



**Republic of Bulgaria**

***Council of Ministers***

***Central Coordination Unit Directorate***

***National Focal Point***

**STRATEGIC REPORT  
ON THE IMPLEMENTATION OF  
THE EEA FINANCIAL MECHANISM AND THE NORWEGIAN FINANCIAL  
MECHANISM 2009-2014  
IN  
BULGARIA**

***January – December 2015***



## Glossary of acronyms

<b>AA</b>	Audit Authority
<b>CA</b>	Certifying Authority
<b>CoE</b>	Council of Europe
<b>CoM</b>	Council of Ministers
<b>DPP</b>	Donor Programme Partner
<b>DSs</b>	Donor states
<b>EEA FM</b>	European Economic Area Financial Mechanism
<b>FBRNL</b>	Fund for Bilateral Relations at National Level
<b>FMO</b>	Financial Mechanism Office
<b>FO</b>	Fund Operator
<b>MCS</b>	Management and Control System
<b>MoU</b>	Memorandum of Understanding
<b>MRDPW</b>	Ministry of Regional Development and Public Works
<b>NAMRB</b>	National Association of Municipalities in the Republic of Bulgaria
<b>NGO</b>	Non-governmental organization
<b>NFM</b>	Norwegian Financial Mechanism
<b>NFP</b>	National Focal Point
<b>PO</b>	Programme operator
<b>PDP</b>	Pre-defined project
<b>TA</b>	Technical Assistance
<b>WHO</b>	World Health Organization

## Annotated<sup>1</sup> Template for Strategic Report

### EEA and Norwegian Financial Mechanisms 2009-2014

#### 1 EXECUTIVE SUMMARY

In the framework of pursuit of its policy priorities and objectives at national and sectoral level, Bulgaria succeeded to achieve in 2015 serious progress in the implementation of the EEA and Norway Grants. The combined effect of the targeted efforts of its own responsible administration, the consistent support and assistance of the donor partners and the demonstrated ability to make full use of the opportunities provided by the decision of the donors to grant exceptional extension to programmes made this progress possible and a guarantee for the attainment of projects' and programmes' results.

The expression of the progress in concrete results could be summarised as follows:

- Completion of the grants awarding and contracting with signature of 339 grant contracts under 30 calls for proposals and small grant schemes;
- Evaluation, contracting and start of implementation of the last 6 predefined projects;
- 7 projects launched in 2013 under programmes BG 11 and BG 14 were approaching finalisation of activities, while another 18 projects implemented under BG 06 and BG 15 were sufficiently advanced so that reporting on indicators and outcomes has started;
- A possibility was ensured for part of the advanced projects to be extended with a view to build upon the scope of its results and disseminate good practices on a wider basis;
- Improved capacity for reporting of POs to the CA and FMO – excessive delays in financial reporting were overcome and by the end of 2015 preparation and submission of IFRs was getting on track for all programmes. This resulted, along with other factors, in a good level of absorption of funds – the disbursed amount is 75 707 360 Euro;
- Payments transferred in 2015 only to programs for which the National Fund Directorate is a Certifying Authority amount to 25 283 812 Euro;
- A better synchronisation and coordination with the internal units (financial, legal, etc.) within the POs administration was finally achieved as it proves to be vital for the performance of PO's tasks.

While the general understanding that the grants could not account for a substantial and distinctly measurable contribution to the overall economic and social development and to the trends in macro-economic indicators, their contribution to cohesion has gained recognisable importance and dimension. It is revealed through supporting reforms in the judiciary through enhancing the expertise and practical experience of magistrates and judges, promoting inclusion and more favourable and protective social environment to children and youth at risk and especially to disadvantaged Roma groups, assistance and reintegration of 50 victims of Trafficking in Human Beings, strengthened cooperation with Serbia in the field of combatting trafficking in cultural goods, promotion of environmental awareness and voluntary participation in activities of high public interest, a network of national statistic institutes established, best practices on territorial cooperation shared, 4875 legal consultations were provided for the twelve months of 2015 through the National Telephone Hotline for Legal Aid and the Regional Legal Aid Centres in Sliven and Vidin.

---

<sup>1</sup> Annotations, in green text, accompany the structure and description outlined in the Strategic Report template in Annex 3 to the Regulation.

A satisfactory progress in the development of bilateral relations was also achieved. That was more evident through implemented activities at national level. At programme level a considerable number of project partners were involved in areas where the donors possess high level expertise and know-how – energy efficiency and renewable energy, environmental protection, preventive policies, human rights (CoE), etc.

After almost 2-years period of political turbulences and changes of Government that coincided with an important period of establishing the grants, it could be observed that at the end of 2015 the institutional restructuring as well as setting up of programmes management and operational teams have been completed and the needed administrative and expert capacity is in place.

The main challenges ahead are related to:

- Sustaining and extending existing administrative and management capacity;
- Keeping under control the risk of further delays in projects implementation and pro-active role of POs and NFP in taking adequate and time bound decisions;
- Ability to react to unforeseen problems and obstacles that might arise in the implementation of projects;
- Ability to keep the high speed of mobilisation of POs achieved during the second half of 2015;
- Utilising the opportunities for exchange of experience between POs especially by transfer of experience from those that are at programmes final stage as well as from the FMO external monitoring consultants.

## 2 ASSESSMENT OF THE EFFECT OF THE GRANTS

### 2.1 Cohesion

**Sources:**

- NSI, Eurostat;
- EC Macroeconomic imbalances Country Report – Bulgaria 2015;
- EcoFin reports and analysis for 2015 (BULGARIA Gradual rebalancing amid moderate growth Forecast data from IMF (World Economic and Financial Surveys, Oct. 2015),

The development of Bulgarian economy in 2015 in general terms sustains its modest recovery trend. According to the most recent preliminary data issued by the National Statistics Institute (NSI) main indicators of economic and social development are expected to be as follows:

- Real GDP growth of 3% driven mainly by export and falling oil prices – there was a stable trend of change of the structure of Bulgarian export from raw materials to processed products;
- Inflation rate of -1,1%;
- Unemployment rate of 9.4% that corresponds to EU average. Further break-down of figures per gender and age show that unemployment rate for males is 10,1% (above EU average of 9,3% while for females it is 8,5% (below EU average that is 9,5%). The unemployment rate for young people (below 25 years) is 21,4% (slightly above EU average of 20,4%).;
- Positive Current account amounting to 1 064.4 mln. EUR (2.5% of GDP) with a balance projected at 1,9 % of GDP;
- Gross public debt represents 28,2% of GDP;
- Negative trade balance to the amount of 1 378 mln. EUR (3.2% from GDP);

- Export amounting to 18 677.9 mln. EUR representing an increase with 1 207.6 mln. EUR (6.9%) compared to the same period of 2014;
- Import amounting to 20 055.9 mln. EUR representing an increase with 372.6 mln. EUR (1.9%) compared to the same period of 2014;
- Foreign direct investment at the amount of 1 371.5 mln. EUR compared to 997.6 mln. EUR for the same period of 2014;
- With regard to industrial production processing industry shows an increase of 4.4% while a decrease of 5.9% in the production and distribution of electricity, heating energy and gas and of 9.3% in the extracting industry has been reported on annual basis;
- Regional disparities continue to be a problem – unemployment, decreasing of young population and level of public and private investments represent a persistent trend for still a great number of municipalities (*with not more than 5 municipalities to a different extent excluded from these negative trends*).

For 2015 GDP amounts to 44 162 MEUR, GDP per capita amounts to 6 136 EUR. The country's overall economic performance characterized with slow growth, deflation and still high unemployment has been influenced by global and specific limited growth prospects due to weak investment environment, shrinking Russian economy, slowdown of Chinese economy and high level of corporate and inter-corporate debts. Labour market has improved in 2015 as for the first time since 2010 the number of employed persons exceeded 3 mln. The unemployment rate falls below 10% for the first time since 2009. In spite of the slight improvement trend, there are still unsolved structural problems – high levels of long-term unemployment (61,3% of all unemployed persons), ineffective active employment policies, low productivity, considerable mismatch with the demands of skills and qualifications of the labour force. Another characteristic of Bulgarian economy that remains valid is: the lowest labour costs in the EU, the lowest productivity in the EU and unproportioned increase of labour costs exceeding the rise in productivity. In spite of all other facts that influence employment, labour productivity, competitiveness and labour cost/personal incomes, building professional skills and qualifications adequate to the needs of the economy and to the European standards remain a top priority (taking into account that Bulgaria ranks second in the EU for lack of correspondence of offer and demand of skills).

Economic performance in terms of growth of GDP (*information source – EcoFin*) ranks Bulgaria above EU average, eight countries show higher growth indicators, 4 of them from the group of new member states. However, account should be taken of the fact that the low values of background indicators for Bulgaria as the country still ranks last in GDP per capita among EU member states.

With regard to unemployment rate only Slovakia, Cyprus and Croatia from the new MS has worse indicators than Bulgaria. Taking into account that within the EU private consumption is the main driver of growth (and is expected to remain such during 2016) it should be noted that Bulgarian economy faces a strong challenge to overcome the negative trend of the weakest growth in private consumption among new MS. Moreover, the continued uncertainty caused by internal as well as external factors is most likely to force companies to focus on increasing their productivity and efficiency rather than creation of new job places.

At the same time it should be noted that forecasts for GDP growth in 2015, made by different institutions (EC, IMF, World Bank, Bulgarian Government) started from 0,8% at the beginning of 2015 and were revised up to the above mentioned value that shows that Bulgaria has made efforts to utilize as much as possible the driving factors of the environment. Employment rate, although still high, has been reduced from 11,4% in 2014, but despite the obvious recovery as a whole, some districts have not

taken part in this process and retain critically low employment rates – below 40%. All of them are located in the northern part of Bulgaria

Factors that have promoted the obvious although slow growth, encompass stabilised consumption of private sector, export, low interest rates, dropping oil prices, state investments through EU funds. It is expected that there will be a slowdown of EU absorption rate in the transition period from the 2007 – 2013 to 2014 – 2020 programming periods implementation. The successful utilisation of other financial sources, incl. EEA and Norway grants would allow to partially compensate for this effect.

The main internal obstacles to growth that remain valid, apart from global factors of the environment, are high unemployment, especially long-term, skills mismatches, high levels of corporate debt. According to a survey held in December 2015, 18.3% of industrial companies suffer from shortage of workforce that reveals a potential for decrease of unemployment but at the same time is an indicator of the deficiencies of active labour market policies. The inadequate capital liquidity remains key obstacle to growth.

On sector specific level attention could be drawn to the following areas relevant also to the support received from the grants.

Public health – Bulgarian public health system continues to face important challenges deteriorated health status of population, low funding opportunities and ineffective utilisation of resources. Bulgaria still has the lowest costs for public health per capita in the EU with a high share (46%) of private expenditures in the structure of the total public health expenditures, underfunding of hospitals.

Energy efficiency and renewable energy measures continue to be of very great concern to Bulgarian municipalities and to public (state and municipal) buildings. The prevailing part of public buildings (kinder gardens, schools, hospitals, social service buildings etc.) have old, worn-out and extremely ineffective heating systems. The result is serious financial burden, uncomfortable environment and high level of emissions.

Another area that faces continued challenges is inclusive education at early childhood age and inclusive school education for disadvantaged children, especially Roma. The percentage of children at the age of 3 to 6 years that have been enrolled in kinder gardens grew from 73% in 2007 to 84% in 2014, but participation in pre-school education is still below EU average and continues to be considerably low for socially disadvantaged groups of the population.

The background against which the aggregated effects of the grants could be assessed encompasses the following considerations:

- National and sectoral priorities in the course of 2015 have not been changed, thus continued relevance of the support under the grants is secured;
- The overview of the economic development situation and main trends does not imply possibilities for increased budgetary (both national and municipal budgets) funding of the existing urgent demands in socially very sensitive fields that suffer from chronic underfinancing such as public health, targeted and coordinated support to groups most vulnerable to risks, such as children and youth. energy efficiency, cultural heritage;
- The support provided to the home affairs sector gains even greater importance in view of the challenges that Bulgaria faces with the regional crisis related to raised pressure from refugees' and migrants' flows and potential consequences of the related overall complicated international environment

- The actions implemented in the field of judicial capacity building and cooperation have been well targeted to contribute to a reform process that is in the focus of expectations of Bulgarian civil society, of the EC and other partner/donor states. The results and outputs of this support will directly feed into the national judiciary reform efforts;
- Concerning horizontal concerns and especially Roma inclusion and given the fact that progress in the area is slow and inefficient, the implemented initiatives under the grants prove to be timely as well as very adequate response to the main challenges (promoting the participation of Roma children in inclusive early childhood and school education, as well as inclusive participation acquisition of new skills, culture and sports activities, outreach activities directed towards Roma children and youth, elimination of discrimination attitudes at national and local level, development of preventive policies and models against trafficking of human beings, drugs, etc.).

