 thereof if such expenditures are explicitly approved by the NMFA in the programme decision. The implementation of the activities under these categories shall be in compliance with the operational rules.
3. Eligible expenditures of projects are those actually incurred by the Project Promoter or project partners, meet the criteria set in Article 7.2 of the Regulation and fall within the categories and fulfil the conditions of direct eligible expenditure set in Article 7.3 of the Regulation as well as indirect costs in accordance with Article 7.4 of the Regulation.

Article 4.5

Irregularities, suspension and reimbursements

4. The first date of eligibility of expenditures in projects shall be set in the project contract in accordance with Article 7.14 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 NMFA of a positive appraisal of the pre-defined projects by the Programme Operator in accordance with paragraph 3 of Article 5.5 of the Regulation.

5. The maximum eligible costs of the categories referred to in paragraphs 1 and 2 are set in the programme decision. Programme specific rules on the eligibility of expenditure set in the programme decision or in the operational rules shall be complied with.

The NMFA has the right to make use of the remedies provided in the Regulation, in particular Chapter 12 thereof. The National Focal Point has a duty to take all necessary measures to ensure that the provisions in Chapter 11 and 12 of the Regulation regarding irregularities, suspension of payments, financial corrections and reimbursement are complied with.

Chapter 5

Final provisions

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 7.13 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 8.2, 8.3 and 8.4 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 the operational rules.

4. The National Focal Point shall ensure that payments are transferred in accordance with paragraph 2 of Article 8.1 of the Regulation.

5. Chapter 8 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 Norwegian Financial Mechanism 2009-2014 to the Programme in accordance with Article 8.8 of the Regulation.

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 NMFA 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 NMFA may, after consultation with the National Focal Point, terminate this programme agreement if:

a. a general suspension decision according to Article 12.6 of the Regulation or a decision to suspend payments according to paragraph 1(h) of Article 12.1 of the Regulation has not been lifted within 6 months of such a decision;

b. a suspension of payments according to Article 12.1 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 12.2 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 NMFA, 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 NMFA to make use of the remedies provided in Chapter 12 of the Regulation.

Article 5.3  
Waiver of responsibility

1. Any appraisal of the Programme undertaken before or after its approval by the NMFA, 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 NMFA or the FMO any responsibility of any kind for the supervision, execution, completion, or operation of the Programme or its projects.

3. The NMFA 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 NMFA 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 NMFA, its officials or employees, 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.

Article 5.4  
Entry into force and duration

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

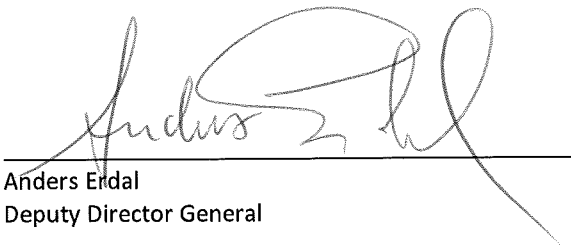
2. This programme agreement shall remain in force until five years have elapsed after the date of the acceptance of the final programme report.

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

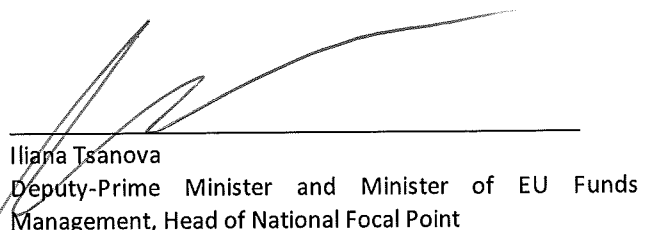
For the NMFA

Signed in Ostlo on 3.5.2013

  
Anders Erdal  
Deputy Director General

For the National Focal Point

Signed in Sofia on 23.05.2013

  
Iliana Tsanova  
Deputy-Prime Minister and Minister of EU Funds  
Management, Head of National Focal Point

## Annex I - Programme Decision

### 1. Expected Outcomes & Indicators for Outputs

#### Expected Outcome(s):

Development and improvement of structures, systems and technical equipment in order to improve the implementation of the Schengen acquis

#### Output

Strengthening national capacities for efficient use of EU information-sharing instruments and application of Schengen-relevant laws through competence-building measures and financial support

