



**МИНИСТЕРСТВО НА ФИНАНСИТЕ
НА РЕПУБЛИКА БЪЛГАРИЯ**

Ministry of Finance

Economic Policy and Analyses Directorate

*Planning, Implementation and Monitoring of Development and
Cooperation Programmes Department*

**FOURTH SEMI-ANNUAL REPORT
ON THE IMPLEMENTATION OF
EEA FINANCIAL MECHANISM IN THE REPUBLIC OF BULGARIA**

May 2009 – October 2009

GLOSSARY OF ACRONYMS

AA	Audit Authority
AEUFEA	Audit of the EU Funds Executive Agency
AF	Application Form
CTE	Central Treasury Entity
EEA	European Economic Area
EFTA	European Free Trade Association
EU	European Union
GA	Grant Agreement
IA	Implementing Agency
FM	Financial Mechanism
FMC	Financial Mechanism Committee
FMO	Financial Mechanism Office
MES	Ministry of Education and Science
MEUFD	Management of EU Funds Directorate
MEYS	Ministry of Education, Youth and Science
MF	Ministry of Finance
MoU	Memorandum of Understanding
MC	Monitoring Committee
NF	National Fund
NFP	National Focal Point
NGO	Non-governmental organization
TA	Technical Assistance

PREFACE

The purpose of the Semi-Annual Report on the implementation of the EEA Financial mechanism in Bulgaria is to give comprehensive information on the implementation during the period under review.

The present Semi-Annual Report covers the period from 1st May 2009 to 31st October 2009. Within the period started the actual implementation of the projects approved under the Programme.

The present Semi-Annual Report is focused on the following issues:

I. Implementation status

1. Signing of Grant Agreements and Implementation Agreements
2. Official start of activities under projects
3. Project implementation reports
4. Specific forms of grant assistance

II. Publicity and information measures

1. Performed activities
2. Web-site

III. Indicative implementation plan for the next period

The Semi-Annual Report has been prepared by Department *Planning, Implementation and Monitoring of Development and Cooperation Programmes*, Economic Planning and Analyses Directorate at the Ministry of Finance. An interministerial procedure is underway for the appointment of Department *Planning, Implementation and Monitoring of Development and Cooperation Programmes* as Bulgarian National Focal Point for the EEA Financial Mechanism.

The data included in the present Semi-Annual Report on implementation of the EEA Financial Mechanism are comprehensive, complete and correct.

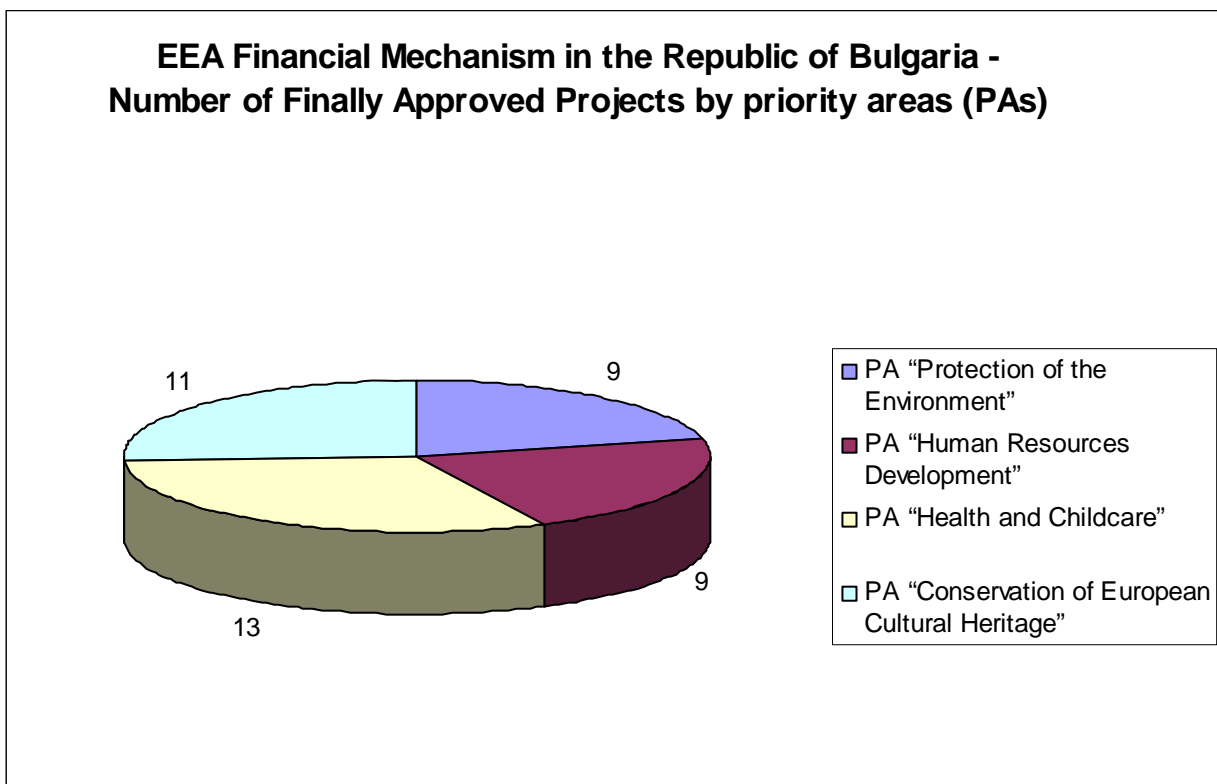
I. IMPLEMENTATION STATUS

1. SIGNING OF GRANT AGREEMENTS AND IMPLEMENTATION AGREEMENTS

As of 30th April 2009 the Financial Mechanism Committee made a positive decision regarding 42 grant applications distributed per priority areas as follows:

- 9 grants under priority area 1 Protection of the environment (M€ 4.139)
- 9 grants under priority area 2 Human resources development (M€ 3.129)
- 13 grants under priority area 3 Health and childcare (M€ 4.579)
- 11 grants under priority area 4 Conservation of the European cultural heritage (M€ 4.975).