To summarise, the aggregated effect of the grants (on reducing economic and social disparities) in the reporting period was most evident and recognisable since the start of the implementation of the programmes. This is due, on the one side, to the already achieved real and tangible results under the most advanced programmes. Under these programmes project beneficiaries as well as target groups are entering the stage of direct utilisation of the outputs delivered and of the opportunities for their integration into sector policies and sustainable models that could be further multiplied (in the areas of children and youth at risk, increased quality of the judiciary, institutional capacity building, etc.)

On the other side, the effect of the grants got an added value in the context of economic and social environment characterized by clearly identified problematic areas and risks that require substantial public financial resources and commitment of stakeholders, transfer of experience and cooperation efforts at national and European level. The measures supported under the different programmes correspond to the necessity to strengthen and complement those policy areas that directly contribute to a comprehensive addressing of the above pointed problems.

Furthermore, it is important to underline that, following the results of the calls for proposals held in 2015, the effect of the grants proved to be significant with regard to supported municipalities most of which suffer from underfinancing of key policies and activities. According to statistics almost half of the Bulgarian municipalities concluded 2015 with budget deficits (to a great extent result of EU funded projects that require own co-financing – at the end of the extensive utilization of funds from the 2007 – 2013 programming period this represents a serious burden on municipalities' budgets). This deprives the municipalities from possibilities to fund measures and actions that fall outside the scope of EU funding, but that represent an essential component of municipalities' policies and responsibilities – energy efficiency measures, actions targeting disadvantaged groups of population, etc.). In this regard the implementation of the EEA and Norway grants in 2015 provided timely and valuable support of such priority activities and also made possible the identification of future needs for complementarity and sustainability of results.

## 2.2 Bilateral relations

### ***Fund for Bilateral Relations at National Level (FBRNL)***

The interest towards the announced Calls was greater than expected. Fourteen projects in total have been submitted within the deadline set. Ten projects in total have been awarded grants based on

external assessment, nine of which in the reporting period – 7 under priority 1 “Knowledge exchange in combating drugs and organized crime, children and youth at risk” (at the total amount of 204 131 Euro) and 3 under priority 2 “Promotion of European values and in particular history teaching in multicultural society” (at the total amount of 85 094 Euro). Implementation of all projects has started and technical and financial reports were submitted by project promoters. The list of approved projects is attached as *Annex 9* to the report. Summaries of all projects supported under both priorities have been uploaded on NFP’s website <http://www.eeagrants.bg/en/2009-2014/projects>.

Due to shortage of funds under both priorities and the desire of the NFP to support as many projects of high quality as possible correspondence between NFP and FMO followed aiming to reallocate funds between budget headings of FBRNL. Revised budget of the FBRNL has been submitted to and approved by the FMO.

The implementation of project activities already produced outputs and results on the basis of which good and effective practices could be developed and experience shared. The main accomplishments under the projects include:

- More than 20 partnership meetings realized through study trips or participation in working events ;
- Prepared a Guidebook on Students’ integration and adaptation during international mobilities;
- Upgrading professional experience of teachers in pedagogical and methodological expertise for organization of the learning process in a multicultural environment, fostering cooperation between Bulgarian and Norwegian teachers ;
- Conduct of a study among school children on their attitudes towards drugs abuse and prevention;
- Exchange of best practices with regard to restorative justice and alternative dispute resolution;
- Analysis and comparison of existing practices in Bulgaria and Norway on THB prevention with a focus on labour exploitation of youth at risk;
- Prepared a background document “Drug users in prisons: the Norwegian experience” with information on policies on drug use, sanctions for drug offenders, measures and services for imprisoned drug users.

All the above will feed into the wider scope of activities and expected final results of the projects.

### ***Predefined initiatives in the area of Nuclear Energy Decommissioning (Priority 3)***

Priority 3 was intended as a pre-defined initiative in the field of nuclear decommissioning to be jointly realized between the Bulgarian Nuclear Regulatory Agency and the Norwegian Radiation Protection Authority. Project promoter withdrew the submitted project application and the priority area was cancelled. NFP will use the funds available for other bilateral initiatives.

### ***Unallocated Fund for support of predefined activities that promote research partnerships, encourage regional activities on topics of bilateral importance and strengthen cooperation with intergovernmental organizations***

Project entitled “Cultural heritage counts. Bulgarian-Norwegian cooperation to address common challenges and opportunities in preserving and revitalizing cultural heritage” has been submitted by the Royal Norwegian Embassy in Sofia. Partner institutions are the Norwegian Institute for Cultural Heritage Research, UNESCO, the Embassy of Cyprus to Bulgaria, Ministry of Culture and Ministry of Interior. Project budget is to the amount of 15 770 EUR. Project activities include two conferences held on 16-17 September 2015 in Sofia, i.e.: Conference “Fighting the looting of Syria’s cultural heritage” and



Conference “Cultural heritage for economic and social development in Bulgaria. The abovementioned project was approved by the FMO.

A project proposal entitled “Strengthening the Capacity of the Bulgarian Ombudsman for Independent Child Rights Monitoring and Child Rights Promotion” has been submitted by UNICEF CO Bulgaria. Project partners are the Bulgarian Ombudsman, the Norwegian Ombudsman for Children, the UNICEF National Committee Norway. The project aims to enhance the capacity of the Bulgarian Ombudsman to independently monitor, protect and promote the rights and interests of children in Bulgaria through the exchange of experience with the Norwegian Ombudsman for Children. Project implementation is planned for 12 months and the grant requested is to the amount of 66 000 euro. Project is under implementation.

***Travel Support for participation in seminars, workshops, etc., within all programme areas under the EEA FM and NFM 2009-2014***

During the reporting period one initiative was supported under the Travel Support Scheme – participation of a Bulgarian representative in the ProGEO Symposium “Geoconservation Strategies in a changing world” held in Reykjavik, Iceland. The Bulgarian representative has presented a paper at the Symposium and has participated in the General Assembly during the Symposium.

***State of play of Bilateral funds at programme level***

The number of projects (contracted in the reporting period) with donor country partners is as follows:

- 4 (out of 12) under BG 02; 10 (out of 26) under BG 03; 25 (out of 52) under BG 04; 5 projects (out of 137) under BG 05; 8 projects (out of 33) under BG 08; 5 projects (out of 28) under BG 07.

In 2015, bilateral relations were promoted on both programme and project levels. On programme level funding was used for the purposes of the meetings of the Selection Committees, Steering Committees and Cooperation Committees.

On programme level, bilateral funding was also used to inform on the programmes’ activities outside Bulgaria, in the framework of conferences and workshops such as: Conference on combatting cross-border and organized crime (BG 13), Workshop focusing on the role of NGOs in assisting refugees and migrants (BG 05), Conference on ecosystems mapping and assessment of ecosystem services (BG 03), International Forum and Exhibition for South East Europe (BG 10) – the biggest annual event within energy, innovation, technology, smart cities etc.

In June 2015 there was a big international, educational and promotional event, organized by the CoE in Strasbourg. The participation of Bulgarian Roma mediators, youth workers and kindergarten teachers was supported by the bilateral fund at programme level (BG 06).

The PO of BG 08 envisages to use bilateral funds for organizing an exhibition dedicated to the “Thracian cultural heritage and art” in 2017 in order to promote the Bulgarian history and cultural heritage in Norway.

Encouraging bilateral cooperation between the Academy of the Ministry of Interior and the Norwegian Police College through conducting of a national risk assessment on money laundering exercise with the support of the Council of Europe (BG 13) is a step ahead to the improvement of the cooperation between the Member States of the Schengen area in the fight against cross-border and organized crime as well as with the Council of Europe.

On project level, some of the POs, for example BG 02 and BG 03 decided to award additional points during the selection process to projects with bilateral relations impact. This approach turned out to be very successful.

In some cases the bilateral fund initiatives complement the results achieved under the projects – pre-defined projects under BG 14 in the following areas: exchange of good practices in the field of university education on ECHR, execution of judgements on the ECHR and handling of Roma and social issues; piloting HELP distance learning course on anti-discrimination; type (b) bilateral funding made available for projects to enhance their bilateral activities under the revised Bilateral cooperation support guide of programmes BG02 and BG03 (with one activity and two applications for 2016 received by the end of 2015).

One of the most important effects of bilateral funds goes beyond the benefits of fostered cooperation with donor entities which leads to improved knowledge, mutual understanding and shared results through networking, exchange of experience and best practices. Bilateral activities contribute to the capacity building of the POs, PPs and DPPs for programme/project management and implementation.

The main challenge related to bilateral relations is how to find a donor partner. On one hand this is related to the very big demand on the side of beneficiary states' institutions and the insufficient capacity of donor states' partner organisations to respond to that demand. On the other hand there is also an identified need to channel the partner search and matchmaking. An option for the new programming period could be to have a database of potential donor partner organisations.

Revised Work Plan was discussed and approved by the donors at the Annual meeting. The revision had the purpose to reflect the proposals for amended priority areas of support and the reallocation of funds between priority areas as a result of decisions of the selection committee under the grant schemes, savings realised or cancellation of predefined initiatives. The revised work plan is attached in annex.

## **2.3 Roma concerns**

In October 2015 the NFP has developed an update of the Working Paper on the 10% target. The update was attached to the update of the Strategic Report sent prior to the Annual Meeting in November and included detailed information for each programme that contributes to the priority. The update of the paper concludes that the 10% target will be overachieved and during the Annual Meeting it was discussed that we should move from achieving targets to optimising results. In this regard the NFP is discussing the future steps under the priority identified projects in terms of visibility and sustainability. More details are provided under the separate programmes, where relevant.

## **3 REPORTING ON PROGRAMMES**

### **3.1 Overview of Programme status**

The most important developments that took place in the reporting period encompassed:

- Finalisation of calls for proposals and grant awarding process under all programmes;
- Intensive contracting and launch of implementation of projects;
- Verification of results and indicators achieved under the most advanced pre-defined projects and projects, launched under the earliest calls for proposals;
- Management of the request for extension process at the level of the NFP and at programme level;
- Compliance assessment and submission of the outstanding descriptions of Management and Control systems.

The most important/crucial challenges for the implementation of the grants were related to the preparation, conduct and successful completion of calls for proposals and grants awarding procedures.

The decision of the donors to provide exceptional extension of projects contributed largely to the acceleration of the selection and contracting procedures. This resulted in requesting extension for a total of 199 grant award contracts at the total amount of 81 243 893 Euro. There are no on-going procedures or non-contracted pre-defined projects under all programmes.

Following the confirmation by the FMO of the approved extensions the NFP requested POs to provide updated time schedules for programmes' implementation and updated plans for bilateral cooperation at programme level. The information was used by the NFP for analysis of the main bottlenecks in implementation and for planning future monitoring strategy. Monthly monitoring meetings will be held by the NFP until the end of the projects' eligibility period.

Financial progress in the reporting period showed a stable increase of the commitment and disbursement of funds, except for few difficulties encountered in processing of payments and reporting mainly due to institutional and administrative restructuring.

Development of bilateral relations was less in the focus of programme operators since their efforts were mainly on the launch of all programmes' measures and projects.

- a) progress in establishing agreed Programmes, including calls undertaken;

In the reporting period progress could be reviewed in:

- launch and/or implementation of calls for proposals - Launched in the course of 2015 were overall 6 calls for proposals under 3 programmes (four calls under BG07, one call under BG04 and one call under BG09). Calls have been completed and contracted in the reporting period. Submitted were overall 1985 projects. Contracted were 242 projects.
- Predefined projects – out of 28 the last 6 predefined projects under the programmes have been assessed and contracted during the reporting period.

