

MINISTRY OF LABOUR AND SOCIAL POLICY
Operational Programme
Human Resources Development 2014-2020

Ministry of Labour and Social Policy

**Operational Programme
Human Resources Development 2014-2020**

**Conditions for Application under the direct grant award
procedure**

BG05M9OP001- 4.002 INNOVATIVE TOGETHER

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1. Programme Title

Operational Programme Human Resources Development 2014-2020

2. Title of the priority axis

Priority axis No. 4 Transnational cooperation

3. Title of the procedure

INNOVATIVE TOGETHER

3.1. Direct grant award procedure

In the case of a direct grant award procedure, the grant is awarded only to an applicant identified in the respective programme or in a document approved by the Programme Monitoring Committee as the specific beneficiary for the activity concerned.

1. Pursuant to Art. 26, para 5 of the European Structural and Investment Funds Management Act (ESIFMA) the Managing Authority of the Programme shall send the draft documents - application guidelines and/or other documents defining the conditions for application and the conditions for implementation to the specific beneficiaries for proposals and objections within a reasonable period, which may not be shorter than one week.
2. Pursuant to Art. 5, para 1 of the Council of Ministers Decree 162/05.07.2016 on defining detailed grant award rules for the programmes financed by the European Structural and Investment Funds for the period 2014-2020 the Head of the Managing Authority of the Programme shall approve under the terms and conditions of Art. 26, paras 1, 3 and 5 of the ESIFMA Guidance and/or other document specifying:
 - the conditions for application;
 - the conditions for implementation of the approved projects.

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3. Pursuant to Art. 26, para 6 of the ESIFMA and Art. 23 of the Council of Ministers Decree 162/05.07.2016 the approved documents are sent to the specific beneficiaries together with the invitation to participate in the direct grant award procedure and are also published on the site of the Operational Programme Human Resources Development” 2014-2020 and in the Information system for management and monitoring of EU funds in the 2014-2020 period - UMIS 2020.
4. Specific beneficiaries provide a project proposal in accordance with the approved Conditions for Application.
5. Project proposals are submitted through an application form in compliance with the requirements of the ESIFMA, Art. 6 of the Council of Ministers Decree 162/05.07.2016 and the documents approved for the specific procedure.
6. The project proposals shall be evaluated within three months from the date of their submission or from the deadline for their submission if such is specified in the approved documents, Art. 44, para 2 of ESIFMA and Art. 24, para 4 of the Council of Ministers Decree 162/05.07.2016.
7. Pursuant to Art. 44, para. 5 of ESIFMA and Art. 24, para 1 of the Council of Ministers Decree 162/05.07.2016, the evaluation shall be carried out in accordance with the procedure established in the approved documents for the respective procedure.
8. Pursuant to Art. 24, para 2 of the Council of Ministers Decree 162/05.07.2016 in the approved documents, as an obligatory element of the evaluation is envisaged an evaluation of the administrative, financial and operational capacity of the specific beneficiary for the implementation of the respective project.
9. Pursuant to Art. 45, para. 1 of the ESIFMA, in case of a positive result of the evaluation, the head of the Managing Authority shall decide within one week from the end of the assessment to award a grant for the approved project proposal.
10. Pursuant to Art. 45, para 2 of the ESIFMA the decision of the manager of the Managing Authority to award a grant for an approved project proposal shall be objectified in an administrative agreement with the beneficiary, respectively in an order, containing the requisites under Art. 37, para 3 of the ESIFMA. The approved project and the approved documents for each procedure in the section defining the conditions for implementation are an integral part of the agreement and of the order respectively.

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Important!

In case the Conditions for Application are amended, the Specific beneficiary will be informed in writing within 5 working days of the approval of the amendment.

3.2. Institutional framework for procedure implementation

Managing authority

The Managing Authority of the Operational Programme Human Resources Development is the European Funds and International Programmes and Projects Directorate General (DG EFIPP) at the Ministry of Labour and Social Policy. The Managing Authority is responsible for the management of the OP HRD 2014-2020 under Regulation No 1303/2013 and Decision of the Council of Ministers No 823 / 21.10.2015.