Output indicator(s)	Baseline	Target	Source of Verification
Number of law enforcement officers trained	0	200	Quarterly project progress reports, monthly meetings for monitoring programme and project progress, check of all project supporting documents, on-site visits

#### Output

Extending the communication infrastructure of Mol

Output indicator(s)	Baseline	Target	Source of Verification
Percentage of the coverage area of the TETRA radio system in the regions of Kardjali and Smolyan ensured	0	40	Quarterly project progress reports, monthly meetings for monitoring programme and project progress, check of all project supporting documents, on-site visits

**Expected Outcome(s):** Strengthening of the cooperation between the police in the Schengen Member States

#### Output

Improvement of cooperation methods and structures for the effective implementation of the Schengen acquis

Output indicator(s)	Baseline	Target	Source of Verification
Number of bilateral meetings with the Norwegian police	0	2	Quarterly project progress reports, monthly meetings for monitoring programme and project progress, check of all project supporting documents, on-site visits
Number of trainings/seminars held	0	8	Quarterly project progress reports, monthly meetings for monitoring programme and project progress, check of all project supporting documents, on-site visits



**Output**

Project on improving the Asset Recovery system in Bulgaria (AR-Bulgaria)

<b>Output indicator(s)</b>	<b>Baseline</b>	<b>Target</b>	<b>Source of Verification</b>
Number of bilateral meetings with partner countries	2	21	Quarterly project progress reports, monthly meetings for monitoring programme and project progress, check of all project supporting documents, on-site visits
Number of trainings/seminars held	0	21	Quarterly project progress reports, monthly meetings for monitoring programme and project progress, check of all project supporting documents, on-site visits

**Output**

Strengthening of the cooperation between the Programme Operator and the Donor Programme Partners

<b>Output indicator(s)</b>	<b>Baseline</b>	<b>Target</b>	<b>Source of Verification</b>
Number of bilateral meetings with partner countries	0	5	Annual reports of the PO, monthly meetings for monitoring the progress of the programme

**Expected Outcome(s):**

Improved capacity to prevent and combat cross-border and organized crime, including trafficking in human beings and itinerant criminal groups

**Output**

Joint Efforts for Combating Cross-Border Organised Crime

<b>Output indicator(s)</b>	<b>Baseline</b>	<b>Target</b>	<b>Source of Verification</b>
Number of police officers, police investigators, and prosecutors trained and using modern investigative tools for combating cross-border organised crime	0	240	Quarterly project progress reports, monthly meetings for monitoring programme and project progress, check of all project supporting documents, on-site visits

**Output**

Strengthening national capacities in order to increase security in the main transport corridors and to counteract to trafficking in human beings and itinerant criminal groups

<b>Output indicator(s)</b>	<b>Baseline</b>	<b>Target</b>	<b>Source of Verification</b>
Number of law enforcement officers at the Motorway Police Groups trained	0	20	Quarterly project progress reports, monthly meetings for monitoring programme and project progress, check of all project supporting documents, on-site visits

**Expected Outcome(s):**

Improved cooperation between the authorities and relevant stakeholders, including non-governmental organisations, in assisting victims of trafficking

**Output**

Increasing the effectiveness of referral, support, protection and reintegration of victims of THB, through the practical application of the Transnational mechanism – further development of the capacity of the national authorities and NGOs

<b>Output indicator(s)</b>	<b>Baseline</b>	<b>Target</b>	<b>Source of Verification</b>
Number of representatives of the competent authorities and relevant stakeholders trained	0	130	Quarterly project progress reports, monthly meetings for monitoring programme and project progress, check of all project supporting documents, on-site visits

**Output**

Increasing the effectiveness of referral, support, protection and reintegration of victims of THB, through the practical application of the Transnational mechanism – improving the cooperation and mutual understanding among authorities and relevant stakeholders at national and international level, incl. implementation of pilot cases

<b>Output indicator(s)</b>	<b>Baseline</b>	<b>Target</b>	<b>Source of Verification</b>
Number of pilot cases for application of the Transnational mechanism implemented	0	10	Quarterly project progress reports, monthly meetings for monitoring programme and project progress, check of all project supporting documents, on-site visits
Number of victims of trafficking assisted	0	10	Quarterly project progress reports, monthly meetings for monitoring programme and project progress, check of all project supporting documents, on-site visits