Status and results of the calls undertaken:

Programme	Number of open calls launched /completed during the reporting period	Submitted project applications	Contracts signed	Committed funds
BG01	No calls were launched in 2015/ 2 calls, launched in October 2013, were completed	14	9	260055,74
BG02	No calls were launched in 2015/ 3 calls, launched in 2014, were completed.	13	11	6 917 215
BG03	No calls were launched in 2015/ 4 calls, launched in 2014, were completed.	31	24	4 322 482
BG04	1 call (SGS) launched in 2015/2 of the calls were launched in 2014, were completed	103 under calls 1 and 2 and 21 under the SGS	52	12 619 707,54
BG05	No calls were launched in 2015/ 1 call, launched in 2014, was completed.	649	137	2 675 688,08

BG06	<i>As a result of an approved modification of BG06 additional funds were transferred to Component 2. No specific call has been announced.</i>	-	1	231 916
BG07	4 calls were launched in 2015 and completed.	98	25	5 575 729
BG08	No calls were launched in 2015/ 4 calls, launched in 2013, were completed.	372	32	12317425,74
BG09	1 call was launched in 2015/ 3 calls, launched in 2014, were completed.	85	65	709 072,56
BG10	No calls were launched in 2015/ 1 call, launched in 2014, was completed.	36	10	2 700 000
BG11	The programme consists of pre-defined projects			
BG12	No calls were launched in 2015/ 5 calls, launched in 2014, were completed.	56	18	1 831 955
BG13	No calls were launched in 2015/ 1 call, launched in 2014, was completed.	1	1	144 682
BG14	The programme consists of pre-defined projects			
BG15	No calls were launched in 2015/ 1 call, launched in 2014, was completed.	27	19	1 170 012,6

*\* the data in the table above includes figures of calls launched, projects submitted and contracts signed (incl. for calls launched in 2013 and 2014) in 2015, with no direct correspondence between calls, submitted projects and signed contracts*

b) commitments and disbursements made by the Programme; and

***The status of the financial implementation of the Programmes in the reporting period 1<sup>st</sup> January-31<sup>st</sup> December 2015 is presented in the following table:***

<i>Programmes</i>	<i>Budget (incl. nat. co- financing )</i>	<i>Committed funds</i>	<i>Committed funds during the reporting period (January- December 2015)</i>	<i>Incurred during the reporting period (January- December 2015)</i>		<i>Incurred to date</i>	<i>Payments during the reporting period (January- December 2015)</i>		<i>Payments to date</i>
				<i>Projects (BF for BG 01)</i>	<i>Programme management, Bilateral Fund, Complementa ry Action (TA for BG 01)</i>		<i>Projects (BF for BG 01)</i>	<i>Programme management, Bilateral Fund, Complementa ry Action (TA for BG 01)</i>	
<b>BG 01</b>	2 036 600	2 036 600	N/A	58 064	67 394	477 225	195 000	61 566	1 169 298
<b>BG 02</b>	9 411 765	8 116 633	8 116 633	2 490 992	200 004	2 816 888	3 421 717	0	7 086 057
<b>BG 03</b>	9 411 765	6 127 336	6 127 336	1 660 750	103 786	2 011 522	4 173 215	72 500	6 550 439
<b>BG 04</b>	15 600 288	13 469 274	12 619 707	2 102 239	287 013	2 655 375	11 318 692	483 111	13 181 276
<b>BG 05*</b>	11 790 000	11 464 653	3 121 511	N/A	427 574	N/A	4 665 423	427 574	N/A
<b>BG 06</b>	10 153 074	8 807 237	591 156	3 541 408	444 298	7 248 461	2 583 000	400 000	8 877 838
<b>BG 07</b>	15 782 353	15 536 351	12 668 529	1 137 969	15 429	1 518 596	1 634 427	0	5 683 500
<b>BG 08</b>	16 470 588	14 805 982	14 805 982	3 333 197	152 362	3 485 559	7 908 326	210 850	13 313 578
<b>BG 09</b>	1 764 706	829 357	709 073	724 712	41 036	923 832	109 360	50 000	1 476 766
<b>BG 10*</b>	13 699 000	11 460 767	2 700 000	3 245 844	287 384	3 533 228	3 245 844	287 384	3 533 228
<b>BG 11</b>	2 371 765	2 371 724	0	324 671	6 869	1 389 280	403 148	26 000	2 338 777
<b>BG 12</b>	2 352 941	2 099 300	1 831 995	435 704	1 197	454 089	328 000	0	863 353
<b>BG 13</b>	7 058 823	6 261 352	144 683	1 578 790	4 901	1 895 955	519 400	0	5 307 572
<b>BG 14</b>	3 636 471	3 617 213	37 213	886 934	52 476	2 856 084	205 969	10 795	3 615 186
<b>BG 15</b>	10 122 824	9 988 590	1 239 662	4 827 949	148 428	5 644 635	1 873 700	155 553	8 286 379
<b>TOTAL</b>	<b>131 662 963</b>	<b>116 992 369</b>	<b>64 713 480</b>	<b>26 349 223</b>	<b>2 240 151</b>	<b>36 910 729</b>	<b>42 585 221</b>	<b>2 185 333</b>	<b>81 283 247</b>

*Source: Doris*

*\* Financial figures were provided by the POs.*

### 3.2 Individual Programme summaries

#### **BG 01 Technical Assistance and Fund for Bilateral Relations at national level**

**Budget of the project:** 2 036 600 EUR (incl. 1 899 000 Euro TA and 633 000 Euro under the Fund for Bilateral relations)

The project continued to be the main source of funding of activities and events in support of operational and financial management of the grants, transfer of experience, participation in events organised by the FMO, information and publicity activities and capacity building at the level of the national authorities responsible for management and implementation of the grants.

Details on the initiatives supported under the bilateral fund at national level are provided under p.2.2 above.

#### **BG 02 Integrated Marine and Inland Water Management**

**Budget of the programme:** 9 411 765 mln. EUR (incl. grant amount and national co-financing)

**Programme Operator:** Ministry of Environment and Water (MoEW)

Donor Programme Partner: Norwegian Environment Agency (NEA)

The following main developments took place in the reporting period:

- Evaluation, ranking and selection of the submitted project applications was organised by the PO;
- As a result 11 project proposals (out of 13) were approved and grant contracts signed between March and June 2015. Two selected project proposals remained on the reserve list;
- The pre-defined project Updating the Geo-Information System for Water Management and Reporting was assessed and contracted;
- Implementation of projects started, most of the small public procurement procedures were held, the tender documentation for the large procedures was submitted for ex-ante control or was under preparation.

Activities common to both BG 02 and BG 03 are listed below.

#### **BG 03 Biodiversity and Eco-system Services**

**Budget of the programme:** 9 411 765 mln. EUR (incl. grant amount and national co-financing);

**Programme Operator:** Ministry of Environment and Water (MoEW)

Donor Programme Partner: Norwegian Environment Agency (NEA)

The following main developments took place in the reporting period:

- Evaluation, ranking and selection of the submitted project applications was organised by the PO;
- a total of 26 projects were contracted under the open calls - under BG03.01, BG03.03 and BG03.SGS in July, 2015, and open call under BG03.02 – by 03.09.2015. One project was on the reserve list, three of the selected projects were not contracted as the promoters did not sign the project contracts;
- As a result 24 project proposals (out of 30) were approved and grant contracts signed under the open calls - under BG03.01, BG03.03 and BG03.SGS in July, 2015, and open call under BG03.02 – by 03.09.2015-
- The two pre-defined projects were assessed and contracted - PDP1 Improving the Bulgarian Biodiversity Information System was contracted on July 20, and PDP2 Methodological Support for Ecosystem Services Mapping and Biophysical Valuation – on September 01, 2015 (by Minister order PД-611/01.09.2015);

- Implementation of all project started, most of the small public procurement procedures were held, the tender documentation for the large procedures was submitted for ex-ante control and announcement of tender started;
- Considering the savings realised under the calls and taking into account the urgent priority need of the Ministry of Environment and Waters to fulfil obligations with regard to elaboration of a Climate Change Strategy the PO submitted a request for modification of the programme – inclusion of a new predefined project (Development of a national climate change strategy and action plan) was proposed. The request was submitted to the FMO and preliminary discussions with the FMO team were held. Formal feedback is expected in order for the PO to take a decision on the use of substantial amount of savings.

Common to both programmes BG 02 and BG 03 were the following activities carried out:

- The English translation of the common Management and Control System was submitted to FMO thereby fulfilling the requirements of art. 4.8 of the Regulation;
- The PO submitted requests for extension of all projects under BG 02 and BG 03 and initiated in consultation with project promoters analysis of the need of extension of each individual project;
- Requests for modification of both programmes were submitted with the purpose to ensure better financial conditions for project promoters (by decreasing the percentage of final payment due), to reallocate funds between programme components/calls, eligibility of costs for equipment for the partners as well as to adjust other technical details.

Both programmes involve a high number of Bulgarian, donor and other foreign partner institutions and require extremely well-functioning coordination mechanism. Interaction is also necessary for a number of activities and outputs with institutions and bodies that are not part of the programme. Accessibility of data is of crucial importance as gathering and analysing data is a background element of a number of projects. This together with dependency on seasons and all other more common risks require a very comprehensive and pro-active role of the PO team but also a strong support from top management of the MOEW. The most important result of bilateral cooperation between the PO and NEA in the period was the number of donor partnership project applications submitted and approved (11 in total) that guarantee exchange of experience and transfer of good practices in areas of very high competence of the donor partners. Cooperation Committee meetings and Selection Committee meetings in which the DPP is represented as observer were used to jointly identify potential topics for bilateral initiatives that were not covered by project activities.

The main risks for the programmes at the current stage include:

- Delays of the different phases of the public procurement process that may lead to either insufficient time for or failure of implementation of important project activities;
- Low absorption rate for programme BG 03 – in case of failure of PO to take adequate decision on the allocation of a substantial amount of savings;
- Disturbances in the financial flow (due to delays in the reporting and verification process) that may result in lack of operational financing for project promoters;
- Insufficient administrative and expert capacity at the level of PO and promoters.

#### **BG 04 Energy Efficiency and Renewable Energy**

**Budget of the programme:** 15 600 288 EUR (incl. grant amount and national co-financing)

**Programme Operator:** Ministry of Energy

**Donor Programme Partner:** The Norwegian Water Resources and Energy Directorate.

The following main developments took place in the reporting period:

- Evaluation, ranking and selection of the submitted project applications under the call for proposals and the small grant schemes was organised by the PO – out of the submitted 85 project proposals under call 04.02 approved for funding were 34 and out of the submitted 39 project applications under the SGS (21 under call 04.04 and 18 under call 04.03), approved and contracted were 9 projects under call 04.04 and 9 projects under call 04.03;
- After several rounds of consultations between the PO and the State Aid Department at the Ministry of Finance and as no acceptable solution could be found for the state aid regime applicable to *component 1* Utilisation of the hydroenergy potential, a decision was taken for cancellation of the component and reallocation of its budget to component 2;
- A request for programme modification (cancellation of component 1 and reallocation of a total amount of 2 552 942 Euro, *incl.* 200 000 Euro from programme management costs and 2 352 942 Euro to call BG 04.02 Promotion of Energy efficiency and renewable energy measures in municipal and state buildings and local district heating. Formal processing of the approved request on DoRIS is pending;
- Implementation of all project started, as most advanced by the end of 2015 were the projects under component 3 Production of fuels on biomass (some promoters have succeeded to conduct procurement). Elaboration of draft tender documentation has started for most of the component 2 projects;
- The PO analysed the risk of non-completion of projects until 30 April 2016 based on the implementation and procurement schedules and the type of activities and requested extension of the pre-defined project and of the projects approved under calls BG 04.02 and BG 04.03. The extension was approved by the FMO;
- Elaboration of description of the management and control system (as per art.art.4.8) – the positive compliance assessment was issued by the Audit Authority on 8 July 2015 and the description of the MCS (in Bulgarian and in English) was submitted to the FMO.
- Implementation of the activities under the pre-defined project – the activities carried out in the period supported the successful start of the energy exchange planned for the beginning of 2016. However, due to the late start of the project the plan of activities would need to be carefully reviewed and if necessary revised by then project partners in order to utilize the available financial and expert resources in a most efficient way;
- The serious delays with submission of IFRs lead to ineligibility of funds claimed under the IFR#1 and puts at risk the funds claimed under IFR#2 and IFR#3. This delay was due to the very extensive restructuring process of dividing the former Ministry of Economy, Energy and Tourism into three separate ministries. By the end of 2015 the PO succeeded to compensate the significant delay in submission of IFRs and related reimbursement of costs.

Changes to the structure and management of the PO continued in the reporting period. After the completion of the separation of Ministry of Economy, Energy and Tourism into three institutions and formal transfer of the responsibilities of PO for programme BG 04 to the Ministry of Energy a new internal structure of ME was established. There was no clear designation of a particular unit in charge of tasks of PO, but rather a team of experts from different units was established. This created to a certain extent lack of ownership and clear management commitment.

A change of the Head of PO that took place in late November 2015 had laid the basis for a more stringent organisation and distribution of tasks and responsibilities, as well as for a recognisable and better coordinated PO team.

The main risks at the current stage are related to delays in the public procurement procedures and insufficient time for projects' implementation.