Applicants for grants

Applicants for grants are all natural and legal persons and their associations who apply for a grant by submitting a project proposal or a financial plan for a budget line.

Certifying Authority

Certifying Authority under the Operational Programme Human Resources Development 2014-2020 under the European Social Fund is the National Fund Directorate of the Ministry of Finance, according to Decision of the Council of Ministers No 823 / 21.10.2015. According to Art. 126 of Regulation 1303/2013, the Certifying Authority is responsible for preparing and sending to the Commission applications for payment and for certifying that they are the product of reliable accounting systems, based on verifiable cost-effective documents and have been subjected to controls by the Managing Authority.

Audit Authority

The Audit Authority of the OP HRD, according to Decision No 792/17.12.2013 of the Council of Ministers, is the Executive Agency Audit of the European Union Funds". According to Art. 127 of Regulation 1303/2013, the Audit Authority is responsible for audits of the proper functioning of the management and control systems of the operational programme.

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Central Coordination Unit

The Central Coordination Unit Directorate of the Council of Ministers is the structure that coordinates and monitors the fulfilment of the objectives of the Partnership Contract of the Republic of Bulgaria for the programming period 2014-2020 in the process of absorption of the funds from the European Structural and Investment Funds in the country.

4. Codes for Dimensions

Dimension 1 – INTERVENTION FIELD:

102 - Access to employment for job-seekers and inactive people, including the long-term unemployed and people far from the labour market, also through local employment initiatives and support for labour mobility;

103 - Sustainable integration into the labour market of young people, in particular those not in employment, education or training, including young people at risk of social exclusion and young people from marginalised communities, including through the implementation of the Youth Guarantee Scheme (ESF);

104 - Self-employment, entrepreneurship and business creation including innovative micro, small and medium sized enterprises;

106 - Adaptation of workers, enterprises and entrepreneurs to change;

108 - Modernization of labour market institutions such as public and private employment services, and improving the matching of labour market needs, including through actions that enhance transnational labour mobility as well as through mobility and better cooperation between the institutions and the relevant stakeholders;

109 - Active inclusion, including with a view to promoting equal opportunities and active participation, and improving employability;

110 - Socio-economic integration of marginalised communities such as the Roma;

112 - Enhancing access to affordable, sustainable and high-quality services, including health care and social services of general interest;

113 - Promoting social entrepreneurship and vocational integration in social enterprises and the social and solidarity economy in order to facilitate access to employment;

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117 - Enhancing equal access to lifelong learning for all age groups in formal, non-formal and informal settings, upgrading the knowledge, skills and competences of the workforce, and promoting flexible learning pathways including through career guidance and validation of acquired competences;

119 - Investment in institutional capacity and in the efficiency of public administrations and public services at the national, regional and local levels with a view to reforms, better regulation and good governance.

Dimension 2 - Form of finance:

01 – Non-repayable grant

Dimension 3 – Territory type:

06 – ESF transnational cooperation

Dimension 4 - Territorial Delivery Mechanisms:

07 - Not applicable

Dimension 6 – ESF secondary theme

02 – Social innovation

Dimension 7 – Economic activity

18 – Public administration

5. Territorial scope

The activities under this procedure should be carried out on the territory of the European Union Member States.

6. Objectives of the grant awarded under the procedure and expected results

Purpose of the procedure:

The operation is directed to the institutions of the Ministry of Labour and Social Policy system and aims to contribute to the transfer and introduction of social innovations, good practices, partnership approaches to finding solutions for common problems, building specific partnership skills etc., in the areas of the labour market, social inclusion, equal opportunities and non-discrimination, working conditions and the building of administrative capacity in them.

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Each project proposal under this direct grant award procedure should be linked to at least one of the thematic objectives and the corresponding investment priorities (IP) of the Operational Programme Human Resources Development” 2014-2020:

Thematic objective 8

IP 1: Access to employment for job-seekers and inactive people, including the long-term unemployed and people far from the labour market; also through local employment initiatives and support for labour mobility.