Technical Assistance project, NGO Fund and the Scholarship Fund were approved by the Financial Mechanism Committee as well. Thus, the total amount of € 20 020 800 allocated to Bulgaria under the EEA FM was fully committed within the commitment deadline – 30th April 2009.



Breakdown by priority areas of the projects finally approved is provided below:

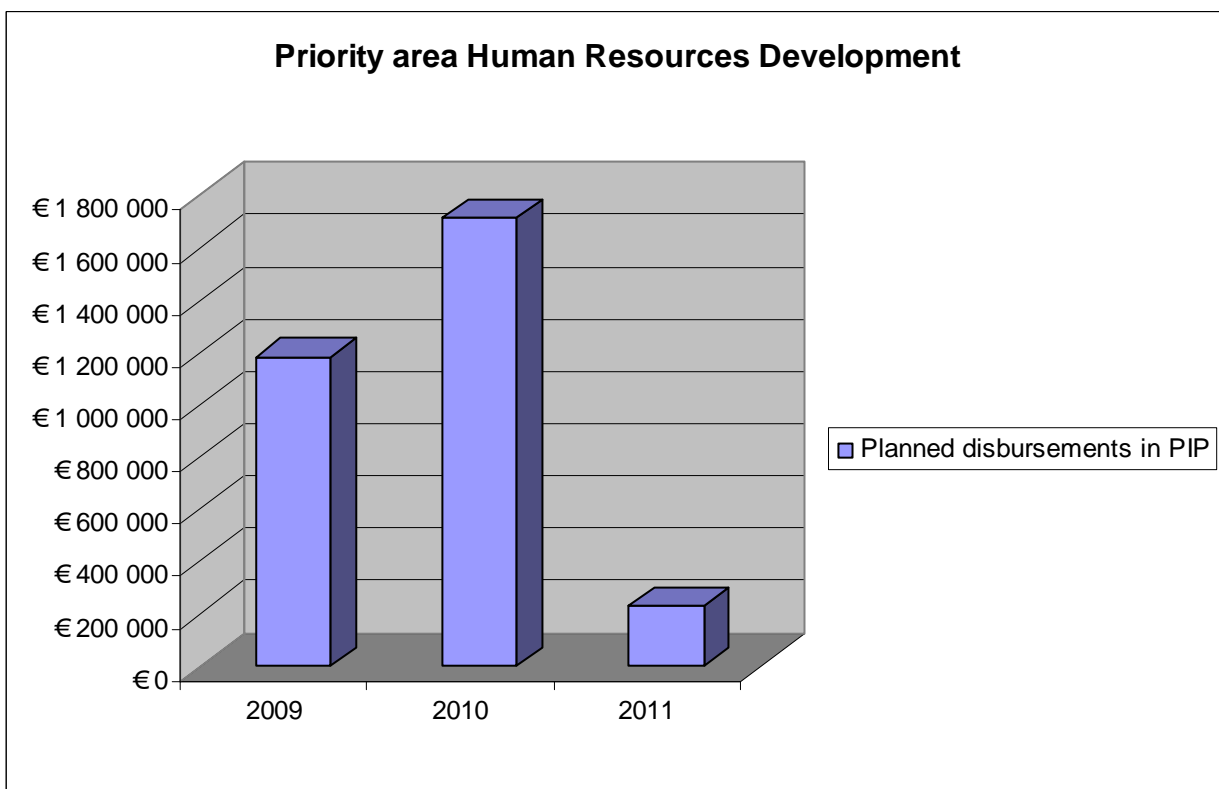
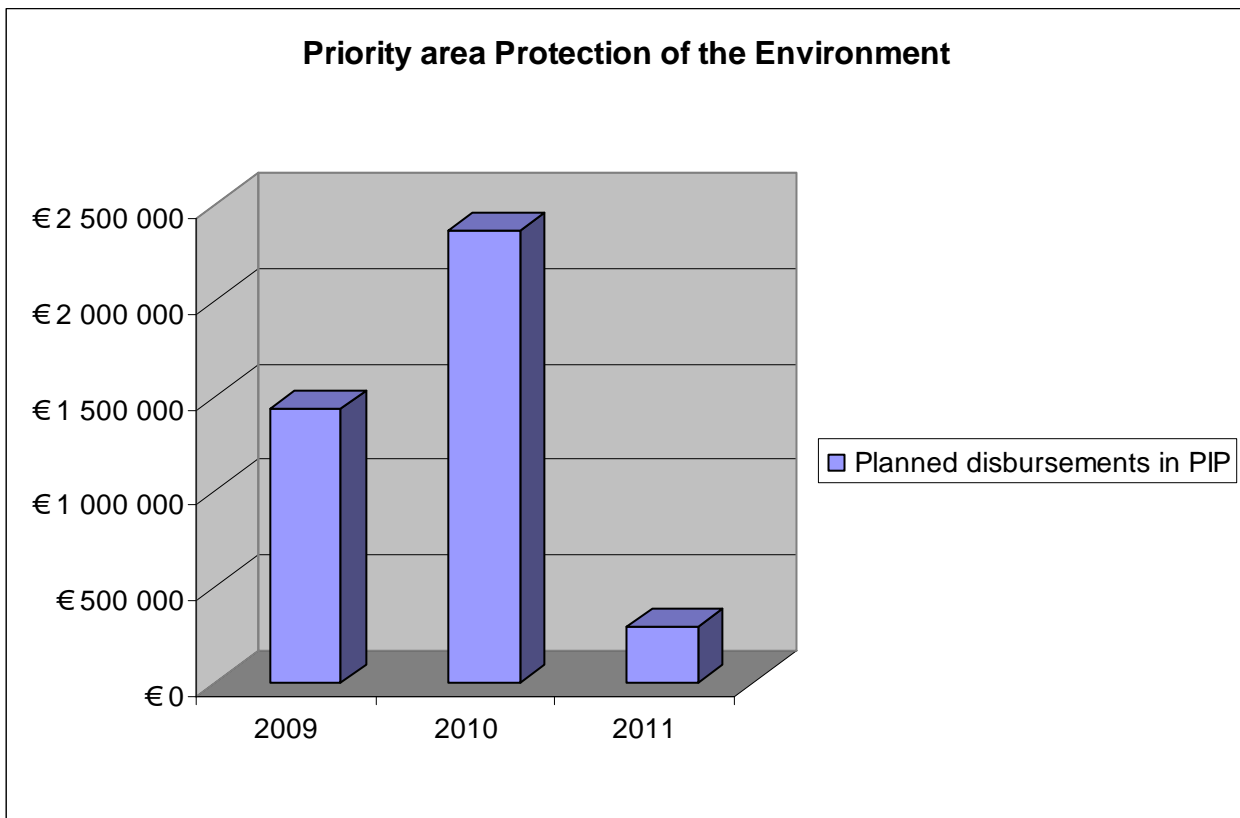
Priority Area 1: Protection of the environment, including the human environment through, inter alia, the reduction of pollution and promotion of renewable energy					
№	Registration	Project Promoter	Project Name	Grant Assistance by EEA FM (EUR)	TOTAL value (EUR)
1	BG0030	Burgas Municipality	Installation of a mobile laboratory for integrated air quality monitoring and management in Bourgas, Bulgaria: improving municipal capacity of monitoring	320 646	377 230
2	BG0031	Institute for the Study of forests to BAS	State and prospects of the <i>Castanea sativa</i> population in Belasitsa mountain: climate change adaptation; maintenance of biodiversity and sustainable ecosystem management	257 584	303 040
3	BG0033	Directorate National Park Pirin	Sustainable forest management and protection of the environment through creation of fireprotection system and informational centre in National park Pirin, Bulgaria	517 863	643 500
4	BG0034	Institute of Botany	Conservation of biodiversity in hot-spots of glacial relict plants in Bulgaria	493 436	580 513
5	BG0035	Municipality of Stambolovo	Building of a sewerage system with a modular treatment station for waste waters in the village of Popovets and Zimovina, Stambolovo Municipality	945 878	1 112 798
6	BG0036	Executive Environment Agency	Towards better surrounding environment - investigation and forecasting of the potential environmental pollutions from landfills	455 739	536 163
7	BG0040	Municipality of Gotse Delchev	Improving the energy efficiency of <i>Ivan Skenderov</i> multiprofile hospital for active treatment - Gotse Delchev Municipality	369 467	526 232
8	BG0052	Executive Environment Agency	Development of information system to the National biodiversity monitoring system in Bulgaria	317 851	373 942
9	BG0061	Foundation <i>Bulgarian Biodiversity Foundation</i>	Collaboration for biodiversity conservation and sustainable local development in Strandja mountain in Bulgaria	461 045	519 780
TOTAL:				4 139 509	4 973 198