## **BG 05 – Funds for Non-Governmental Organizations Programme**

***Budget of the programme:*** 11 790 000 EUR (grant only)

***Programme Operator:*** Open Society Foundation

***Programme Partner:*** Workshop for Civic Initiatives Foundation

In the period under review the Fund Operator (FO) conducted the quality check, ranking and contracting of the project proposals submitted under the Third Open Call (September 18 – November 18, 2014). As a result a total of 138 contracts were signed aiming to contribute to the achievement of the two overall objectives of the EEA Grants NGO Programme: reducing economic and social disparities and strengthening bilateral relations with the donor countries. A large number of the contracted projects were focused on minority rights and integration, the Roma related projects being a quarter of all the contracts under the Programme during the reported period. More than half of the projects in 2015 envisaged child- and youth-driven activities. A total of 6 capacity building seminars were organized in the following Bulgarian cities: Vratsa, Plovdiv, Veliko Tarnovo, Varna, Burgas, and Sofia. On May 14, 2015 the FO organized the Third Annual Meeting for Sharing Good Practice on Partnership Development of the EEA NGO Programme in Bulgaria. The meeting was dedicated to democracy and civic participation and the role of NGOs. It was attended by representatives of NGOs from Bulgaria, Iceland, Norway, Romania, Poland, Slovenia and Latvia<sup>2</sup>.

The results from the Third Call can be reported as satisfactory taking into consideration the maintained and even increasing interest in the Programme, which is still one of the most significant sources for funding of the Bulgarian NGO sector. Supported projects within the First Call and the Second Call for proposals (a total of 316), on the other hand, continued contributing to the achievement of the indicators on Programme level.

At the end of 2015 about 30% of the concluded contracts (130 out of 454) under the Programme were completed. That allowed the FO to make preliminary (intermediate) evaluation, which is not exhaustive, of the Programme outcomes and outputs. Although reliable progress assessment for some indicators will be available only upon completion of all the projects, the FO has grounds to believe that most of the outcomes and the outputs of the Programme will be achieved.

In the period under review the FO put emphasis on 2 topics that were in the headlines in Bulgaria and Europe: the refugee crisis and Roma inclusion. Adding up its expertise in work with those vulnerable groups to the practice of the project promoters, the FO organized two bilateral workshops for experience sharing and knowledge transfer.

### **Bilateral fund activities:**

Out of the 138 signed grant contracts within the Third Call, five projects have Norwegian partners; three organisations have received additional funding to implement projects in partnership with entities from the donor states (measure B). In addition, in 2015 the FO supported 6 projects for the total amount of 15 836 Euro under the ongoing funding opportunity for partner initiatives promoting cooperation with the donor countries - Iceland, Liechtenstein and Norway (measure C).

On May 15, 2015 the FO conducted the third Bilateral Workshop focusing on the role of NGOs in assisting refugees and migrants. Represented were organisations from Bulgaria, Norway and Iceland.

---

<sup>2</sup> More information about the meeting is available on the Programme's website - <http://ngogrants.bg/public/portfolios/newsItem.cfm?id=218&setLanguage=en>.

In 2015 various initiatives investigated the Norwegian experience in the field of social services, the situation of vulnerable groups and access of disabled people to the labour market aiming to transfer some good practices to the Bulgarian reality.

#### **Roma measures status:**

Under the Third Open Call for proposals, altogether 35 projects targeting Roma were approved for the amount of 513 247 euro which represents 19.16 % of the total contracted amount. In March 2015 Project Promoters of the Programme took part in the annual seminar “Empowerment of Roma Women” organized by the Norwegian Embassy in celebration of the International Women’s Day 8th of March. In October 2015 the FO organized [International Workshop on Roma Integration](#) in Oslo, during which about 60 participants focused their discussions on the state of the Roma minority in Bulgaria, Romania and Norway, the difficulties and best examples in solving problems related to education, employment, housing, and development of the Roma community as a whole in these countries.

#### **Publicity measures:**

In the period under review the FO organized the Third Annual Meeting for Sharing Good Practice on Partnership Development which was well attended and covered in the media. Simultaneously the FO regularly updated the website of the EEA NGO Programme – [www.ngogrants.bg](http://www.ngogrants.bg). Information about all contracted projects, including summaries is available in section “Results” of the site. The Programme has also a Facebook page [www.facebook.com/ngogrants.bg](https://www.facebook.com/ngogrants.bg) which is being daily updated and has more than 1 700 followers.

Examples of projects under the Programme, which have achieved large outreach in the media:

- *Together for Sustainable Development of the Danube Islands* (BG05/1207; BG05-0259) was widely covered not only by the regional but also by the national media. It was also granted the award *Volunteer Initiative for 2015* (<http://www.tulipfoundation.net/en/news/v-voluntary-initiative-2015-452/#sthash.f099XqWN.dpbs>).
- *Do not Disable the Rules - Public Integrity Campaign* (BG05/735) received the Road Safety Annual Award in the NGO category for 2015. The bilateral project *Green Murals* (BG05/1842; BG05-0419) also attracted serious media attention and the initiative was broadcasted by the main national TV channels. It gained big popularity being advertised on the national radio, TV and even the public transport in the capital city of Sofia.
- *The UnBulgarians* (BG05/937; BG05-0137) was selected by the Bulgarian Ministry of Foreign Affairs to be presented in Strasbourg in November 2015 as part of the Bulgarian presidency of the Committee of Ministers of the Council of Europe.

#### **Monitoring**

In January 2015 the FO participated in a Roma study conducted by the company Pitija (Slovenia) selected by the FMO in order to improve the ways it measures change in Roma inclusion under the EEA and Norway Grants. The Annual review meeting with the FMO took place in the beginning of June 2015 and the minutes were approved. The FO was also a subject to an external monitoring initiated by FMO, on behalf of the Consortium led by BalCon Consulting Ltd.

#### **Risk assessment, including in terms of delays in Programme implementation and risk mitigation measures planned:**

Operational risks have been continuously monitored and mitigated. The FO managed to strictly follow the timetable and all of the approved projects were contracted on time.

Regarding the identified risk of achieving the target for successful bilateral projects, the performance in this area continued to improve notably in 2015. As of December 2015 the bilateral targets, to which the risks were attached, were achieved. Therefore the latter do not exist anymore.

#### **Needs for adjustment**

One modification of PiA was requested in 2015 in relation to extension of eligibility for applicants under the on-going funding opportunity within the bilateral fund of the Programme (in reference with the amendment in the Regulations on the implementation of the European Economic Area (EEA) Financial Mechanism 2009-2014). It allowed for the eligibility to cover all the Bulgarian NGOs eligible to apply under the Programme no matter whether they are project promoters or not, entities in the donor states and international organisations.

#### **BG06 Children and Youth at risk**

*Budget of the programme:* 10 153 074 EUR (incl. grant amount and national co-financing)

*Programme Operator:* Ministry of Education and Science

*Donor Programme Partner:* Council of Europe

The programme consists of four components: Components 1 and 2 are implemented as grant schemes while Component 3 and Component 4 are pre-defined projects.

The BG06 programme is at a very advanced stage of implementation. Most of the projects are under implementation since 2014, except Component 4 "Educational inclusion, health and social development" and project "Let's express ourselves" of the Sofia Municipality under Component 2 which were contracted in 2015. Moreover, in order to secure an effective and efficient utilisation of funds and upgrading the results already achieved (within the frame of the current budget of projects) the PO requested extension for all projects.

The main achievements, during the reporting period, concerning the fulfilment of the outputs of the Programme, are:

- Opening of the two Youth Centers - in Stara Zagora and in Plovdiv. The launch of the youth centers in Dobrich and Vratza is planned for the beginning of 2016;
- The second round of trainings under PDP 1 – Component 3: "Capacity building" were held respectively in April and May for kindergarten educational personnel, in May for Roma mediators and in September for Youth workers.
- The Project promoters under Component 2 have already completed different activities for creation of suitable conditions (such as reconstruction and renovation of the kindergartens) and implementation of initiatives for social inclusion, healthy lifestyle and prevention of deviant behaviour.
- Reconstruction activities under PDP 2 – Component 4: "Educational inclusion, health and social development" were completed within the reporting period. The contract for delivery of equipment was also signed.

#### **Bilateral Relations**

The bilateral component under this programme is strongly emphasized. 6 out of 17 approved projects are implemented in partnership with donor states entities.

The PO reallocated 235 000 euro from the management costs to the Bilateral fund on Programme level in order to support the participation of all Roma mediators, youth workers and kindergarten teachers in big international, educational and promotional event, organized by the CoE in Strasbourg. The event, which took place from 2-4 June had a huge impact on its participants and is considered very fruitful for their work. In addition to that 11 study and work visits were organized in donor states and in beneficiary countries.

#### **Risks and mitigation measures**

There was a medium risk of non-compliance with the rules of state aid and public procurement on individual project level. The respective consequence is a possible delay of the fulfilment of some of the project activities such as construction works, delivery of equipment, translation of documents etc. Mitigation actions taken include ex-ante and ex-post control strictly implemented at the PO level as well as requesting extension of the deadline of eligibility of expenditure for all projects. In addition to that, there was a risk of non-fulfilment of some of the preliminary agreed indicators on Programme and project level. The cases were reviewed carefully and detailed analyses and corrective measures were proposed. They include change in the action plan, reallocation of expenses, etc.

### **BG07 Public Health Initiatives**

*Budget of the programme:* 15 782 353 EUR (incl. grant amount and national co-financing)

*Programme Operator:* Ministry of Health

The Supporting Unit – Operational Programme Technical Assistance Directorate was renamed as Good Governance Directorate *by the Council of Ministers Decision No 545 of 23 July 2015.*

*Programme Partner:* World Health Organization

The BG07 Programme consists of four measures, implemented as open calls, one small grant scheme and four pre-defined projects.

The overall implementation of the programme is behind the schedule, but during the reporting period the PO has made extraordinary efforts to overcome the delays by contracting all the projects and applying for their extension. 24 out of 25 approved projects under measures 1, 2, 5 and 6 were contracted and proposed for extension till 30<sup>th</sup> April 2017. The Project BG07-35 „Medico-psychological Center for children and youth” of the Sofia Municipality was approved but not contracted within the deadline of 15 September 2015 due to missing documents (permits) necessary for the signature of the contract. Following issuance of the permits which needed a longer formal procedure, the contract was signed on 4<sup>th</sup> December 2015. In order to guarantee successful implementation of the project’s activities, the NFP has requested “special extension” of this project. No feedback has been received from the FMO within the reporting period.

The PDPs 1, 2 and 3 were contracted in 2014 and the following outputs could be reported:

Under the PD 1 „Improving control and information systems in risk prevention and healthcare” with a Beneficiary the National Centre of Public Health and Analyses

- A review of the existing national and foreign registers for diabetes and rare diseases were carried out.
- A conceptual model of health registers and a report for a model design and structure of the relational database in terms of registers for diabetes were also developed.
- A training of specialists in the field of measurement and assessment of physical factors was carried out.

Under the PDP 2 „Improving the surveillance of vaccine-preventable diseases: Development of a model of a web-based immunization registry” with a Beneficiary the National Centre of Infectious and Parasitic Diseases - Systematic internet and literature searches were performed aiming to explore and gather existing information for established and well-functioning web-based IISs in European and non-European countries. The development of a software product for model of web-based IR is also in progress.

Under PDP 3 „Improved mental health care services” with a Beneficiary the National Centre of Public Health and Analyses - three working meetings with the Norwegian partner were held for discussion of

trainings for GPs for early detection of anxiety and depression in the primary healthcare.

In April 2015 the FMO approved a modification, the Measures 3 and 4 to be implemented as a PDP4 "Improved quality of prenatal diagnosis and neonatal care in Bulgaria, with Project Promoter - Ministry of Health. A quality appraisal of the project was carried out by the PO and the project was approved for financing with a decision of the Head of PO. In accordance with the general condition stipulated in the PA - the PO has developed a technical specification for the equipment, which passed through an ex-ante control, carried out by the selected independent company - Ernst & Young. Legal analysis of the compliance of the draft tender documentation was sent for consultation to the FMO.

Regarding the implementation of the SGS, the following results have been achieved: 35 students received scholarships for the academic year 2014-2015 and 100 students – for the academic year 2015/2016. A summer camp on training on advocacy was also organised in the reporting period.

### **Bilateral relations**

Four projects under Measures 1, 2, 5 and 6 and also PDP3 are implemented in co-operation with partners from the donor states.

As regards to the BFPL, no applications were submitted under Measure A. As per Measure B, the PO intends to open a call for the already approved promoters for networking and exchange of experience. The eligible applicants will be invited to apply at the beginning of 2016.

### **Problems and risks identified and mitigation measures**

In view of the prerequisites for delay in the implementation of procurement procedures of PDPs 1, 2 and 3; delayed launch of the public procurement procedures for supply of equipment under PDP 4 and recent contracting of the projects under Measures 1, 2, 5 and 6, the PO has proposed 28 out of 29 projects under the programme for extension till 30<sup>th</sup> April 2017.

