

Norwegian Financial Mechanism 2009-2014

PROGRAMME AGREEMENT

between

The Norwegian Ministry of Foreign Affairs

and

The Council of Ministers of the Republic of Bulgaria, Monitoring of EU Funds Directorate,  
hereinafter referred to as the "National Focal Point",  
representing the Republic of Bulgaria,  
hereinafter referred to as the "Beneficiary State"

together hereinafter referred to as the "Parties"

for the financing of the Programme "Judicial Capacity-building and Cooperation"

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.

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.

#### 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 4.5

Irregularities, suspension and reimbursements

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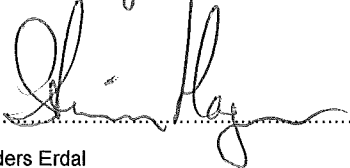
This programme agreement is drawn up in two originals in the English language.

For the NMFA


For the National Focal Point

Signed in Sofia ..... on 12/09/2012

Signed in Sofie ..... on 12/09/2012

  
.....

Anders Erdal  
Deputy Director General

  
.....

Tomislav Donchev  
Minister

## Annex I

### 1. Expected Outcomes & Indicators for Outputs

**Expected Outcome(s):** Improved access to justice, including for vulnerable persons (e.g. victims, minors, minorities)

Output	Indicator	Baseline	Target	Source of Verification
Legislation on legal aid improved	Number of legislative amendments proposed	0	5	Texts of the pieces of legislation
Improved access to primary legal aid <sup>7</sup> of the citizens from vulnerable groups, including the Roma minority.	Number of individuals benefitting from free legal advice (including Roma)	34	100	Courts registers; National Legal Aid Bureau Registers

**Expected Outcome(s):** Improved efficiency of the court system, including the development of systems for case handling

Output	Indicator	Baseline	Target	Source of Verification
A system for e-summoning established	Hardware and software delivered and installed for e-summoning system	0	1	
A system for e-summoning used	Number of e-summoning sent	200	6700	Information from the system files/Register
Increased effectiveness of individual judges	Mechanism for quality assessment of the workload of the judicial system, as well as at individual judge level developed and adopted	0	1	Register of case handled by individual judges

**Expected Outcome(s):** Increased competence within the judiciary

Output	Indicator	Baseline	Target	Source of Verification
Knowledge of the European Convention on Human Rights and the functioning of the European Court of Human Rights (ECtHR) increased	Number of participants in study visits, placements etc. related to the functioning of the ECtHR	0	67	Quarterly project progress reports, monthly meetings, Programme of the training and information on its content Participants lists Training curricula and materials
Joint activities on human rights issues organized	Number of capacity building events held for the Bulgarian judicial system at national level on human rights issues	0	4	Participants lists Training curricula and materials

## 2. Conditions

### 2.1 General

- 1) 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 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.
- 2) Bilateral indicators and outcome indicators shall be reported on in the annual report.
- 3) 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;  
provided however that the Programme Operator may release any Project Promoter from the above obligations with respect to any specifically identified excepted equipment where the Programme Operator is satisfied that, having regard to all relevant circumstances, continued use of that equipment for the overall objectives of the project would serve no useful economic purpose.
  - The Focal Point shall furthermore ensure that the Programme Operator keeps a list of the excepted equipment for each project.
- 4) The National Focal Point shall ensure that the Programme Operator, prior to signing a project contract/decision/administrative act for pre-defined project no. 3 (numbering under Section I of Annex II to the Programme Agreement), ensures that an appraisal in accordance with Article 5.5.3 of the Regulation is carried out by the highest management level of the Ministry of Justice and the Cooperation Committee of the programme.
  - 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. 4 and 5 (numbering under Section I of Annex II to the 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) Complementary action under this programme shall be further defined by the Programme Operator in accordance with Article 7.11 of the Regulation.

## **2.2 Pre-eligibility**

Not applicable.