IP 2: Sustainable integration into the labour market of young people, in particular those not in employment, education or training, including young people at risk of social exclusion and young people from marginalised communities, including through the implementation of the Youth Guarantee Scheme (ESF).

IP 3: Modernization of labour market institutions such as public and private employment services, and improving the matching of labour market needs, including through actions that enhance transnational labour mobility as well as through mobility and better cooperation between the institutions and the relevant stakeholders.

IP 4: Self-employment, entrepreneurship and business creation including innovative micro, small and medium sized enterprises.

IP 5: Adaptation of workers, enterprises and entrepreneurs to change.

Thematic objective 9

IP 7: Socio-economic integration of marginalised communities such as the Roma

IP 8: Active inclusion, including with a view to promoting equal opportunities and active participation, and improving employability.

IP 9: Enhancing access to affordable, sustainable and high-quality services, including health care and social services of general interest.

IP 10: Promoting social entrepreneurship and vocational integration in social enterprises and the social and solidarity economy in order to facilitate access to employment.

Thematic objective 10

IP 6: Enhancing equal access to lifelong learning for all age groups in formal, non-formal and informal settings, upgrading the knowledge, skills and competences of the workforce, and promoting flexible learning pathways including through career guidance and validation

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of acquired competences.

Thematic objective 11

IP 11: Investment in institutional capacity and in the efficiency of public administrations and public services at the national, regional and local levels with a view to reforms, better regulation and good governance.

The following specific objectives correspond to the described investment priorities under this procedure:

Specific objective corresponding to IP 1:

Promoting transnational cooperation in respect of exchange of experience, good practices and models of promoting employment for job-seekers and inactive people over 29 years of age.

Specific objective corresponding to IP 2:

Promoting transnational cooperation in respect of exchange of experience, good practices and models of sustainable integration of young people under 29 years of age, incl. on the labour market.

Specific objective corresponding to IP 3:

Promoting transnational cooperation aimed at the improvement of the processes for policy formulation and implementation and for active labour market measures.

Specific objective corresponding to IP 4:

Promoting transnational cooperation in respect of exchange of experience, good practices and models for promotion of self-employment, entrepreneurship and creation of enterprises, including innovative micro, small and medium enterprises.

Specific objective to IP 5:

Promoting transnational cooperation in respect of the exchange of experience, good practices and models for increasing the number of the covered employees in the enterprises, which have introduced new human resources development systems, practices and tools, and improving the organization and working conditions.

Specific objective to IP 6:

Promoting transnational cooperation in exchange of experience, good practices and models for ensuring equal access of employed persons to lifelong learning.

Specific objective to IP 7:

Promoting transnational cooperation in exchange of experience, good practices and models

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for ensuring socio-economic integration of the marginalized communities.

Specific objective to IP 8:

Promoting transnational cooperation in exchange of experience, good practices and models for ensuring active social inclusion and promoting equal opportunities for the vulnerable groups.

Specific objective to IP 9:

Promoting transnational cooperation in respect of exchange of experience, good practices and models of long-term care for people incapable of self-care and the disabled, reduction of the number of children, youth and elderly people placed in institutions.

Specific objective to IP 10:

Promoting transnational cooperation in respect of exchange of experience, good practices and models for increasing the number of persons employed in social enterprises following the support provided.

Specific objective to IP 11:

Promoting transnational cooperation in respect of exchange of experience, good practices and models of increasing knowledge, skills and competences of the employees in the institutions in the area of social inclusion, healthcare, equal opportunities and non-discrimination and working conditions.

Expected results of the procedure:

The procedure is aimed at achieving such results as: transfer and introduction of social innovations, good practices, partnership approaches to finding solutions to common problems, building specific partnership skills, etc. The results described will be achieved in the areas of the labour market, social inclusion, equal opportunities and non-discrimination, working conditions and the building of administrative capacity in them. Last but not least, the procedure stimulates directly and supports innovations as well as encourages the distribution and transfer of innovative results into applied policies and practice.