The extension was granted by the FMO which will give additional time for the successful implementation of the projects' activities.

### **BG 08: Cultural Heritage and Contemporary Arts**

*Budget of the programme:* 16 470 588 EUR (incl. national co-financing)

*Programme Operator:* Ministry of Culture

During the reporting period the evaluation process under all programme measures continued and the four Selection Committees have decided to award grants to 32 projects as follows:

- Measure 1 Cultural Heritage Restored, Renovated and Protected – 9 projects at the amount of 7 406 977,97 euro;
- Measure 2 Cultural History Documented – 9 projects at the amount of 2 839 352,11 euro;
- Measure 3 Cultural Heritage Made Accessible to the Public – 3 projects at the amount of 1 330 238,03 euro
- Small Grant Scheme "Contemporary Art and Culture Presented and Reaching a Broader Audience" – 11 projects at the amount of 740 857,63 euro.

The PDP (Sofia Arsenal Museum) was signed on April 23, 2015 and the remaining 32 contracts were concluded by the end of August 2015. Advance payments to the amount of up to 25% of the contracted budgets have been transferred to the Project Promoters.

At this stage no concrete outcomes and outputs could be reported as achieved having in mind that after the signing of the contract, most of the Project Promoters have started the preparation of the public procurements that usually takes approximately six months for the preparation of the tender documentation, ex-ante control, announcement, selection procedure, decision, time for appealing and

contracting. The following main outputs under the SGS could be reported: 5 new exhibitions of contemporary arts (incl. art and culture of cultural minorities) and 20 new contemporary art events was developed.

Extension of eligibility of costs by 30 April 2017 was approved for 28 out of 33 projects and the annexes have been prepared.

Guidelines for project implementation by the beneficiaries have been elaborated and uploaded on PO's website. The PO has conducted several tender procedures under the programme management costs and the following contracts have been signed: public and information activities, ex-ante control, organization and execution of specialized trainings for project implementation, payment claim verification and transfer of payments and monitoring of projects.

In August and September 2015 workshops for Project Promoters was carried out by the PO. The workshops' objective was to acquaint beneficiaries with the requirements for project reporting, implementation of publicity plans as well as discussion on current challenges.

In the beginning of 2015 the Audit Authority issued an opinion that the MCS for the Programme BG08 comply with the Regulation and generally accepted accounting principles and the proportionality of the MCSs' requirements in relation to the effectiveness of achieving the objectives of the programme is met. In December 2015 the MCS has been corrected according the findings of EA AEUF.

**Regarding the PDP** (Sofia Arsenal Museum) the public procurement procedure for engineering including: "Architectural design and research; Construction works; Supply of Glass Pavilion" was relaunched on 23 December 2015 with a deadline for applications – 01 February 2016. The open procedure for "Information and Publicity" was opened on 21 August 2015 and the decision of the evaluation committee is expected in the beginning of 2016.

**Regarding the Bilateral Fund under BG08** the PO envisages to use the grants from Bilateral fund (Measure A and Measure B), Complementary action, the savings from all Measures including Small Grant Scheme and Management cost for the organization of an exhibition dedicated to the "Thracian cultural heritage and art" in Kingdom Norway during 2017. A working group with all stakeholders was formed - the Ministry of Culture of Republic of Bulgaria, the National Focal Point, the National History Museum – Bulgaria, the Norwegian Institute for Cultural Heritage Research (NIKU) and the Norwegian Embassy. As a result of the preliminary consultations the Bergen City Museum has expressed interest for holding such an exhibition at the fourth quarter of 2017 and the organization of a preparatory working visit and signing of agreements is underway. The expected results from the event would also be strengthened bilateral relations between Bulgaria and Norway and better understanding of the Bulgarian history and cultural heritage.

**Roma** people will be encouraged to participate in projects aimed at conservation of their heritage, access and raising the public awareness of their culture. In financial terms it is envisaged 1 362 279,84 euro to be allocated to Roma related activities under all measures. As the projects are still in the beginning of their implementation there are no achieved results under the identified priorities in the Strategy for improvement of the Roma population situation.

The potential **risks** are related mainly to the delays in selection of the contractors by public procurement procedures and possible appeals that may lead to delays in the projects' implementation, especially for the Project Promoters under the PDP and Measure 1 including construction works. Regular meetings with Projects Promoters are being held to discuss the progress in the public procurement and discuss possible corrective measures.

#### **BG 09 Scholarship Fund**

**Budget of the programme:** 1 764 706 EUR (incl. grant amount and national co-financing)

**Programme Operator:** Ministry of Education and Science



Donor Programme Partner: Icelandic Centre for Research (RANNIS), Iceland, National Agency for International Education Affairs (AIBA), Liechtenstein, Norwegian Centre for International Cooperation in Education (SIU), Norway

2015 marked the announcement of the two final calls for proposals for the mobility schemes under the programme. The projects submitted under the last 5<sup>th</sup> call for proposals were evaluated and the results were announced in February 2016 with all 60 applicants being approved for financing. Although in 2015 there has been a significant advancement towards the set goals, at this stage, even with the increased number of submitted and approved applications for mobilities, the output indicator targets will be difficult to meet.

In terms of promotional events the set target are already achieved although we consider their effect to could be greater in terms of making the programme more visible among the students. The PO relies very much on the activities implemented by the institutional coordinators who work within the respective educational institutions. However there is no accountability and analysis of the results from their efforts in popularising the scholarship opportunities. The public events held by the PO are rather targeting the institutional coordinators and the potential applicants for the staff mobility scheme.

With regards to the output for joint projects identified and implemented by partner institutions the set targets are fulfilled with 3 additional joint projects to the target bringing them to a total of 6. The projects are in implementation and include a wide range of joint activities including exchange of experience, sharing good practices and joint scientific studies.

On horizontal level the contribution to the Roma priority is relatively low with no student mobilities implemented by Roma students, one project under the Interinstitutional Cooperation with contribution that is yet to be evaluated. A certain number of the scholarships awarded under the mobility of Academic, Research and Administrative Staff. While there is no 10% target under this programme and the aim is to contribute to the overall goal at national level. However, we do feel that the PO hasn't done enough to identify and encourage potential applicants from the Roma community.

#### **BG 10: Green Industry Innovation**

**Budget of the programme:** 13 699 000 EUR (100 % Programme grant rate)

**Programme Operator:** Innovation Norway

The overall objective of the Programme is increased competitiveness of green enterprises, including greening of existing industries, green innovation and green entrepreneurship.

The year 2015 was marked with a political stability and a good macro-economic and business environment in general.

On Programme level the PO has faced a challenge in terms of timing, assuming that not all approved projects will be completed in time. Two projects include construction activities that are based on an innovative architectural design and knowledge from Norway. To receive all necessary permits and approvals from the Bulgarian authorities took quite a long time. On the other side, the construction activities will be performed in remote regions, where it is practically impossible to build during the hard winter season. Other projects have to wait for the production of specialized equipment or to wait for the result of the public procurement procedure for equipment and services supply. As a mitigation measure the PO requested an extension of the eligibility period for 5 projects. The request was approved by FMO in December and the project eligibility period extended until 30 April 2017.

#### **Technical implementation**

During the reporting period the main activities have been monitoring of approved projects in the frame of the 1<sup>st</sup> and 2<sup>nd</sup> Calls and assessment/decision making/contracting of projects in the frame of the 3<sup>rd</sup>

Call. In total, 32 projects have been approved. Five projects have in principle been finalized during the reporting period. Four others are in their final stage of implementation. One project was terminated.

Even though, most of the projects are still under implementation, the already achieved results have contributed to the first three outputs on Programme level. In all projects the results will lead to the increased competitiveness of the Project Promoters, and the increased competence on green technologies and their benefits. In addition, the projects have contributed and will contribute to the increased number of new jobs and reduced unemployment or at least maintain the number of employees.

The PO has performed a tender procedure to select a Bulgarian organization to coordinate the training programmes under the pre-defined project. The selected organisation – Center for Entrepreneurship and Executive Development (CEED) Bulgaria, with contribution from experts from Innovation Norway, is currently working on adjusting the IN concepts to fit into the specific Bulgaria context. The training modules will be conducted in Bulgaria in March 2016.

### **Financial Implementation**

By end of reporting period total disbursement to projects is EUR 3 669 586.

### **Activities supported under the Fund for bilateral relations on programme level**

A study tour to Bulgaria was organized for Norwegian companies in March. Norwegian companies and the Bulgarian Project Promoters had the opportunities to participate in the International Forum and Exhibition for South East Europe as well as in a Business Breakfast, organized by the Royal Norwegian Embassy and Innovation Norway. The business breakfast was hosted by Telenor Bulgaria.

An event “Cross-Cultural Communication and Corporate Social Responsibility (CSR)” took place in June 2015 in Sofia. Project Promoters and their partners were invited to attend this one day seminar meant to contribute to a smooth communication between Bulgarian and Norwegian entities implementing projects together and to a more proactive CSR approach among Bulgarian companies.

In total 11 applications for Travel Support were approved and disbursed by Innovation Norway in 2015. 5 Travel Support were given in connection with the 3<sup>rd</sup> Call, the others in connection with the International Forum and Exhibition for South East Europe and for donor project partner’s participation in the Cross Cultural Communication and CSR event.

### **Implementation of the information and publicity measures**

In mid-2015 Innovation Norway signed a contract with a PR company to support the PO in designing and implementation of PR and advertising campaigns related to the programme results’ dissemination.

The following PR activities took place during the reporting period: a press release distributed in Norway, an interview with the Programme Manager and a success story about one project, published on FMO website. A booklet, listing all approved projects and expected results, has also been published on the dedicated Programme website.

### **Problems and risks identified and mitigation measures**

The Project Promoters’ financial situation and ensuring the necessary co-financing still were a big concern and led to cancellation of the investment component in two projects. Co-financing difficulties turned out to be one of the main challenges for projects and even though the PO has introduced a financial engineering scheme (agreement between Innovation Norway and CiBank JSC), it didn’t turn to be a successful approach, mainly due to the lack of willingness of banks to provide long-term investment loans to their customers and some state aid constraints.

During the reporting period some projects have faced unforeseen challenges. This has resulted in the downscaling/reduction of scope in two projects and one project was terminated.



### **BG11 Capacity building and institutional co-operation**

**Budget of the programme:** 2 371 765 EUR (incl. grant amount and national co-financing)

**Programme Operator:** OP Technical Assistance Directorate, Council of Ministers

**Donor Programme Partner:** Norwegian Barents Secretariat (NBS) and Norwegian Association of Local and Regional Authorities (KS)

The programme BG11 is implemented by two pre-defined projects that have been developed jointly with the DPPs (project partners). During the reporting period main outputs and outcomes at project level are achieved and the trend is ascending. Based on that, no extensions of projects were requested under this programme.

The following outcomes and outputs are achieved under the **PDP „Bulgarian Border Dialogue. Developing a Regional CBC Data Center"** of MRDPW:

- Experience and best practices shared between organizations dealing with territorial cooperation;
- Enhanced public awareness of the state of cross-border communities relations;
- A network of national statistic institutes established;
- Cross-border data journalism courses developed and implemented – 2;
- The data on CBC and borderland developments made more accessible with the establishment of a Data Centre and making it more compelling applying of modern approaches for data visualizations;
- Developed data portal – website with regional statistics - demographic and business statistics, environment statistics for Serbia, Turkey, Macedonia and partially for Bulgaria. The portal is available at [www.patchworkbalkan.org](http://www.patchworkbalkan.org).

Under the PDP **„Improving the capacity of NAMRB and Bulgarian municipalities through cooperation with Norwegian local authorities"** of NAMRB the following outputs are also achieved:

- NAMRB has prepared comprehensive position papers on some 54 legal acts. As a result, 33 amendments were introduced in 14 acts (laws, government decisions, and ministry ordinances);
- Proposals were made for introduction of a municipal income tax for individuals, concept for a new Local Tax Law, methodology for calculation of municipal waste collection charges.
- Modification was made in the method for calculation of the membership fee, collected from municipalities, and introduction of a 5% reduction for those, which have paid their dues by April 30<sup>th</sup>;
- Prepared hands-on manuals for newly elected mayors and councillors, including one on inter-municipal cooperation;
- The Project activity on inter-municipal cooperation was augmented by the establishment of a new form of collaboration - a Fund for municipal solidarity. The core purpose of the Fund is to accumulate reserves through voluntary contributions from each municipality, which then can be used to the benefit of local authorities beset by calamities. The Fund shall not supplant existing government support actions/policies in the field of disaster mitigation.