**2. Conditions****2.1 General**

- 1) Bilateral indicators, outcome and output indicators shall be reported on in the annual report.
- 2) The National Focal Point shall ensure that the Programme Operator ensures that Project Promoters who have, in line with this Agreement, received an exception from the general rule in Article 7.3.1(c) of the Regulation with respect to any equipment (the excepted equipment):
  - Keep the excepted equipment in their ownership for a period of at least five years following the completion of the project and continue to use that equipment for the benefit of the overall objectives of the project for the same period;
  - Keep the excepted equipment 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 the excepted equipment 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.
 The National Focal Point shall furthermore ensure that the Programme Operator keeps a list of the excepted equipment for each project.
- 3) The details of the use of the bilateral fund, the indicative split between measure (a) and (b) of the bilateral fund as per paragraph 1 of Article 3.6. of the Regulation, the detailed procedures and criteria for awarding support from the fund, and any other relevant details will be developed by the PO in cooperation with the DPP and will be subject to the approval of the Cooperation Committee.
- 4) The National Focal point shall ensure that the Programme Operator ensures that at least 13% of the Programme allocation will be used to improve the situation of the Roma population. This shall in particular be achieved under the pre-defined projects no. 5 and 6 under this Programme (numbering in accordance with section 6 of Annex II to this Programme Agreement).
- 5) The National Focal Point shall ensure that the Programme Operator prior to signing a project contract/decision/administrative act for pre-defined projects no. 2, 5 and 6 (numbering in accordance with section 6 of Annex II to this Programme Agreement), carries out an external appraisal of the projects in order to verify their quality and contribution to the objectives of the Programme as well as compliance with EU and national legislation. This condition will be waived if sufficient evidence of the project promoters' budgetary, managerial and organizational independence from the Programme Operator is presented to the satisfaction of the NMFA.
- 6) The National Focal Point shall ensure that any public support under this Programme complies with the procedural and substantive State Aid rules applicable at the time when the public support is granted. The National Focal Point shall, by way of the Programme Implementation Agreement, ensure that the Programme Operator maintains written records of all assessments concerning compliance with State Aid rules, particularly decisions to award grants and set grant rates, and provides such records to the NMFA upon request. The approval of the Programme by the NMFA does not imply a positive assessment of such compliance.

7) The National Focal Point and the Programme Operator shall ensure that there is no overlap between the pre-defined projects funded under this Programme and projects funded under the bilateral Swiss-Bulgarian Cooperation Programme.

## 2.2 Pre-eligibility

Not applicable.

## 2.3 Pre-payment

1) A detailed description of the content and a budget for pre-defined project no. 6, as defined in section 6 of Annex II to this Programme Agreement, shall be elaborated jointly by the project promoter and the Council of Europe and shall be submitted to and approved by the NMFA prior to the first disbursement to this project.

2) A timeline for the calls under the small grant scheme and details regarding the availability of funds shall be submitted to and approved by the NMFA prior to the first disbursement to the small grant scheme.

3) For the pre-defined projects no. 1, 2, 4, 5, and 6, as defined in section 6 of Annex II to this Programme Agreement, the Programme Operator's responsibilities regarding the verification of payment claims described in Article 4.7.1.c) of the Regulation shall be externalized and be carried out by a legal entity independent of and unrelated to the Programme Operator. The NMFA shall approve the entity to be charged with these tasks prior to the first disbursement to the projects. This condition will be waived if sufficient evidence of the Project Promoters' budgetary, managerial and organizational independence from the Programme Operator is presented to the satisfaction of the NMFA.

## 2.4 Pre-completion

Not applicable.

## 2.5 Post-completion

Not applicable.

## 2.6 Other

Not applicable.