Priority Area 2: Human resource development through, inter alia, promotion of education and training, strengthening of administrative or public service capacities of local government or its institutions and the democratic processes that support it					
№	Registration	Project Promoter	Project Name	Grant Assistance by EEA FM (EUR)	TOTAL value (EUR)
1	BG0027	Lubimets Municipality	Creation and adoption of geographical informational system for Lubimets Municipality	353 311	415 660
2	BG0022	Belitsa Municipality	Enhancement of the sustainable development of Municipality of Belitsa through development and improvement the cadastre and the regulation plans	315 483	380 146
3	BG0026	Bulgarian Economic Forum	Strengthening the capacity of the local authorities of the North-West planning region of Bulgaria for attracting foreign investors, institutional support for investments and IT solutions for administrative services	437 220	485 800
4	BG0039	Dobrich Municipality	Plan <i>Future</i> - Improvement of Dobrich Municipality Human Resource Capacity for Better Town Management, Planning and Development	256 597	301 979
5	BG0029	Antonovo Municipality	IT technologies, a prerequisite for enlargement of the European Economic Area - Antonovo Municipality	298 242	350 873
6	BG0024	Lyaskovets Municipality	Strengthening the capacity of Lyaskovets Municipality to become modern, efficient and transparent local government	263 223	309 711
7	BG0028	Yablanitza Municipality	Completion and equipment of a building thus to achieve strengthening of administrative social service capacity of Municipality of Yablanitza	389 990	472 600
8	BG0025	Ruse Municipality	Development of a Digital map and a Geographical Information Database for the underground public infrastructure of Ruse	564 932	664 939
9	BG0023	Yambol Municipality	Development and applying of integrated Municipal Geographical Information System - Yambol Municipal administration	250 032	294 155
TOTAL:				3 129 030	3 675 863