Demarcation and complementarity:

The INNOVATIVE TOGETHER procedure complements the measures in support of the transnational cooperation in the field of the labour market and social inclusion implemented under the Operational Programme Human Resources Development 2007-2013.

In the framework of the operation, actions funded under another project, programme or any other financial scheme deriving from the national budget, the Community budget or any other donor programme, the verification of which will be carried out at the individual project level, will not be supported. According to the established demarcation with Operational

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Programme Good Governance, measures to promote transnational cooperation for labour market administrations, social inclusion, health, equal opportunities and non-discrimination will be supported under the OP HRD. Demarcation will be done with Operation Danube Partnerships for Employment and Growth” and Transnational Partnerships”, with double funding being verified at the project level.

7. Indicators

The implementation of the projects under this procedure aims to achieve the following output and result indicators:

OUTPUT INDICATOR			RESULT INDICATOR		
Indicator	Unit	Target value	Indicator	Unit	Target value
Identified innovative practices¹	Number	20	Transferred² innovative practices	Number	14

Each project under this procedure must necessarily include an output indicator and a result indicator.

Each indicator included in the project proposal must be quantified with a positive target value other than 0.

Important!

**Applicants should bear in mind that in their project proposal it is advisable to require the identification and/or transfer of more than one innovative practice within an investment priority.
An identified and/or transferred innovative practice can NOT be linked to more than one investment priority!**

8. Total amount of grant under the procedure

¹ Innovative practice should be understood as putting into use any new or significantly improved ideas, services and/or models aimed at the social sphere (labor market, social inclusion, health, equal opportunities and non-discrimination, working conditions and the construction of an administrative capacity).

² Transferred should be understood as the process of transferring skills, knowledge, models and process organization.

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Total budget of the direct grant award procedure BGN 10,000,000.00:

<i>Total amount of the grant awarded</i>	<i>ESF Funds</i>	<i>National co-financing</i>
BGN 10,000,000.00	BGN 9,500,000.00 (95%)	BGN 500,000.00 (5%)

This is the total amount of the budget under the procedure. The Managing Authority reserves the right not to allocate the above amount in the case of an insufficient number of project proposals meeting the pre-defined criteria.

8.1. Minimum (if applicable) and maximum grant amount for a particular project

The minimum and maximum amount of the grant applied for under the INNOVATIVE TOGETHER direct grant award procedure is as follows:

Minimum amount of the grant : Not applicable

Maximum amount of the grant: BGN 500,000.00

In connection with the implementation of Regulation (EC) No 1407/2013, for applicants **Centre for Human Resource Development and Regional Initiatives and State Company Bulgarian-German Vocational Training Centre** the maximum amount of the grant is **BGN 391,166.00**.

In the cases of applicability of Regulation (EC) No 1407/2013, the maximum amount of the grant for **the partners is BGN 391,166.00**.

8.2. Co-financing rate

This procedure does not require mandatory co-financing by applicants and partners. The amount of the grant is up to 100%.

In relation to the implementation of transnational cooperation activities and the establishment of transnational partnerships, we encourage the implementation of projects where financial participation by the foreign partner is foreseen, especially through support from other projects funded by the Member State or the EU.

9. Eligible applicants

9.1. General eligibility requirements for the applicants and partners

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9.1.1. Only organizations explicitly designated as eligible beneficiaries of the respective investment priorities in the Operational Programme Human Resources Development” 2014-2020 and in the criteria for selecting the INNOVATIVE TOGETHER operation approved by the OP HRD Monitoring Committee can participate as applicants and partners in the direct grant award procedure.

Important!

Within the framework of the procedure, each project proposal must necessarily be linked to an investment priority(s). Please note that each investment priority is characterized by specific eligible applicants/partners, a specific target, and a target group, and their compliance is a condition of eligibility. It is therefore very important when choosing an investment priority, to take these particularities into account by presenting the full synergy between applicants/partners, investment priority, specific target, and target group.