## 3. Eligibility of costs

### 3.1 Eligibility of costs - period

Eligibility of costs (excluding prog prep costs): 13/02/2013-30/04/2017

Eligibility of programme proposal preparation costs: 05/04/2011-12/02/2013

### 3.2 Grant rate and co-financing

Programme estimated total cost (€)	€7,058,823
Programme estimated eligible cost (€)	€7,058,823
Programme grant rate (%)	85.0000%
Maximum amount of Programme grant (€)	€6,000,000

### 3.3 Maximum eligible costs (€) and Advance payment amount (€)

Budget heading	Eligible expenditure	Advance payment*
Programme management	€273,790	€63,067
Development and improvement of structures, systems and technical equipment in order to improve the implementation of the Schengen acquis	€2,878,514	€628,978
Strengthening of the cooperation between the police in the Schengen Member States	€1,620,000	€717,040
Improved capacity to prevent and combat cross-border and organized crime, including trafficking in human beings and itinerant criminal groups	€1,650,000	€388,698
Improved cooperation between the authorities and relevant stakeholders, including non-governmental organisations, in assisting victims of trafficking	€420,000	€68,627
Fund for bilateral relations	€105,882	€28,235
Complementary action	€54,758	€14,602
Preparation of programme proposal	€20,585	€20,585
Reserve for exchange rate losses	€35,294	€0
<b>Total</b>	<b>€7,058,823</b>	<b>€1,929,832</b>

\* The advance payment is composed of €1,640,357 in grant amount and €289,475 in co-financing.

### 3.4 Retention of management costs

Retention of management costs - percentage of the management costs	10.00%
Retention of management costs - planned Euro value	€23,272

### 3.5 Small Grant Scheme

Outcome	Development and improvement of structures, systems and technical equipment in order to improve the implementation of the Schengen acquis
Total Amount Reserved	€422,199
Grant Amount at Project Level	€5,000 – 250,000
Duration of the Project	6 – 40 months
Maximum Grant Rate at Project Level	85.00%

## Annex II - Operational Rules

### 1. Eligibility

1.1 Eligible measures (sub-measures if any):

The Programme Operator is the International Projects Directorate, Ministry of Interior.

The Programme shall contribute to the strengthening of the capacity and the competence of the Bulgarian police in fighting cross-border and organised crime.

The Programme will support the following types of activities:

- Purchase of equipment;
- Training of law enforcement officers; and
- Study visits and cooperation with police services in other European countries, including Norway.
- Funding of shelters for victims of trafficking.

The Programme consists of six pre-defined projects and one small grants scheme.

- Pre-defined projects

1. Extending the communication infrastructure of the Ministry of Interior.
2. Improvement of cooperation methods and structures for the effective implementation of the Schengen acquis.
3. Improving the Asset Recovery System in Bulgaria.
4. Joint Efforts for Combating Cross-Border Organised Crime.
5. Increasing the effectiveness of referral, support, protection and reintegration of victims of THB, through the practical application of the Transnational mechanism.
6. Training of the police in the legitimate use of force, human rights protection and (further) development of skills necessary for working in a multi-ethnic environment.

- Small grant scheme

Strengthening national capacities for the efficient use of EU information-sharing instruments and application of Schengen-relevant laws through competence-building measures and financial support

1.2 Eligible applicants:

Not applicable.

1.3 Special rules on eligibility of costs:

Costs are eligible in accordance with chapter 7 of the Regulation.

- By way of exception from Article 7.3.1(c) of the Regulation, the entire purchase price of new equipment will be eligible if the equipment is an integral and necessary component for achieving the outcome of the project. The Programme Operator will check and verify compliance with this condition.

### 2. Financial parameters

2.1 Minimum and maximum grant amount per project:

Not applicable.

2.2 Project grant rate:

Not applicable.

### 3. Selection of projects

3.1 Selection procedures:

Not applicable.

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

Not applicable.

3.3 Selection criteria:

Not applicable.

### 4. Payment flows, verification of payment claims, monitoring and reporting

4.1 Payment flows

Payments towards the final beneficiaries will be in the form of advance payments, and interim payments and a final payment in the

form of a reimbursement of incurred expenditure. Payments to projects are made on the basis of approved interim reports.

The first advance payment shall be requested by the Project Promoter in the application form and disbursed after signing of the Project Contract. The first advance payment may be up to 30% of the project's total eligible costs.

The subsequent interim payments requested in the interim reports together with the advance payment cannot exceed 80% of the project's total eligible costs.

The advance and interim payments shall be offset against incurred expenditure reported in the interim project reports. The final payment representing 20% of the project's total eligible costs will be disbursed after approval of the final report and, if relevant, a financial audit.

This payment system applies both to pre-defined projects and the small grant scheme.