### **Bilateral relations**

The BG11 programme has strong bilateral focus as both programme and projects are implemented in cooperation with the Norwegian partners. Even though, in 2015 no specific activities were performed under the BFPL. At the Fifth Cooperation committee meeting in October 2014, PO, DPPs and PPs took a decision to postpone bilateral and complementary activities for 2016, after successful and timely completion of the projects, as the focus in 2015 was on main activities and results under both projects.

### **Problems and risks identified and mitigation measures**

The specifics of the programme and the fact that the PPs and their Norwegian partners are public bodies with extensive experience both in the relevant areas and in project management, determines the lack of significant risks for the implementation of the projects and hence – the programme. The PO has not identified any serious risk for the smooth Programme implementation and completion of the project.

## **BG 12 Domestic and Gender-based Violence**

**Budget of the programme:** 2 352 941 EUR (incl. grant amount and national co-financing)

**Programme Operator:** Ministry of Interior (Mol)

**Donor Programme Partner:** Council of Europe

During the reported period the procedure for project evaluation under all measures has been concluded with a total of 17 projects contracted, at least one under each of the five measures. 15 of the 17 projects have NGOs for beneficiaries so the programme will contribute to the development of the sector whose help is crucial in the field of Domestic and Gender-based Violence. The implementation of all selected projects has been started in the period June-September 2015.

Exceptional extensions for all projects until the end of April 2017 have been approved and annexes with the Project Promoters are expected to be signed in January 2016. Four of the Project Promoters confirmed that the projects will be completed within the initial deadline – 30.04.2016 and the remaining Project Promoters requested extension from 1 to 11 months.

The predefined project “Improvement of the national legal framework to bring in line with CoE standards and strengthening the capacity of competent institutions” implemented in partnership with the CoE was extended with 8 months until December 2016. Respective annexes have been signed between the Programme Operator and the Ministry of Justice and between the Ministry of Justice and CoE. Measures have been taken to improve the communication between all institutions involved in its implementation – Ministry of Justice, Ministry of Labour and Social Policy, Ministry of Interior and Council of Europe. Better coordination is needed and regular update on the status of implementation at the monthly meetings organized by the PO.

Despite the late start of the programme, progress towards expected outcomes can already be reported: a consultative centre for the victims of DV is functioning and eleven victims have already been consulted; video clips created by university students (incl. Roma ones) presenting real life stories that shall have a greater effect on the viewers which would consequently encourage (potential) victims to make a stand against their violators.

The following main outputs have already been achieved: 208 victims supported through different type of consultations – social, psychological, legal; trainings for experts in the field or police officials in order to increase their capacity to work with individuals experienced violence; mobile team established with the aim to providing support services in Roma community and distant places; 45 awareness raising activities have been started and are in the process of implementation; analysis on the current Bulgarian legislation in the field of domestic and gender based violence, etc.

The Programme also envisages activities aimed at improving the situation of the Roma population, including the following: information activities carried out in areas predominantly populated by Roma population; establishment of a mobile team to provide support services in Roma community and distant places; information campaigns and meetings with women and young girls and distribution of information in Roma communities concerning domestic violence; a training seminar for 16 university students (incl. Roma) was held as well as a seminar for Roma health mediators (train the trainers); 3 meetings were held with 30 Roma leaders in order to raise awareness in the community about the acts of domestic violence and promotion of zero tolerance.

A Cooperation Committee was held on 19/11/2015 to discuss the development of the programme, the use of the bilateral fund at programme level and possible long term advice by the CoE during the programme implementation. Training for all PPs on issues related to public procurement, eligibility of expenditures, financial reporting and extension of projects was held on 20/11/2015. This is considered

as a good opportunity for the PO to establish contacts with all the Project Promoters and to get acquainted with the status of implementation and potential problems;

A follow-up action plan on the audit report findings under the programme was prepared by the Programme Operator and agreed with the FMO.

The call for proposal for the **bilateral fund** was amended - the scope of the potential applicants will include not only Project Promoters but also other structures and institutions and the deadline for submission of proposals was extended to 23 December 2016. Initiatives at PO level were discussed, incl. a two-days international conference on domestic and gender based violence (with participation of entities in Bulgaria and Norway and NGOs, the Equality and Anti-discrimination Ombud in Norway, Bulgarian Ombudsman, etc.).

The **main risks** are related to: capacity of the PO - no access to management costs for motivating the staff, reduction in the salaries; insufficient experience in working with NGOs and projects in the field of domestic and gender-based violence. Construction and renovation works are planned under the two of the largest projects with municipalities as beneficiaries for the creation of centers for victims that might be delayed due to potential problems with the public procurements.

### **BG 13 Schengen cooperation and Combating Cross-border and Organised Crime, incl. Trafficking and Itinerant Criminal groups**

**Budget of the programme:** 7 058 823 EUR (incl. grant amount and national co-financing)

**Programme Operator:** Ministry of Interior (Mol)

Donor Programme Partner: Council of Europe

The six pre-defined projects are under implementation. Most of the activities related to trainings, workshops, development of handbooks, study visits and other 'soft measures' are being implemented without delay.

For all pre-defined projects exceptional extension by the end of April 2017 was approved and the respective annexes with the Project Promoters prepared for signing in January 2016. As a result of restructuring in the Mol, annexes were signed between the PO and Chief Directorate Countering Organized Crime as a new beneficiary replacing the State Agency National Security and describing the changes under the projects. The realized savings under the project were reallocated for a second tender procedure for additional TETRA-stations to be carried out in the beginning of 2016.

All projects are reported at the monthly meetings organized by the Programme Operator. The Cooperation Committee took place on 02/11/2015. Tender dossiers have been prepared by PP, reviewed by the ex-ante control of the PO and most of public procurement procedures have been launched

During the reported period the open call procedure for the small grant scheme was finalized and the submitted one project „Multidisciplinary Approach for Combatting Trafficking in Human Beings” approved and contracted. The project included a donor project partner - FAFO Institute for Applied International Studies. The project is at an advanced stage of implementation and the following main outputs have already been achieved: 8 seminars for Border police officers, prosecutors, experts from National Investigative Service and State Agency for National Security were held and 208 public officials trained.

The following main outputs under the pre-defined projects have been achieved so far: 500 TETRA Radio Terminals and 600 licenses for TETRA Radio Terminals delivered; Trainings for police officers in the field of cross-border cooperation and exchange of operational experience with SIS II; Comprehensive Study on institutional and legal framework regarding the Asset Recovery System; Services on assistance and

reintegration of 50 victims of Trafficking in Human Beings, incl. mid-term support to 38 victims of THB; strengthened cooperation with Serbia in the field of combatting trafficking in cultural goods.

The call for proposal for the **bilateral fund** was amended - the scope of the potential applicants will include not only Project Promoters but also other structures and institutions and the deadline for submission of proposals was extended to 23 December 2016. The following initiatives have been discussed during the Cooperation Committee Meeting: Organization of a conference on combatting cross-border and organized crime with the participation of representatives of donor and beneficiary states; Fostering of bilateral cooperation between the Academy of Ministry of the Interior and the Norwegian Police College and Conduct of a national risk assessment on money laundering exercise with the support of the Council of Europe. Under the programme important partnerships have been established with the Norwegian Police Directorate that is a step ahead to the improvement of the cooperation between the Member States of the Schengen area in the fight against cross-border and organized crime as well as with the Council of Europe.

The completed implementation of two activities as regards the inclusion of **Roma** society can be reported. Both activities were completed under project "Human rights protection and further development of necessary skills and knowledge of police officers, especially those working in multi-ethnic environment, including Roma communities". Two training programmes as well as a handbook were developed both aimed at additional training of police staff in lawful use of physical force, auxiliary means or firearms in cases when concerning multiethnic communities including Roma population. 41 trainers were trained and 168 police officers were trained on Roma values and culture, as well as in stereotypes against the Roma community.

The **main risks** are related to: capacity of the PO - no access to management costs for motivating the staff, reduction in the salaries; for the two pre-defined projects with Project Promoter the Chief Directorate Countering Organized Crime – lack of capacity, especially in the public procurement while the projects foresee a substantial number of tender procedures (more than 10); size and complexity of the TETRA project – though the smooth completion of the tender procedure there might be problems in the implementation phase; no activities implemented under the bilateral fund – initiatives discussed during the CC meeting. Regarding the SGS the project is not included in the list of the projects extended by April 2017 but the Project Promoter requested extension with two months – by June 2016 in order to fully utilize the savings and to overperform the indicators. In case some of the tender procedures are not launched by 15 April 2016 they should be carried out in line with the new Public Procurement Act that might lead to additional delays and shortened period for implementation.

#### **BG 14: Judicial Capacity-building and Cooperation/Improvement of the Efficiency of Justice/ A fairer and more efficient judicial system**

**Budget of the programme:** 3 636 471 EUR (incl. grant amount and national co-financing)

**Programme operator:** Ministry of Justice

**Donor Programme Partner:** Council of Europe

The programme consists of 5 pre-defined projects (PDPs). Two projects have already been completed successfully – the project of the National Legal Aid Bureau in the end of November 2015 and the project of the General Directorate Security - in the previous reporting period (in August 2014). The other three projects entered in the final stage of implementation. PO approved project extensions of the rest three projects until the end of April 2016 in order to ensure absorption of project savings and implementation of additional activities that will contribute to the effective realisation of Programme's Outcomes.

The PO's Management and Control Systems were amended - changing the structure and roles of the Cooperation Committee and monthly payment claim verification was laid down. Two meetings of the Cooperation Committee were organised in January and in June 2015.

Visible progress as regards the achievement of the programme indicators has been made as follows:

- 4875 legal consultations were provided for the twelve months of 2015 through the National Telephone Hotline for Legal Aid and the Regional Legal Aid Centres in Sliven and Vidin (for the whole period of programme's implementation approximately 10 000 individuals benefitted from legal aid). The telephone hotline is nationally available, while the regional centres offer services on the spot in two of the largest Roma communities;
- Under PDP1 with Project Promoter National Institute of Justice (NIJ) more than 1000 magistrates took part in different forms of trainings (5 regional and 2 centralised trainings) on the European Convention for Human Rights until the end of 2015;
- Under PDP 2 with Project Promoter Supreme Judicial Council a system for e-summoning was established and a Mechanism for quality assessment of the workload of the judicial system developed;
- Under PDP 3 with Project Promoter the Government Agent amendment to the Law on Normative Acts was proposed and analysis and recommendations regarding the effectiveness of the administrative mechanism for compensation pertaining to ECtHR's judgements as well as secondment of judges to the European Court of Human Rights. More than 300 judgments were translated into Bulgarian from the ECtHR's official languages and published on the MoJ web-site;

Substantial impact on **Roma** minorities and vulnerable groups was achieved through the regional centres that offer services on the spot in two of the largest Roma communities and provided easy access to legal aid within the Roma community. The legal protection of vulnerable groups and disadvantaged persons, incl. minorities, was also discussed in the framework of the Justice and Human Rights Forum and a regional training organised by the National Institute of Justice.

Under the **bilateral fund** four initiatives with Norwegian partners (the Norwegian Centre for Human Rights and the Norwegian Courts Administration) and CoE have been approved and two of them were completed during the reporting period. The bilateral fund initiatives complement the results already achieved under the pre-defined projects in the following areas: exchange of good practices in the field of university education on the ECHR, execution of judgments on the ECHR and handling of Roma and social issues; piloting HELP distance learning course on anti-discrimination, capacity building of Project Promoters and DPPs for implementation and future planning of Norway Grants projects.

The programme is at final stage of implementation and there are not many **risk factors** to be considered. Appropriate measures will be taken to ensure the sustainability of results. Analysis will be made on the realised savings from projects' implementation and reallocations will be proposed to the bilateral fund for financing of additional initiatives.

#### **BG 15: Correctional services, including non-custodial measures**

*Budget of the programme:* 10 122 824 EUR (incl. grant amount and national co-financing).

*Programme operator:* Ministry of Justice

*Donor Programme Partner:* Council of Europe

The programme consists of 3 pre-defined projects (PDPs) and 19 projects under the small grant scheme (SGS).

PO has requested and was granted with extension of PDP 1 and 18 projects under the SGS. The PDP is extended until 30 June 2016. Most of the projects under the SGS will be completed within the original time frame by 30 April 2016. Extensions will be granted only in case the Project Promoters have difficulties in finalization of the projects' activities (to 6 projects according to the preliminary analysis).

The following main results have already been achieved:

- Five sites were completed – Training Centre in Pleven refurbished, furnished and equipped; new detention facility and probation service office established in Shumen; the Lovech prison hospital refurbished, furnished and equipped; kitchen facility for inmates in Lovech penitentiary facility renovated and prison hostel at Troyan, part of the Lovech penitentiary facility refurbished;
- Draft law amending the Execution of Sentences Act was elaborated including provisions on the electronic monitoring. The system for electronic monitoring was introduced through the provision of 180 electronic bracelets. The competence of the judges and prosecutors in applying alternatives to imprisonment and using the system for electronic monitoring for control of sentenced persons was strengthened;
- Two trainings conducted for improving the competence of staff in psychological selection and counselling; development of a Prevention Programme, coping with ethnic violence, tolerance for diversity and integration of Roma; a survey on the issues related to ethnic violence, tolerance towards diversity and integration of Roma etc.