## **2.3 Pre-payment:**

- 1) The budget shown at section 3.3 hereof is merely indicative and explicitly not approved by the NMFA. A revised budget for this programme, which is in accordance with the current Bulgarian legislation regarding the remuneration of public servants / employees, shall be established, submitted to and approved by the NMFA prior to the first disbursement under this programme.
- 2) For the pre-defined project no. 3 (numbering under Section I of Annex II to the Programme Agreement), the Programme Operator's responsibilities regarding the verification of payment claims described in Article 4.7.1.c) of the Regulation and the Programme Operator's monitoring and control functions described in Article 4.7.1.e) and f) 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 project.
- 3) For the pre-defined projects no. 4 and 5 (numbering under Section I of Annex II to the Programme Agreement), the Programme Operator's responsibilities regarding the verification of payment claims described in Article 4.7.1.c) of the Regulation and the Programme Operator's monitoring and control functions described in Article 4.7.1.e) and f) 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.
- 4) The use of the bilateral fund, the criteria for awarding support from the fund, the grant rate, the maximum grant amount, and the bilateral indicators shall be developed by the Programme Operator and shall be further discussed in the Cooperation Committee. These details shall be submitted to the NMFA for approval prior to the allocation and disbursement of these funds.

## **2.4 Pre-completion**

Not applicable.

## **2.5 Post-completion**

Not applicable.

### 3. Eligibility of Costs

#### 3.1 Eligibility period

The eligibility period of costs (excluding prog prep costs) is: 07/09/2012 – 30/04/2017

The eligibility period of programme proposal preparation costs is: 17/06/2011 – 06/09/2012

#### 3.2 Grant rate and co-financing

Programme estimated total cost	€3,529,412
Programme estimated eligible cost	€3,529,412
Programme grant rate (%)	85%
Maximum amount of programme grant	€3,000,000

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

Budget heading	Eligible expenditure	Advance payment*
Programme Management	€282,609	€16,220
Improved access to justice, including for vulnerable persons	€429,750	€73,058
Improved efficiency of the court systems, including the development of systems for case handling	€203,793	€34,645
Increased competence of actors within the judiciary	€2,493,235	€423,850
Fund for bilateral relations	€56,471	€9,600
Complementary action	€28,260	€4,804
Preparation of programme proposal	€17,647	€15,000
Reserve for exchange rate losses	€17,647	€3,000
<b>Total</b>	<b>€3,529,412</b>	<b>€580,177</b>

\*The advance payment is composed of €493,150 in grant amount and €87,027 in co-financing.

#### 3.4 Retention of management costs

Retention of management costs - percentage of the grant amount.	10%
Retention of management costs – planned euro value	€24,022

#### 3.5 Small grant scheme:

Not applicable.

## **Annex II - Operational rules**

### **1. Eligibility**

#### **1.1 Eligible measures (sub-measures if any):**

The Programme Operator (PO) is the International Programmes and Projects Management Directorate in the Ministry of Justice.

The programme aims to improve the human rights situation in Bulgaria. This will be achieved through training on the European Convention on Human Rights (ECHR) and the functioning of the European Court of Human Rights (ECtHR), the translation of case-law of the ECtHR into Bulgarian as well as the development of learning material on the ECHR and its interpretation.

The programme will also contribute to remedy structural deficiencies in the Bulgarian judicial system making it possible to improve the country's compliance with the European Convention on Human Rights (ECHR). The efficiency of the judiciary will be improved (development of a methodology on how to assess the workload of judges and the establishment of a system of e-summoning), and the access to justice will be strengthened (improving the system of primary legal aid).

The programme will support the following types of activities:

- Training
- Study visits
- Translation / Publications
- Creation of websites
- Purchase of equipment
- Public campaign
- Review of legislation
- Proposals for legislative amendments

The Programme shall be implemented by way of five pre-defined projects:

1. Capacity-building and human rights training
2. Support to the Supreme Judicial Council related to capacity building and improving the efficiency of the judiciary
3. Support towards strengthening of domestic remedies to alleged violations of provisions of the ECHR and capacity of the execution of judgements of the European Court of Human Rights
4. Improving access to justice for vulnerable groups, particularly Roma, via the implementation of a pilot scheme for "primary legal aid" and amendment to legislation
5. Improving the capacity of the General Directorate "Security" of the Ministry of Justice to fulfil their mandate in line with international human rights standards

#### **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 PO 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:**

Grants from the programme will be 100% of total eligible project costs, none of the costs of the projects shall be provided by the Project Promoters.