Notwithstanding the above description of the financial flows, the Programme Operator shall ensure that, in the case of projects implemented in partnership with the Council of Europe, advance payments and all subsequent payments to the project from the Programme are sufficient to ensure that the Council of Europe's pre-financing requirements can be met and that all payments due from the project promoter to the Council of Europe are made without delay.

#### 4.2 Verification of payment claims

Project Promoters shall submit interim reports and supporting documents to the Programme Operator. Interim reports shall contain information on project progress, interim payment requests, and incurred expenditure, and shall be submitted on a quarterly basis; before the 10th of the month following the end of the reporting period.

The Programme Operator will verify and approve the interim reports through ex-ante desk checks covering 100% of the expenses. The Programme Operator will also do ex-post verifications through site visits, including administrative and technical checks, but for less than 100% of the expenses.

A report by an independent and certified auditor, certifying that the claimed costs are incurred in accordance with the Regulation, the national law and the accounting practices of the project partner's country, shall be seen as sufficient proof of costs incurred by the Council of Europe in its capacity as a project partner under this Programme.

For the pre-defined projects no. 1, 2, 4, 5 and 6 the Programme Operator's responsibilities regarding the verification of payment claims described in Article 4.7.1.c) of the Regulation will be externalized and be carried out by a legal entity independent of and unrelated to the Programme Operator, unless otherwise agreed with the NMFA.

The procedure for verification of interim reports, periodicity of reporting periods, and deadlines for reporting is outlined in the Programme proposal, and will further be detailed in the description of the Programme Operator's management and control systems according to Article 4.8.2 of the Regulation.

#### 4.3 Monitoring and reporting

Monitoring of the Programme is performed by the National Focal Point and by the Programme Operator. The Programme Operator will carry out on-the-spot checks of each project. For the high risk projects 100% checks will be carried out. For lower risk projects the checks will be less frequent.

During implementation, and via the progress reports, the Programme Operator or Project Promoter is reporting on progress both in physical and financial terms. As part of reporting, remarks on pre-existing risks and risk control must be provided. Any new risks which threaten implementation must be explained, as well as the risk mitigation strategies proposed.

Meeting on monthly bases will be organized by the Programme Operator with the Project Promoters in order to monitor the project implementation. During the meetings the Project promoters will report to the Programme Operators about the main activities carried out during the previous month.

## 5. Additional mechanisms within the programme

#### 5.1 Funds for bilateral relations

The Programme Operator will set aside 1.5 % of the total Programme budget to a Fund for bilateral relations.

The details of use of the bilateral fund, the indicative split between measures a) and b) (as defined in Article 3.6.1 of the Regulation), the detailed procedures and criteria for awarding support from the fund, and any other relevant details will be developed by the Programme Operator in cooperation with the DPP and will be subject to the approval of the Cooperation

Committee.

#### 5.2 Complementary action

Complementary action under this Programme shall be further defined by the Programme Operator in accordance with Article 7.11 of the Regulation and shall be discussed in the Cooperation Committee.

#### 5.3 Reserve for exchange rate losses

Not applicable.

#### 5.4 Small Grant Schemes

The Programme contains one Small Grant Scheme, with a total budget of €422,199, constituting approximately 6.0% of the total Programme budget.

The small grant scheme shall support small scale projects aimed at strengthening national capacities for the efficient use of EU information-sharing instruments and application of Schengen-relevant laws through competence-building measures and financial support (Outcome: Development and improvement of structures).

Eligible applicants:

- Structures within the Ministry of Interior, including: International Operational Cooperation Directorate; General Directorate Combating Organised Crime; General Directorate National Police; General Directorate Border Police; Communication and Information Systems Directorate; Regional Directorates of the Ministry of Interior; Other entities entrusted with tasks in the relevant area of the call;
- Ministry of Foreign Affairs;
- NGOs

The minimum grant amount per project shall be €5,000, the maximum grant amount shall be €250,000.

Project grant rate: up to 90% of eligible expenditure of the project for NGOs, up to 100% for other types of eligible legal entities.

Selection procedures will be in line with Article 6.5 of the Regulation.