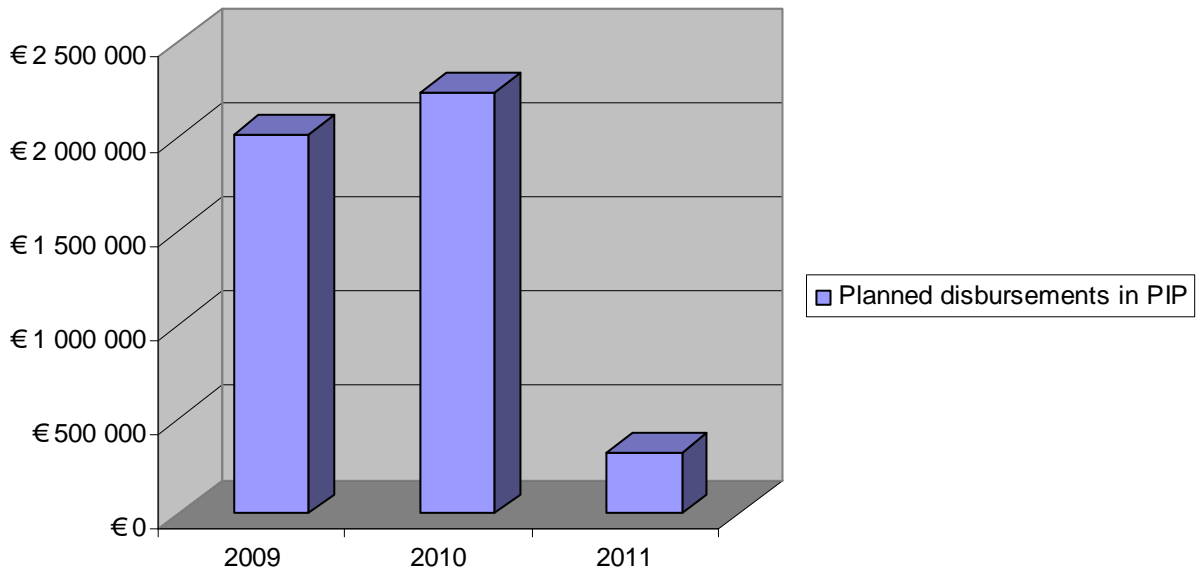
Priority Area 3: Health and Childcare					
№	Registration	Project Promoter	Project Name	Grant Assistance by EEA FM (EUR)	TOTAL value (EUR)
1	BG0011	National Center of addiction	Listen to child - improvement of preventive measures and increasing the accessibility of services for children and adolescents experimenting and abusing drugs	413 605	486 594
2	BG0012	Institute for ecology of cognition	Reconstruction and rehabilitation in therapeutic community <i>Phoenix</i> in Brakiovtsi, Godets region	299 024	345 539
3	BG0013	Association of Danube municipalities	Let's better protect and care the health of our children living along the Danube	272 827	320 973
4	BG0014	Association <i>Alpha Club to Survive</i>	Violence prevention - establishment of youth center <i>Security</i> in the town of Kostinbrod	275 797	306 441
5	BG0015	Veliko Turnovo Municipality	Reconstruction, gas supply and modernization of the buildings of <i>Rayna Knyaginya</i> day nursery, <i>Ivanka Boteva</i> day nursery, <i>Mecho Puh'</i> day nursery and <i>Prolet</i> creche - Veliko Tarnovo Municipality	566 596	666 583
6	BG0016	Plovdiv Municipality	Development of creativity, constructive skills and social competency of children under school age by means of reconstruction and modernization of the open areas of 12 kindergardens on the territory of town of Plovdiv	564 596	664 691
7	BG0017	Georgi Damyanovo Municipality	Enhancement of the quality of childcare in orphanage for children deprived of parent care <i>Zvanche</i> Georgi Damyanovo village	308 853	363 356
8	BG0018	Regional psihodispenser	Modernization and buildings rehabilitation for better mental health care in district dispensary for psychiatric disorders with <i>Wards-Rousse-More care</i> project	489 548	577 638
9	BG0019	Berkovitzsa Municipality	Modernization and repairs of childcare centre in Berkovitsa Municipality - a place for formation and development of creative skills to the youths	257 482	302 920
10	BG0021	Kyustendil Municipality	Together for children at risk - a model for prevention and reintegration in Kyustendil Municipality	297 885	350 453
11	BG0020	Gabrovo Municipality	Community oriented improvement of childcare services in Municipality of Gabrovo	265 140	311 929
12	BG0054	Chelopech Municipality	Strengthening of child care policy through promotion and development extracurricular activities in Municipality of Chelopech	323 844	380 993
13	BG0067	Foundation <i>Protected Home Together</i>	<i>Protected home Together</i> , village of Gurmazovo, Municipality of Bojurishte	243 938	271 706
TOTAL:				4 579 135	5 349 816