### **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 Implementation Agreement. 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.

##### **4.2 Verification of payment claims**

Project Promoters shall submit interim reports and supporting documents to the PO. 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 PO will verify and approve the interim reports through desk checks covering 100% of the expenses.

For the pre-defined projects no. 3,4 and 5, the PO'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 PO.

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 PO's management and control systems according to Article 4.8.2 of the Regulation.

##### **4.3 Monitoring and reporting**

In addition to the interim reports referred to under point 4.2, Project Promoters are required to submit a final report covering project progress and outputs at the end of the project.

The PO will carry out on-the-spot checks of each project at least twice during the implementation period. Additional ad hoc on-the-spot checks may be conducted on the basis of a risk analysis. The risk analysis of each project will be reviewed four times a year at the same time as the review of the interim reports.

Additionally, project progress will be monitored via meetings organized by the PO on quarterly basis.

The annual monitoring plan will be reviewed every three months.

For the pre-defined projects no.3, 4 and 5, the PO's monitoring and control functions described in Article 4.7.1.e) and f) of the Regulation will be externalized and be carried out by a legal entity independent of and unrelated to the PO. For pre-defined projects no. 4 and 5, 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.

Irregularities will be handled in accordance with Article 11 of the Regulation.

Information on monitoring and reporting, and the periodicity of reporting, will further be outlined in the description of the PO's management and control systems according to Article 4.8.2 of the regulation.

#### **5. Additional mechanisms within the programme**

##### **5.1 Funds for bilateral relations**

The PO will set aside minimum 1, 5 % of the total programme budget to a Fund for bilateral relations.

1/3 of the fund for bilateral relations will be used for developing partnership projects, 2/3 for networking and exchange. Research institutions, NGOs and professional organisations etc. shall be invited to take part in networking activities, sharing of best practices etc.

- One call for proposal will be organized. Only the project promoters of the five pre-defined projects will be eligible to apply.

The use of the bilateral fund, the criteria for awarding support from the fund, the grant rate, the maximum grant amount, and the bilateral indicators will be developed by the PO and will be further discussed in the Cooperation Committee.

### **5.2 Complementary action**

Costs of complementary action may not exceed an amount equal to 20% of the management costs for the programme.

The PO will submit information on actions to be funded as complementary action to the FMO for approval in accordance with Article 7.11.3. of the Regulation.

### **5.3 Reserve for exchange rate losses**

Contracts between the PO and the Project Promoter will be defined in BGN.

The reserve for exchange rate losses will be used by the PO to cover exchange rate losses resulting from the difference between the exchange rate used for the Programme budget planning and the exchange rates used for the actual expenditures (including the difference between the exchange rate used for awarding grants to projects and the exchange rate used for the settlement of project grants).

### **5.4 Small Grant Schemes**

Not applicable.

## **6. Pre-defined projects**

There will be five pre-defined projects implemented under the Programme.

1. *Capacity-building and human rights training*  
Project promoter: National Institute of Justice  
Project grant rate: 100 %

Expected project outcomes:

- Training of trainers on the ECHR
- Purchase of videoconferencing equipment
- Development of learning material on the ECHR for use through video conferences
- Establishment of bilateral/trilateral cooperation among judicial training institutions in Europe.
- Establishment of a network of magistrates specializing in ECHR/human rights

2. *Support to the Supreme Judicial Council related to capacity building and improving the efficiency of the judiciary*  
Project promoter: Supreme Judicial Council  
Project grant rate: 100 %

Expected project outcomes:

- A system for electronic summoning purchased, established and used
- Placement of 9 Bulgarian judges for 6-12 months at the Registry of the ECtHR
- Development of a mechanism for assessing the workload of judges