Under the SGS more than 10 curricula for initial and continuing training in probation have been elaborated and the trainings are in progress. 150 persons were involved in programmes and campaigns aimed at improving the welfare of vulnerable groups in prisons. Several rehabilitation programmes were drafted and discussed with the interested parties and the participation of Roma representatives, originally set at 20 persons, was exceeded. The capacity of the prison staff to apply specialised rehabilitation programmes has been strengthened through participation in a series of trainings. The SGS foresees also initial and continuing training for prison staff and educational and vocational training programmes for inmates, as well as after-care services for ex-offenders where substantial interest for participation has been registered and the initially set indicators will be exceeded.

As regards the **Roma aspect** in each penitentiary facility in Bulgaria there is an extensive number of Roma citizens that are going to benefit from the rehabilitation and renovation activities under PDP 1. The reduction in overcrowding in specific prisons in Bulgaria will lead to better protection of human rights of the inmates and decrease in the tension among the prison population. The estimation of the Project Promoter of the pre-defined projects was that more than one third of the prison inmates benefiting of the project deliverables belong to the Roma community. Special activity for prevention of ethnic violence in Bulgarian prisons, promoting tolerance towards difference and Roma integration was realized in partnership with the Council of Europe under PDP 3. The realization and application of this programme aims to cultivate attitudes for integration, socialization of Roma population and tolerance towards ethnic differences. Representatives of the Roma community are also directly targeted by the eight projects selected for funding by the Small grant scheme.

Two initiatives under the **Bilateral Fund** was completed – for assessment of material conditions and renovation plans in 4 penitentiary establishments in Bulgaria implemented in partnership with CoE and expanding the scope of alternative sanctions and measures by the exchange of good practices with Norwegian Correctional Service. The third initiative for increasing the capacity for strategic planning and management in General Directorate Execution of Sentences is in progress. The funds available for the SGS project promoters amount at 58 351 €. Two bilateral initiatives are under preparation by the SGS project promoters in close cooperation with the PO.

In general the programme is progressing smoothly and at this stage it is considered that all projects will be successfully completed in due time. The **risks** are related mainly to the potential problems with the implementation of the public procurements as well as with the necessary measures to ensure sustainability of projects' results.

## 4 MANAGEMENT AND IMPLEMENTATION

### 4.1 Management and control systems

Changes in the Organic Rules of the Administration of the Council of Ministers were approved by CoM at its session held in December 2015. Although the changes took effect in January 2016 that is outside the reporting period, a reference to the most important consequences for the management of the grants is provided herewith in order to set the institutional and management framework within which the grants operate. Since 8<sup>th</sup> February 2016, based on the Council of Ministers' Decree № 384/30.12.2015 the amendment of the structure of the Council of Ministers Administration has entered into force.

A new Directorate "Central Coordination Unit" (CCU) has been created on the basis of the existing directorates: "Programming of EU Funds", "Monitoring of EU Funds" and "Systems Management of EU Funds" aiming at optimization of the processes of coordination and management of the EU funds and bilateral donor programmes. This Directorate will assist the Deputy Prime-Minister for EU Funds and Economic Policy in his responsibilities for overall organization and management of the system for coordination in the management of EU funds for Bulgaria and will perform the functions of the National Focal Point of the EEA and Norway Grants.

The majority of the tasks of the National Focal Point will be concentrated in the "Bilateral Cooperation Programmes and Financial Instruments" (BCPFI) Department while programming and communication will be performed by other departments within the CCU Directorate, such as "Strategic planning and programming" and "Information and Communication" in close coordination with the BCPFI.

As agreed during the Extraordinary Annual Meeting held on 22 February 2016 and in line with the amendments in the Memoranda of Understanding the Head of the National Focal Point is Ms. Malina Kroumova – Acting Director of CCU Directorate.

#### *Efficiency and effectiveness of the national management and control systems*

The current status of preparation and approval of descriptions of management and control systems at programme level is as follows:

- Management and control systems of the POs for implementation of all programmes were submitted to the FMO.

The NFP maintains and regularly updates a risk register per programmes as a part of its management and control tools at national level. This allows to follow closely the emergence of any deviations or bottlenecks in the system with a potential direct impact on the grants. In addition to the abovementioned NFP conducts monthly meetings with POs in order to discuss with them the progress and risks related to the programmes' implementation.

### 4.2 Compliance with EU legislation, national legislation and the MoU

#### *Application of State aid rules*

The most critical aspects of ensuring compliance with EU and national legislation, and the Regulations on implementation of EEA and Norway Grants were related to:

- Defining the most appropriate state aid regime applicable to the specific programme and measure;



- Ensuring full compliance with the provisions of *Chapter 6: Selection of projects* and accommodating in a rightful and lawful manner the flexibility allowed by the Regulation and the guidelines provided by the FMO (especially with regard to final ranking of projects).

Under programme BG 07 Public Health Initiatives measures 1, 2, 5 and 6 were announced in compliance with art. 2, para 2 of Commission Regulation 360/2012 from 25 April 2012 concerning application of *de minimis* for enterprises of general public interest (requiring that the total amount of *de minimis* aid granted to one enterprise should not exceed 500 000 Euro in total from three consecutive budgetary years).

Under programme BG 04 “Energy Efficiency and Renewable Energy” component 1 “Utilisation of hydropower potential” was cancelled as a result of a delay in identifying the applicable state aid regime. Due to the complexity of infrastructure property related issues in the water sector the Ministry of Finance issued guidance to the PO to apply Regulation 1407/2013 or alternatively the provisions of chapter 7 of the General Regulation (EC) 651/2014 for group exemption. As a result of the insufficient time for revision of the Guidelines for applicants the PO after consultation with NFP and FMO took a decision to cancel the component and reallocate its budget to other programme components.

No particular cases of state aid arose at the project selection stage for all remaining calls for proposals held in the reporting period (programmes BG 01 – bilateral fund, BG 02, BG 03, BG 04 – calls 2 and 3, BG 12, BG 13, BG 15). For those call procedures *de minimis* rules applied in accordance with Commission Regulation (EU) No. 1407/2013 of 18 December 2013 and selected projects were entered in the *de minimis* Register.

#### *Selection procedure*

As a result of established inconsistencies and not sufficiently justified decisions of the PO, project evaluation and selection procedures were re-opened under two programmes – BG 08 Cultural Heritage and Contemporary Art (measures 1,2 and 3) and BG 12 Gender-based Violence (measure 1). The reason for the re-opening under both programmes was improper handling of administrative and eligibility criteria at the first stage of the evaluation procedure - stage of administrative and eligibility check. Administrative and eligibility assessment was repeated under both components that resulted in lower number of applicants rejected at this stage.

#### *Irregularities*

The NFP prepared and submitted to the FMO 4 quarterly Irregularity reports (on 09th March, 25th May, 26th August and 30<sup>th</sup> November 2015). The following financial corrections have been reported and processed through DoRIS in line with the findings of the Audit Report from August 2015 of the “Audit of the EU Funds” Executive Agency:

- Four financial corrections under the Programme BG 06 (at the total amount of 3 030.51 Euro);
- Three financial corrections under the Project BG 01 (at the total amount of 216.12 Euro);
- Four financial corrections under the Programme BG 14 (at the total amount of 2 538.53 Euro);
- Two financial corrections under the Programme BG 15 (at the total amount of 1 156.05 Euro).

The following irregularities were also detected in the Audit Report from August 2015 but reported with the Irregularity Report for the 4<sup>th</sup> Quarter of 2015 from 28 February 2016:

- Three financial corrections under Programme BG 09 (at the amount of 278.45 Euro). In accordance with article 11.5 of the EEA FM Regulation, two irregularities were reported to FMO. In the



last proceeded IFR the PO declared all the three irregularities (at the total amount 151,35 Euro) following an instruction given by CA;

- One financial correction under Programme BG13 (at the amount of 12.15 Euro);
- One financial coorection under the programme BG 06, project “International Youth Centre for work with children and young people at risk in Stara Zagora” (at the amount of 1 757.59 Euro). The irregularity was detected by the PO and the amount was not reimbursed to the Project Promoter.

The reported irregularities concern the programme preparation costs and the programme management costs and are related mainly to the following types: ineligible costs for business trips abroad, incl. expenditures for local transport and exceeded expenditures for accommodation; ineligible expenditures for remuneration of experts based on civil contracts for the preparation of programme proposals; separation of public procurement; violation of the principle that awarding of contract shall comply with the best economic practices; unlawfully reduced deadline for receipt of offers and insufficient time to buy tender documentation; lack of specification criteria for selection; requirements that unlawfully restrict the participation in public procurements; ineligible costs or double financing; unlawful assessment methodology.

For all reported irregularities appropriate corrective measures have been taken and the amounts have been reimbursed and reflected in the subsequent Interim Financial Reports.

During the reporting period NFP has clarified in communication with the FMO a total of 11 complaints related to the project evaluation and selection procedures (9 *complaints*) and to public procurement procedures (2 *complaints*): 1 complaint under BG 06, 3 complaints under Programme BG08, 2 complaints under the Programme BG 09 and five complaints under Programme BG 14. Considering the decisions of all bodies involved in reviewing the cases and after detailed analysis of the received documents no irregularities have been detected.

#### 4.3 Audit, monitoring, review and evaluation

NFP performed regular and close monitoring of implementation of programmes through:

- Participation in Cooperation Committee meetings, meetings of Selection Committees, technical and working meetings with the PO teams organised for discussing either the overall programmes' progress, or specific issues identified as risks;
- Participation in monitoring visits to projects that were at their completion stage and the envisaged tangible outputs and results could be observed – the youth centers established and put into operation in the towns of Stara Zagora and Plovdiv under BG 06 Children and Youth at Risk, reconstructed premises of the school canteen at the school in Krasna polyana District, Sofia; renovated premises of prisons in Sliven and Pleven.

On-the-spot monitoring of projects on a sample basis will be significantly intensified by the NFP in 2016 when a large number of projects are expected to be completed. External consultants could be contracted to provide technical assistance to the NFP for this task.

No reviews and evaluations at national level have taken place in the reporting period. The NFP is planning to commission mid-term evaluations on horizontal and programme specific issues by mid-2016.

#### **Certification activities**

The Certifying Authority (CA) carried out the following major activities during the reporting period:

- certification of expenditures under the programmes and processing of 48 Interim Financial Reports (IFR) to the FMO. The corresponding expenditures certified amount to 17 596 887 Euro;
- submission of forecasts of likely payments in line with Art. 4.5 (b) and Article 8.5 of the Regulation.;
- on-the-spot checks in line with the procedure manual under the following Programmes: BG04 “Energy Efficiency and Renewable Energy” and BG08 “Cultural Heritage and Contemporary Arts”;
- provision of constant methodological support to POs regarding management and spending of funds and better understanding of the reporting process.

### **Audit activities**

In the period January – December 2015 Audit of EU Funds Executive Agency carried out the following audit activities under the EEA FM and NFM 2009 – 2014:

#### ▪ *Compliance assessment audits*

Three compliance assessment audits of the management and control system (MCS) descriptions for the implementation of the Programmes BG08, BG07 and BG04, financed under EEA FM and NFM 2009 – 2014 were performed:

- Compliance assessment audit on MCS established at the Ministry of Culture, acting as PO for Programme BG08 Cultural Heritage and Contemporary Arts. The audit was completed on 14 January, 2015 and compliance assessment report was issued.
- Compliance assessment audit on MCS established at the Ministry of Health, acting as PO for Programme BG07 “Public Health Initiatives”. The audit was completed on 15 June, 2015 and compliance assessment report was issued.
- Compliance assessment audit on MCS established at the Ministry of Energy, acting as PO for Programme BG04 “Energy efficiency and renewable energy”. The audit was completed on 8 July, 2015 and compliance assessment report was issued.

On the basis of the examinations referred to above, the Executive Director of the Audit of EU Funds Executive Agency (Audit authority) issued an opinion that the MCS established for the implementation of Programmes BG08, BG07 and BG04 comply with the Regulations and generally accepted accounting principles and that the proportionality of the management and control systems` requirements, in relation to the effectiveness of achieving the objectives of the Programmes, is met. Some minor shortcomings have been identified, as described in the compliance assessment reports. These shortcomings were assessed as not serious enough to qualify the Audit Authority` opinion.