Priority Area 4: Conservation of European Cultural Heritage					
№	Registration	Project Promoter	Project Name	Grant Assistance by EEA FM (EUR)	TOTAL value (EUR)
1	BG0041	District administration Plovdiv	The ancient stadium of Philippopolis - preservation, rehabilitation and renewal	748 939	896 825
2	BG0042	Nature Park <i>Vitosha</i>	Revival and preservation of traditional building techniques and skills used in Bulgaria	245 523	288 850
3	BG0043	Karlovo Municipality	Reconstruction of the Onbashieva house as part of the Vassil Levski National museum in Karlovo and popularization of the life and deed of the Bulgarian national hero Vassil Levski as part of the European cultural heritage	233 984	275 275
4	BG0045	Belogradchik Municipality	Magura historical complex-antiquity for generations	339 436	399 430
5	BG0046	National Library <i>St. St. Kiril and Methodii</i>	Digitalizing and preserving the written legacy of Bulgaria	508 235	597 923
6	BG0047	Bratja Daskalovi Municipality	Archeological examination of Thracian - Roman Dynasty centre in the region of the Chirpan Eminences - V century b.c. - IV century a.d.	293 968	345 845
7	BG0048	Shoumen Municipality	Restoration and conservation of Shumen fortress - cradle of the civilizations who lived in Bulgaria	340 529	400 622
8	BG0050	Foundation <i>Development of industrial, cultural and natural inheritance</i>	Examination, conservation and promotion of Gradishte Thracian fortress and early Byzantine basilica, Gela, Western Rhodopes mountain, Bulgaria	314 186	349 095
9	BG0051	National Museum of Bulgarian Visual Arts	Sofia arsenal museum for contemporary art - SAMCA	1 060 621	1 247 789
10	BG0065	Sozopol Foundation	Ancient sozopol - Saint Ivan Precursor Monastery - Culture through centuries	584 028	648 920
11	BG0068	Koprivshhtiza Municipality	Resque reconstruction and conservation of the buildings of the first class school in Bulgaria <i>St. St. Cyril and Methodius</i> and turning it into a cultural - educational centre fro youths and tourists	305 747	359 702
TOTAL:				4 975 196	5 810 276

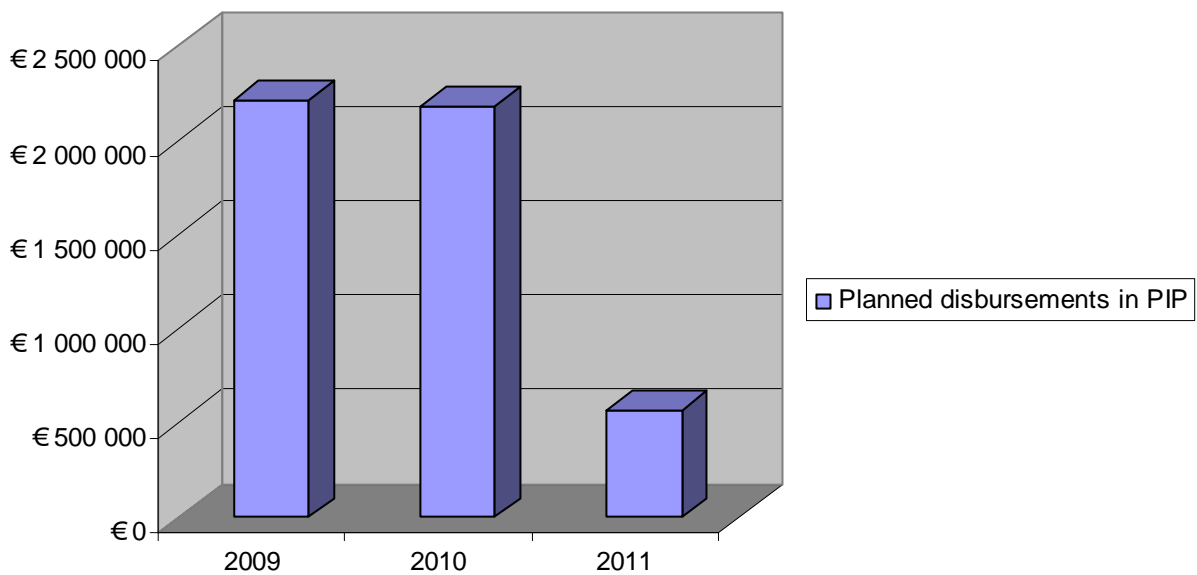
The charts below show the amounts planned for disbursement in PIPs by priority areas for the period 2009-2011.



Priority area Health and Childcare



Priority area Conservation of European Cultural Heritage



For all projects approved, Grant Agreements were concluded between the FM Committee and the Head of the NFP.

Immediately after signing of GAs and in accordance with EEA FM rules, the relevant Implementation Agreements were signed between the Head of the NFP and the Official representative of each Project Promoter. Each agreement describes the obligations of Parties, terms of the project, eligibility rules, provisions regarding reporting, monitoring, amending, control, auditing, suspension of disbursements, reimbursements, dispute settlement and irregularities reporting.

2. OFFICIAL START OF ACTIVITIES UNDER PROJECTS

By exchange of letters modifications in the managerial set-up of EEA grants in BG were agreed and reflected in Annex A to the Memorandum of Understanding.

Structural Funds and International Educational Programmes (SFHEP) Directorate with the Ministry of Education and Science (Ministry of Education, Youth and Science since 27 July 2009) was designated as Implementing Agency for EEA FM.

The positive decision of the FM Committee on the above changes was taken on 10th June 2009 which was announced as the official date of eligibility of expenditures under the programme.

For most of the projects advance payment is envisaged in the amount of 10%. In cases when advance payment is approved, it is to be disbursed after a confirmation by the IA following its ex-ante and ex-post control of the tendering procedures and of the contracts signed with sub-contractors. Project Promoters should submit a collateral for the advance payments in the form of a promissory note (in the case of public institutions) or a bank guarantee (in the case of non-public institutions). Thus, a more reliable control will be executed over the projects funded by public funds.