3. *Support towards strengthening of domestic remedies to alleged violations of provisions of the ECHR and capacity of the execution of judgements of the European Court of Human Rights*  
Project promoter: Procedural Representation of the Republic of Bulgaria before the European Court of Human Rights.  
Project grant rate: 100 %

Expected project outcomes:

- Analysis of ECtHR case-law against Bulgaria, including recommendations for legislative measures and amendments. Working group established to discuss the findings, and seminars and roundtables organised
- Study visits to other Member States of the Council of Europe to learn about national follow-up of judgements at the ECtHR
- Establishment of a database with ECtHR case-law against Bulgaria: technical establishment of the database, and translation of all relevant judgements into Bulgarian
- Training material on ECtHR case-law developed
- Analyse the effectiveness of the administrative system for compensation for the applicants in whose case there have been found violations by the Bulgarian authorities of some provisions of the ECHR
- Training on the ECHR and the functioning of the ECtHR

4. *Improving access to justice for vulnerable groups, particularly Roma, via the implementation of a pilot scheme for "primary legal aid" and amendment to legislation*  
Project promoter: National Legal Aid Bureau  
Project grant rate: 100 %

Expected project outcomes:

- Establishment of a national telephone hotline for primary legal aid
- Establishment of two on-site primary legal aid offices in Sliven and Vidin
- Awareness-raising campaign on primary legal aid
- Analysis of current legislation on legal aid
- Purchase of a case handling system for the National Legal Aid Bureau

5. *Improving the capacity of the General Directorate "Security" of the Ministry of Justice to fulfil their mandate in line with international human rights standards*  
Project promoter: General Directorate Security, Ministry of Justice

Project grant rate: 100 %

Expected project outcomes:

- Comparative analysis of Bulgarian and European legislation on the security of magistrates and the lawful use of force when bringing individuals to the judicial authorities
- Training on the lawful use of force and how best to ensure the security of magistrates and witnesses in criminal cases

The exact amounts for the total eligible project cost and the total grant amount for each of the predefined projects will be specified in the revised budget to be submitted by the PO prior to the first disbursement under the programme.

#### **7. Modification of the Programme**

Any modifications of the programme and the submission of the revised budget 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 PO on 6 April 2012 and shall include all subsequent correspondence and communication between the Donors, the Financial Mechanism Office, the National Focal Point and the Programme Operator.

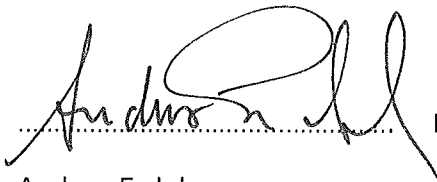
#### **9. Miscellaneous**

Prior to signing a project contract/decision/administrative act for pre-defined project no. 3, an appraisal in accordance with Article 5.5.3 of the Regulation is carried out by the highest management level of the Ministry of Justice and the Cooperation Committee of the programme.

Prior to signing a project contract/decision/administrative act for pre-defined projects no. 4 and 5, an external appraisal of the projects shall be carried out in order to verify their quality and contribution to the objectives of the programme as well as compliance with EU and national legislation. This will not be required if sufficient evidence of the Project Promoters' budgetary, managerial and organizational independence from the Programme Operator is presented to the satisfaction of the NMFA.

Subject: Delegation of Authority

1. I hereby authorise Mr Steinar Egil Hagen, Deputy Director General in the Royal Norwegian Ministry of Foreign Affairs, to sign Programme Agreements for Programmes under the EEA Financial Mechanism 2009-14 and the Norwegian Financial Mechanism 2009-2014 on behalf of the Donor States.
2. This delegation is effective for the purposes of the signature of only those Programme Agreements to be signed between the Donor States and the Republic of Bulgaria in Sofia on 12 September 2012.
3. The authority delegated in this document shall not be sub-delegated.

 Date: 07.09.2012

Anders Erdal  
Chairman  
Financial Mechanism Committee