Selection criteria shall include:

1. Criteria for administrative and eligibility compliance:
2. Criteria for technical and financial appraisal (quality assessment):
  - Financial, technical and administrative capacity of the applicant;
  - Conformity of the project with the requirements in the call for proposals;
  - The project corresponds to the needs and the problems of the target group;
  - Target groups are clearly defined and strategic;
  - The project avoids double financing and creates synergies, and builds on Bulgarian and European strategic documents;
  - Project justification and methodology;
  - Rationale of the proposed actions and relevance to the objectives and expected results;
  - Clear and feasible timeline for implementation;
  - The project envisages monitoring and external evaluation of the implementation;
  - The project contains objectively identifiable indicators;
  - Project sustainability;
  - Effect on target groups;
  - Budget, cost effectiveness and value for money. A timeline for the calls under the small grant scheme and details regarding the availability of funds shall be submitted to and approved by the NMFA prior to the first disbursement to the small grant scheme.

## 6. Pre-defined projects

Six pre-defined projects shall be implemented under the Programme.

### 1. Extending the communication infrastructure of the Ministry of Interior .

- Purchase of equipment (Tetra base stations, radio relay links, and licences for the system and computers for the regional directorates of Kardjali and Smolyan (on the border with Greece)).

Project promoter: Directorate Communication and Information Systems, MOI

Project grant rate: 100%

Total estimated project cost: €2,575,740

### 2. Improvement of cooperation methods and structures for the effective implementation of the Schengen acquis.

- Study-visits to/from Bulgaria
- Training on international police cooperation, including the exchange of good practices on the use of international police databases.
- Establishment of a training center on international police cooperation (purchase of specialized vehicle/mobile office, translation facilities etc.).

Project promoter: International Operational Cooperation Directorate, MOI

Project grant rate: 100%

Total estimated project cost: €615,600

### 3. Improving the Asset Recovery System in Bulgaria.

- The project is to be implemented with the Council of Europe. Training
- Study visits
- Assessment study
- Purchase of ICT-system for case handling.

Project Promoter: Commission for Establishing Property Acquired from Criminal Activity (CEPACA) or its successor institution in accordance with the Asset Forfeiture Law adopted by the Bulgarian Parliament on 3 May 2012.

Project grant rate: 100%

Total estimated project cost: €985,959

### 4. Joint Efforts for Combating Cross-Border Organised Crime.

- Study visits to/from Bulgaria related to operational police cooperation.
- Purchase of equipment to investigate cross-border and organised crime (to be used by units within the Transborder Organized Crime Division within GDCOC-MOI and the Undercover Division within GDCOC, including computers, printers, cameras and navigation equipment, video equipment, etc.
- Training on the use of the purchased equipment;
- The "equipment for car service", which was contained in the original project proposal for this pre-defined project will not be supported under the Programme.

Project Promoter: General Directorate for Combating Organized Crime, MOI

Project grant rate: 100%

Total estimated project cost: €1,085,470

### 5. Increasing the effectiveness of referral, support, protection and reintegration of victims of THB, through the practical application of the Transnational mechanism.

- Training of the various public institutions and civil society in different parts of Bulgaria.
- Training law enforcement officers and magistrates in prevention and investigation of cross-border and organized crimes.
- Study visits to/from partner countries.
- Purchase of equipment (computers, printers etc.)
- Funding of running costs for shelters for victims of trafficking

Project Promoter: General Directorate for Combating Organized Crime, MOI

Project grant rate: 100%

Total estimated project cost: €418,840

The Programme Operator shall ensure that the project promoter takes into consideration the recommendations made by the Council of Europe, and especially the Group of Experts on Action against Trafficking in Human Beings (GRETA) in its evaluation of Bulgaria, published 14 December 2011.

### 6. Training of the police in the legitimate use of force, human rights protection and (further) development of skills necessary for working in a multi-ethnic environment.

Project promoter: Tbc

Project partner: Council of Europe

Total estimated project cost: €500,000

A detailed description of the content and a budget for this pre-defined project shall be elaborated jointly by the project promoter and the Council of Europe.

## 7. Modification of the programme



Any modifications of the Programme will follow the rules set forth in the Regulation and in Article 2.9 of the Programme Agreement.

### **8. Programme proposal version**

Any reference to the Programme proposal in this Programme Agreement shall be interpreted as a reference to the version signed by the Programme Operator on 22 March 2012 and shall include all subsequent correspondence and communication between the Donors, the Financial Mechanism Office, the National Focal Point and the Programme Operator.

### **9. Miscellaneous**

Not applicable.