As regards contracts under which no public procurement procedures are envisaged at all or they are scheduled to take place in the late stages of contract implementation, FMO sustained the suggestion of the NFP to waive the said pre-disbursement condition. The latter apply to projects BG0011, BG0023, BG0031 and BG0067.

Modalities of the Implementation and Control Systems of EEA Financial Mechanism's Projects have been developed and relevant parts thereof sent to each Project Promoter in August 2009. The Modalities serve as a reliable basis for management and control of the programme and ensure the transparency and documentary evidence necessary for a complete audit trail in all engaged actors. The Modalities are an essential tool for all stakeholders, both for the managing institutions and Project Promoters. They set the relevant provisions on the programme's objectives, priorities and institutional framework, and on the public procurement tendering procedures and contracts for public procurement. An important part of the Modalities is dedicated to the provisions related to project implementation plans and their modifications, reporting, monitoring by the FMO, eligibility

of expenditure, VAT and other taxes and levies, financial management and control, irregularities, bookkeeping at the CTE, publicity measures, auditing and financial control and closing of projects. A number of attachments were enclosed to the Modalities containing templates for checklist to verify procedures of competitive dialogue under the Public Procurement Act; checklists to verify public procurement procedure with or without public procurement notice; checklist to verify limited procedures for public procurement; checklists to verify open competition for small and regular public procurement procedures; standard bookkeeping under the EEA FM; detailed monitoring report; declaration on the management and control systems of the projects; notification transfer and use of the grant (in accordance with article 4.3 – Grant Agreement); description of an account; checklist for monitoring on the spot; request for funds.

3. PROJECT IMPLEMENTATION REPORTS

A total of 34 Project Implementation Reports were received from FMO under the four priority areas during the said period. PIRs were also received for projects BG0008 and BG0057. All PIRs were sent to the relevant Project Promoters with instructions to fill them in and send them accordingly to the IA for check and approval and subsequent submission to the NFP and CTE. The latter was to forward the PIRs to the FMO.

The majority of PIRs contained information about the start of preparatory and actual activities, such as establishment of project management teams, preparation of tender documentation, contracting external consultants, drafting working plans, etc.

For BG0040, BG0051, BG0065 and BG0067 official ceremonies and press-conferences were organized to announce launching of the projects.

Starting from July 2009, Project Promoters submitted tender documentation to the IA for ex-ante control. After thorough examination the IA returned the documentation to the Project Promoters either approving it or requiring amendments to be made in order to comply with national public procurement rules.

On 7th September FMO disbursed the amount of **116516 euro** to the account of CTE for projects BG0011, BG0023, BG0031 and BG0067. On 6th October 2009 the Paying Authority effected disbursements to recipients on projects BG0011 Listen to child - improvement of preventive measures and increasing the accesibility of services for children and adolescents experimenting and abusing drugs (**41360 euro**), BG0023 Development and applying of integrated Municipal Geographical Information System - Yambol Municipal administration (**25004 euro**) and BG0031 BG0031 State and prospects of the *Castanea sativa* population in Belasitsa mountain: climate change adaptation; maintenance of biodiversity and sustainable ecosystem management (**25758 euro**). The transfer to the Project Promoter on the project BG0067 Protected home Together, village of Gurmazovo, Municipality of Bojurishte in the amount of **24394 euro** was made on 16th October 2009 due to a delay in submitting the bank guarantee according to Art. 11 item 9 of the Implementation Agreement.

4. SPECIFIC FORMS OF GRANT ASSISTANCE

NGO Fund

Major Implementation Accomplishments within the NGO Fund

Launch of the Second Call for Proposals

The Second call for proposals was launched on 6 April 2009 through a publication in *Dnevnik* national daily newspaper and in other media, as well as on FLGR and NGO Funds' websites. Information was disseminated via the online fora **BlueLink website** (www.bluelink.net). The call was also announced through the environmental NGOs mailing list (ngos@bluelink.net). Information to NGOs was also delivered through other re-granting organizations' web sites such as: **Trust for Civil Society in Central and Eastern Europe** (www.ceetrust.org); **Tulip Foundation** (www.tulipfoundation.net); **Workshop for Civic Initiatives Foundation** (www.wcif-bg.org), etc.

Processing of projects submitted under the Second Call for Proposals

The second call for proposals under the NGO Fund Bulgaria within the EEA FM was closed on June 19th, 2009. The total number of projects submitted was **383** requesting more than **15 000 000 euro** from the NGO Fund under the three priority areas.

The Operator has developed a database for collection and screening of submitted project proposals. It was designed in such a way as to provide immediate information on the date and method of receiving the application (the database generated registration number for each application received), the name of the applicant and its relevant organizational data. Organizations which had sent their applications via regular mail or courier were notified for their incoming number by e-mail.

The submitted project proposals were screened for eligibility and administrative compliance (following the criteria set in the Guidelines for applicants) by the Operator within 15 days. 74 applying organizations were notified for missing documents in their folders via e-mail and phone and were given the chance to provide the latter within a definite period of time.

As a result of the administrative compliance assessment 62 (16,19%) project proposals did not match the administrative and eligibility criteria out of 383 applying for funding projects under the second call for proposals under the NGO Fund Bulgaria within the EEA FM. Organizations whose applications were rejected due to non-compliance with administrative or eligibility criteria were notified via regular mail and e-mail and were given the opportunity to request the Selection Committee to review the Operator's decision. 17 requests were submitted at the Operator and Partners' offices. The Selection Committee members were acquainted with the reasons provided by the organizations for why the Operator's decision should be overturned. The SC members accepted the motives of 4 organizations and voted for reconsideration of Operator's decision. Thus these four applications were forwarded for qualitative assessment while the rest were finally rejected and the organizations notified of the SC decision via e-mail and regular mail.