All MCS descriptions were submitted to the FMO in Bulgarian and in English in accordance with the requirements of art.4.8.2 of the Regulations.

#### ▪ *Audit of operations*

During the period two audits of operations were performed:

- In October-November 2014 the “Audit of EU Funds” Executive Agency carried out audit of operations for the expenditure certified in the period 01.01.2013 - 31.12.2013 on Programmes financed under EEA FM and NFM 2004-2009, incl. Project BG01 and Programmes BG06, BG09, BG11, BG13, BG14 and BG15. The objective of the audit was to express assurance that the declared expenditure to the Office of the FM in the period 01.01.2013 - 31.12.2013 are correct and the underlying transactions are legal and regular. The audit was completed on 13 August, 2015 and the report was issued.

After analyzing the results and evidence submitted by the PO an error has been accumulated on the certified expenditure under the audited programmes (as regards both funds) amounting to 7

971,76 euro or 0,74% of the certified audited expenditure, representing identified errors with a financial impact on 7 programmes.

Programme operators have agreed to take action to recover the irregular amount 7 971,76 euro resulting from errors with a financial impact and will present evidence to the Audit Authority for the deduction from subsequent interim financial reports.

The findings comprise the following types: non-compliance with rules on public procurement, ineligible expenditure (travel expenses, double funding) and other financial corrections (accounting, effective price comparison).

- In September-November 2015 the “Audit of EU Funds” Executive Agency carried out audit of operations for the expenditure certified in the period 01.01.2014 - 31.12.2014 on Programmes financed under EEA FM and NFM 2004-2009, incl. Project BG01 and Programmes BG02, BG03, BG06, BG 07, BG09, BG11, BG12, BG13, BG14 and BG15.

The objective of the audit was to express assurance that the declared expenditure to the FMO in the period 01.01.2014 - 31.12.2014 are correct and the underlying transactions are legal and regular.

All audit checks were completed. The audit report is under elaboration. The delay is due to limited audit resources (see p.II.4 below). The preliminary results indicate that there are no serious deficiencies found.

- *Annual audit report and opinion*

The annual audit report and the opinion for the EEA FM and NFM 2009-2014 were prepared in accordance with the provisions set out in Article 4.6, para 1 (e) of the Regulations. The annual audit report and the opinion were submitted to the NFP on 23 December, 2015.

#### 4.4 Information and publicity

In 2015 an important milestone of more than 500 projects financed under the EEA & Norway Grants was reached and marked with a seminar for journalists held in May in Sofia. The event was our first attempt under this programming period to introduce representatives of the media with consistent information on projects in various priority areas. The list of invited journalists was coordinated with the Norwegian Embassy to include the widest possible circle of attendees. 3 thematic panels – “Society”, “Justice” and “Economy” presented a total of 15 projects. The proper evaluation of the results and the outreach from the event is difficult without media monitoring which is among the next steps to be done by the NFP in terms of securing visibility.

The Programme Operators were very active in organising events for projects identified as priorities under the programmes or for the official launching of certain projects. Tender procedures for publicity materials were also ongoing for many of the POs. All involved parties have been very active in the online publicity with regular update of their websites. Facebook is used by some of the POs as a tool for communication but it has still a long way to go in order to become a recognised as worthy instrument for communication.

For some programmes info days and trainings for beneficiaries are a popular tool for publicity of the grants while conferences and exchange of experience are popular among the more advanced programmes.

#### 4.5 Work plan

Provide a work plan outlining the milestones for the implementation of the financial mechanism over the next year – including calls under the Programmes, meetings of the Monitoring Committee and the Cooperation Committee(s), and information activities.

*Attached as Annex No. 8..*

## **5 SUMMARY LIST OF ISSUES AND RECOMMENDATIONS**

Following the intense period in 2014 of preparation across most of the programmes (for launching calls for proposals, for setting up the procedural and organisational rules and guidelines that would allow efficient workflow management and monitoring of the workflow of started pre-defined projects under the more advanced programmes), several lines of progress could be clearly noticed in the reporting 2015:

- Overall smooth implementation of calls and predefined projects and start of delivery of planned outputs under programmes BG 05, BG 06, BG 10, BG 11, BG 14 and BG 15;
- All outstanding calls for proposals (except for one cancelled) were launched and completed;
- With the joint efforts of all involved stakeholders all approved projects were contracted until 15 September 2015 that was of crucial importance – this was the prerequisite to have projects as well as in some cases entire programmes (BG 02, BG 03, BG 04, BG 07, BG 08, BG 12) implemented at all;
- All management and control systems at programme level were elaborated, assessed and approved thus ensuring that the PO and national bodies (NFP, CA and AA) perform their obligations through legally compliant procedures and practices and share the same understanding with the FMO on all issues that have raised concerns;
- Interim financial reporting has gradually come on track both in terms with contents of the reports and in time schedule;
- Financial implementation has been accelerated as with 65,24% disbursed funds Bulgaria ranks 9<sup>th</sup> among the sixteen beneficiary states;

The overview of the overall implementation of the grants confirms the relevance of the assistance and in particular of the envisaged priorities and measures for support. The high number of projects received allowed to select good quality interventions that would ensure fulfilment of programmes' indicators and outcomes. The efforts of the POs and the Donor Programme Partners in disseminating information and awareness on the calls, provision of advice and support to potential applicants, promotion and support for establishment of partnerships should be highlighted, especially taking into account that they had to manage the largest number of calls for proposals (43) under the grants.

The greatest challenge in the period represented the management and coordination of the entire programmes' extension process that took place in the period June – September 2015. In spite of the time needed to streamline the initial approach of the NFP with the procedures put in place by the FMO, a very close cooperation and full commitment between all stakeholders allowed to manage and proceed the extension requests for all projects for which the POs identified such need in an efficient and effective manner. The approval by the donors of all submitted requests acknowledged the good work done.

Along with the successful completion of the programmes' extension procedure, the high mobilisation of POs resulted in an accelerated contracting process that otherwise could have taken more time essential for actual implementation. Another positive effect of the extension process that could also be pointed out was the uploading of programme and project level information on DoRIS that now serves as a very useful support tool for monitoring, comparing data and results.

While in the first half of 2015 the management and organisational efforts of POs were mainly dedicated to completion of calls for proposals, contracting and utilisation of funds, the focus during the second half of the year was fully shifted to implementation of projects and achievement of results.

Good progress was achieved in the development of bilateral relations and cooperation particularly at national level and in the framework of cooperation with DPPs. Fostering of implementation of the bilateral fund at programme level is fully recognized as necessary by the POs and DPPs. Concrete initiatives that have been discussed by the partners will be included on the agenda of the first round of CC meetings in 2016.

The excellent cooperation with the donors – the FMO and the Norwegian Embassy in Sofia continued to be a main pillar of finding solutions to problems encountered, identifying the most appropriate decisions on concrete issues, obtaining legal and financial advice as well as of promotion of bilateral cooperation.

It should be underlined that all positive developments in the reporting year related to accelerated absorption and smooth certification and payments have become possible and have taken effect as a result of the excellent and pro-active cooperation and assistance provided by the Certifying Authority in the management of the certification of expenditures.

The main outstanding risks that at this stage could impact the implementation of the grants and need to be addressed with corresponding mitigation measures include:

- ✓ Administrative capacity at all levels, overburden of staff – measures to avoid leaving of experienced staff as well as quick management decisions for hiring of external experts where needed;
- ✓ Delays in the announcement and completion of the public procurement process (ex-ante control performed by the PO, prolonged tender procedures as a result of complaints) – mitigation measures include provision of assistance to project promoters, strengthened legal capacity of PO, monthly monitoring;
- ✓ Failure to utilise savings due to time constraints and the inability of the PO to analyse the actual or potential savings and to take the responsibility for decision – mitigation measures include monitoring by the PO on a daily basis of the tendering process and especially for project components/activities with comparatively high budgets and already delayed procurement. The necessary implementation period for such activities should be taken as reference point in this process;
- ✓ Disturbances in the payment flows that might cause liquidity problems and insufficient operational funds for project promoters to make payments – such risk could be due to delays in the verification and reimbursement of incurred expenditures and/or to delays in proceeding Interim Financial Reports at programme level. The risk of the latter was to a great extent overcome with the support of the CA and FMO Financial team, but due measures should be taken at the level of each PO to shorten as much as possible the verification and reimbursement process (guidance and training to project promoters, secured administrative capacity of the PO). During a technical meeting held in December between NFP, POs and the FMO (country officer and head of legal team) NFP undertook to issue guidance to POs on provision of higher advance payments to project promoters in line with the provisions for payments of the Regulations. This is considered as an efficient tool to minimise the risk of lack of funds for payments to contractors that could disturb completion of activities;
- ✓ Overburden with monitoring – although regular and comprehensive monitoring is the main tool for obtaining information on progress, for early identification of problems (that could lead to non-completion or non-achievement of results) and for timely taking of coordinated corrective actions, concentration of monitoring actions, requesting of extensive information on side of different responsible bodies (NFP, FMO, external monitoring consultants on different topics) could lead to pressure and overburden of POs and prevent them from efficiently managing their programmes. Better coordination between the bodies with monitoring responsibilities could help to mitigate this risk;

- ✓ Sustainability risk - unwillingness of top management to take on board achieved outputs and outcomes, loss of relevance of certain outputs (e.g. due to changes in legislation), insufficient resources and commitment of project promoters to maintain delivered outputs/assets – communicating between NFP and PO management, preparation of plans for monitoring sustainability at programme and at national level.

***Summary list of issues and recommendations to be considered jointly by the NFP and the donors***

- Based on the above, delays in implementation remain most critical, especially for those programmes and measures that include infrastructure measures and/or are dependent on vegetation periods. Although the NFP has clearly conveyed to the POs the position of the donors that general programme extensions would not be allowed and extensions of individual projects could not be discussed at this stage, this is still considered by POs as the measure that could guarantee successful projects' completion. It should be underlined that the POs are fully aware of the need to have in place resources and tools to proceed at high speed with implementation and act accordingly. However, the concentration of public procurement procedures with a duration that could not be predicted raises serious concerns.
- Promotion and exchange of good monitoring and communication practices as well as on horizontal topics among POs and with the support of FMO, with other beneficiary states will provide value added to the national efforts. Concrete initiatives in this regard will be proposed by the NFP.
- Verification of payment claims will continue to be among the most critical aspects of implementation in terms of administrative capacity of POs and of the project promoters, but also with regard to the quality of financial reporting documentation and its compliance with internationally recognised standards. Currently POs face certain difficulties in this process related to verification of financial reporting documents of donor project partners. The support of the FMO and of Balcon Consulting (for obtaining advice and exchange of experience) would be appreciated;
- With the forthcoming closure of the Norwegian Embassy the NFP and the POs will lose an extremely helpful, encouraging and supportive team sharing devotion to the objectives of the grants. The NFP would expect an intensified dialogue, coordination and support from the FMO on bilateral relations;
- On some important programme related or horizontal topics the NFP and POs have been advised to undertake concrete actions that are in line with the provisions of the Regulations but with regard to which more restrictive approach has been taken by the POs (incl. reflected in formal documents). The NFP and POs undertook the recommended actions but in view of raised complaints and possible findings of future control and audit formalised communication would be appreciated. Furthermore, in future programming the insistence of the FMO on a more unified and Regulations oriented approach to be applied by national authorities would be appreciated.

## **6 ATTACHMENTS TO THE STRATEGIC REPORT**

The Strategic Report shall also include a number of attachments. DoRIS reports are available for extraction to be used for attachments 1-5. The reports can be accessed from the folder called: *Strategic Report Attachments* which is located under the *Country report* folder. Please follow the following link in the reports section of DoRIS (<https://doris.eeagrants.org/MapReports/>).

1. For each Programme, a table [DoRIS report to be extracted] showing the breakdown in respect of applications received and projects selected / contracted, as well as the types of intervention supported.
2. For each Programme, a table providing information in respect of donor partnership projects (names of Donor State entities, number and proportion of partnership projects). [DoRIS report to be extracted]
3. A summary table on Donor partnership projects on the Beneficiary State level. [DoRIS report to be extracted]
4. A list of irregularities detected at the Beneficiary State level and at Programme level during the reporting period and financial corrections made. Provide an update on previously reported irregularities. [DoRIS report to be extracted]
5. For each Programme, a list of irregularities detected at project level during the reporting period and financial corrections made. Provide an update on previously reported irregularities. [DoRIS report to be extracted]
6. A plan setting out the monitoring and audit activities in the Beneficiary State for the coming reporting period. (This is a non-public attachment)
7. A risk assessment at the national and programme levels (This is a non-public attachment. See suggested structure in Annex).
8. Work plan for 2016;
9. List of approved projects under priority 1 and priority 2 of the Bilateral Fund at National Level.