Finally, as a result of the administrative compliance screening 321 applications were forwarded to assessment agents for qualitative assessment. The Operator recruited 32

assessment agents who were thoroughly acquainted with the assessment matrix and main requirements under the NGO Fund. The criteria laid down in the assessment report were as follows:

- 1) Applicant and partner's experience
- 2) Relevance, justification and methodology
- 3) Economic and financial feasibility
- 4) Cross-cutting issues
- 5) Risks
- 6) Sustainability

Each criteria was divided into sub-criteria as to assist assessment agents and to make sure that applications are treated consistently and, therefore, fairly.

By August 15th, 2009, the assessment agents provided the Operator with the appraisal reports. According to the Agreement for implementation of the NGO Fund in Bulgaria each application was assessed by two agents and where their score differ by 40 percent or more, a third expert independently evaluated the application as the final score was the average of the three scores.

Having in mind the great number of projects with average score above 60 exceeding several times the indicative budget under the three priority areas and after a discussion between the partners 27 applications which differed in their score by 40 percent or more and had average score above 60 were forwarded to a third assessor.

Based on the scores of the assessment agents' reports the Operator ranked the applications by Priority areas. The short-listed applications as well as project summaries were transferred to the Selection Committee members for information.

Selection Committee meeting

The third session of the Selection Committee took place on August 31st, 2009 in the office of the Operator. The main issues for discussion at the meeting were:

- Overview of Call 2 application and assessment process
- Discussion and approval of projects for funding and a reserve list under each priority area on the basis of announced criteria
- Discussion and approval of methodology for budget optimization of approved for funding/reserve list projects.

The Steering Committee took the final decision for funding a definite number of projects based primarily on the assessors' scores and comments as well as incorporating the main political additional criteria for the NGO Fund as a national support mechanism:

- Balanced distribution of the projects supported by focus areas within each priority area;
- Contribution of the project to priority country problems in the respective priority area under the NGO Fund;
- Relevance of the project to NGO Fund objectives

The Selection Committee approved the list of projects for funding and reserve list projects.

Implementation of SC decisions regarding the second call for proposals

The management teams of FLGR and BEPF proceeded with ensuring there would be no double funding of the approved projects through coordination with the Ministry of Finance,

the Ministry of Regional Development and Public Works, the Ministry of Labour and Social Policy, the Ministry of Environment and Water, the Ministry of Agriculture and Foods, the Ministry of Economy, Energy and Tourism as well as with the managing authorities of different donor programs (Norwegian Cooperation Programme, Matra Programme, Trust for Civil Society in Central and Eastern Europe, programs of Oak Foundation, etc.).

Having in mind the re-structuring of some managing authorities after the parliamentary elections held in July 2009 the coordination procedure took much more time than it was anticipated. The Operator of the NGO Fund received official letters from most of the institutions mentioned above stating that most project activities subject to funding under the NGO Fund did not partly or fully overlap with activities co-financed under the Operational Program *Human Resources Development*, the Operational Program *Administrative Capacity*, the Operational Program *Regional Development* and the *National Rural Development Program*.

Due to considerable signals from Innovation Norway Programme for overlapping of activities BEPF decided to revise the project proposals of two organizations - the Energy Management Agency – Dobrich and Agrolink Association. According to a signed protocol between Innovation Norway Programme and BEPF, the latter decided to support projects from the approved reserve list. These are the organizations "Gea Chelonia" Foundation, "Bikearea" Association and "Development 21st century" Association.

The official statement from the Ministry of Environment and Water stated that some of the reserve projects approved for funding under Priority area 1 overlap with a nationwide project implemented by the Ministry of Environment and Water itself.

Meanwhile, the FLGR and BEPF teams optimised the budgets of the projects approved for funding by considering the recommendations provided by the assessment agents and the SC members. Based on budget optimization of projects under Priority area 2 there were still funds available.

Having in mind these circumstances the Operator of the NGO Fund considered the opportunity of conducting another SC meeting via e-mail. SC members were provided with additional information enabling them to approve for funding another 3 projects under Priority area 1 and other 2 under Priority area 2.

A procedure establishing that there would be no double funding of additionally approved projects is at place.

Implementation of Projects approved for funding within the first call for proposals

Project implementation started in March 2009. In order to make the reporting as smooth as possible process for all concerned FLGR and BEPFs' teams proposed assistance to the funded NGOs in developing their first reports. The dominant impression among the NGOs is that the program reporting requirements are less embarrassing than other programs' requirements. The Operator provided the implementing organizations with guidelines related to the visualization of the financial support under the NGO Fund. The Operator accomplished desk monitoring of all projects as per the agreement with the FMO. Irregularities were found out in one project under Priority area 3 as a result of which the agreement was cancelled. Report on irregularities was submitted to the FMO.

The implementing organizations submitted the second quarterly reports which were approved.

During the reporting period advance payments were transferred to the financed organizations as follows:

Priority area 1 – 42 566,59 EUR;

Priority area 2 – 91 928,97 EUR;

Priority area 3 – 55 650,21 EUR.

Fund for Support of Co-operation among Schools/Scholarships

The following activities were performed during the reporting period under the project “Development of Reliable Mobility Schemes Using EEA FM Grants”:

May, 2009

Study of all legal documents and practical guides related to the project implementation.

June, 2009

Survey on good practices in the other beneficiary states on the running of the Scholarship Fund under the EEA Financial Mechanism Program.

July, 2009

On July 6, 2009 Preliminary information on the Scholarship Fund in Bulgaria was sent to the Rectors of all higher education institutions as well as to the Presidents of the research institutions. Upon proposals from these institutions a network of institutional coordinators was established, as well as a pool of experts to be members of the Selection Committee for candidate final selection. On July 23, 2009 the Grant Agreement between the Financial Mechanism Committee and the Focal point entered into force.

August, 2009

Drafting of the text for the First call for proposals (summer term of the academic year 2009/2010 Internal consultation on the text with the respective departments of the Ministry of Education, Youth and Science. Consultations on the text with the FMO. On August 25, 2009 the English version of the text was approved. Translation of the text into Bulgarian. On August 27, 2009 the English and Bulgarian versions of the text of the call were sent to the institutional coordinators to be published on the websites of their institutions.

September, 2009

On September 1, 2009 the First call for proposals was published both in English and Bulgarian on the websites of the Intermediary, the Focal point and the FMO. The text of the call was published also in periodicals (АзБуки). Information on the First call was published in daily newspapers (24 часа, Труд). After the publication of the call a help-desk was established for provision of information to institutional coordinators and potential candidates. About 25 requests for information have been answered by phone and e-mail. Consultations with the Ministry of Finance for the establishment of two bank accounts for the transfer of the grant. On September 11, 2009 the official permission was given.

October, 2009

The Launching information seminar for the institutional coordinators and representatives of line ministries was held on October 15, 2009 in Sofia. 42 participants attended the event. Presentations were delivered by representatives of the three donor states and by the Intermediary. On October 29, 2009 Guidelines for the organization of the first stage of the selection process to be carried out by the higher education institutions/research institutions were sent to the institutional coordinators. On October 23, 2009 the Agreement between the Focal point and the Intermediary became effective.

Technical Assistance

Following the final approval of individual projects, most of the remaining funds were reallocated to the TA. On 14 September 2009 an Interinstitutional Agreement was signed between the Deputy Prime Minister and Minister of Finance and the Minister of Education, Youth and Science. It establishes the amount of 300000 euro to be allocated for Technical Assistance to the IA for the period 2009-2011. TA will support the IA in performing ex-ante control, ex-post control and monitoring of the tendering procedures, as well as Implementing Agency's other activities envisaged in the Managerial Set-Up for the Implementation of the EEA Financial Mechanism in the Republic of Bulgaria - Annex A to the Memorandum of Understanding.

An amended version of the PIP was elaborated and submitted to FMO on 28 September 2009 introducing the additional funds and distribution among final recipients.

One consultancy contract was effective under the project for external assistance in daily obligations related to EEA FM management providing for a monthly salary of BGN 600 per month.

II. PUBLICITY AND INFORMATION MEASURES

1. PERFORMED ACTIVITIES

A seminar on the implementation of EEA Financial Mechanism and the Norwegian programmes was held on 28 May 2009 with the participation of more than 150 representatives of Project Promoters. Mrs. Jenya Dinkova, Representative of the Bulgarian NFP at the Ministry of Finance, made a presentation on the implementation of the EEA Financial Mechanism. Representatives of the Ministry of Finance of the Czech Republic shared their experience and achievements in EEA FM implementation. During the second part of the seminar, participants discussed practical issues of the implementation and monitoring of the projects.

On 15 October 2009 an international conference "Lessons Learned and Perspectives in the Environment Sector" took place in Warsaw with the participation of more than 100 representatives from all donor and beneficiary countries. The Bulgarian NFP took part together with representatives of other NFPs, ministries of environment, project promoters and consultants. The conference stressed on the necessity of implementing measures to

address climate change, energy efficiency, environment protection, biodiversity. Good practices on finished and implemented projects were shared. FMO gave practical advice on very important legal and financial issues related to the programme. The Bulgarian participant moderated the workshop *Green Innovation – Green Jobs*. The initiative was extremely useful, especially for Bulgaria as a new beneficiary of the programme.

2. WEB-SITE

Information was posted on the special web-site <http://www.eeagrants.bg/> that the Bulgarian Council of Ministers had entrusted the Structural Funds and International Educational Programmes Directorate in the Ministry of Education and Science with the functions of Implementing Agency under the European Economic Area Financial Mechanism.

The Amended Memorandum of Understanding on the Implementation of the European Economic Area Financial mechanism between the Republic of Bulgaria and the Republic of Iceland, the Principality of Liechtenstein and the Kingdom of Norway was duly posted on the web-site.

Information on the seminar on the implementation of EEA Financial Mechanism and the Norwegian programmes was duly published.

All news on the special web-site was published both in Bulgarian and English.

III. INDICATIVE IMPLEMENTATION PLAN FOR THE NEXT PERIOD

November 2009

- Finalization of Managerial set-up related to changes in the structure of NFP;
- CoM Decision designating a new National Focal Point;
- Elaboration of detailed Rules and Procedures for the financial flows and responsibilities among the structures involved in EEA FM management in Bulgaria;
- Exchange of letters;
- Implementation of projects;
- Semi-annual meeting.

December 2009

- Implementation of projects;
- Submission of PIRs.

January 2010

- Implementation of projects;
- Preparation of monitoring plan.

February 2010

- Implementation of projects;
- Monitoring on the spot.

March 2010

Implementation of projects;
Monitoring on the spot;
Submission of PIRs.

April 2010

Implementation of projects;
Monitoring on the spot;
Submission of PIRs.