Eligible beneficiaries according to the selection criteria of an operation:

- **Eligible applicants:**
 - Ministry of Labour and Social Policy;
 - Secondary budget spending units to the Minister of Labour and Social Policy;
 - State Company Bulgarian-German Vocational Training Centre.
- **Eligible partners:**
 - All designated beneficiaries under the respective investment priorities of the OP HRD are eligible as partners

Beneficiaries under investments priorities according to the OP HRD:**IP 1**

Ministry of Labour and Social Policy; Employment Agency; Agency for People with Disabilities; Centre for Human Resource Development and Regional Initiatives; State Company Bulgarian-German Vocational Training Centre; Ministry of Justice; General Enterprise Prison Production; organisations providing intermediary services on the labour market; education and training organisations and institutions; employers; social partners; municipalities and municipal districts; information and professional guidance centres; non-governmental organisations;

IP 2

Ministry of Labour and Social Policy; Employment Agency; Agency for People with Disabilities; Centre for Human Resource Development and Regional Initiatives; State Company

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Bulgarian-German Vocational Training Centre; organisations providing intermediary services on the labour market; education and training organisations and institutions; employers; social partners; municipalities and municipal districts; information and professional guidance centres; non-governmental organisations;

IP 3

Ministry of Labour and Social Policy; Employment Agency; social partners;

IP 4

Ministry of Labour and Social Policy; Employment Agency; Agency for People with Disabilities; Centre for Human Resources Development and Regional Initiatives; GE Bulgarian - German Vocational Training Centre”; organisations providing intermediary services in the labour market; educational and training organisations and institutions; employers; social partners; municipalities and municipal districts; information and career orientation centres; non-governmental organisations, financial institutions, Fund Manager of Financial Instruments in Bulgaria EAD.

IP 5

Ministry of Labour and Social Policy; Employment Agency; General Labour Inspectorate Executive Agency; Centre for Human Resources Development and Regional Initiatives; State Enterprise Bulgarian-German Vocational Training Centre; institutions and organisations exercising control on the working conditions in the enterprises; services in support of the employers; organisations providing intermediary services on the labour market; employers; associations of employers (clusters); self-employed persons; educational and training organisations and institutions; information and professional orientation centres; social partners; non-governmental organisations.

IP 6

Ministry of Labour and Social Policy; Employment Agency; Centre for Human Resources Development and Regional Initiatives; State Enterprise Bulgarian-German Vocational Training Centre; National Agency for Vocational Education and Training; Ministry of Health; employers; associations of employers (clusters); self-employed persons; educational and training organisations and institutions; social partners; non-governmental organisations.

IP 7

Ministry of Labour and Social Policy and the secondary budget spending units to the Minister of Labour and Social Policy; Ministry of Health and the secondary budget spending units, which report to the Minister of Health; social and health services providers; social partners; employers; municipalities and municipal regions; organisations providing intermediary services; education

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and training organisations and institutions; information and professional orientation centres; community centres; non-governmental organisations; social enterprises and cooperatives for people with disabilities, registered religious branches .

IP 8

Ministry of Labour and Social Policy; Employment Agency; Agency for Social Assistance; Agency for People with Disabilities; State Agency for Child Protection; Ministry of Health; employers; municipalities and municipal regions; non-governmental organisations; organisations providing labour market intermediary services; education and training institutions and organisations; social service providers; health service providers; public medical and treatment facilities; medical universities; registered religious branches;

IP 9

Ministry of Labour and Social Policy; Employment Agency; Agency for Social Assistance; Agency for People with Disabilities; State Agency for Child Protection; Ministry of Health; Ministry of Youth and Sports; Ministry of Justice; employers; municipalities and municipal regions; non-governmental organisations; organisations providing labour market intermediary services; education and training institutions and organisations; social service providers; health service providers; public medical and treatment facilities; medical universities; registered religious branches.

IP 10

Ministry of Labour and Social Policy; Agency for Social Assistance; Agency for People with Disabilities; social enterprises; employers; specialised enterprises and cooperatives for people with disabilities; education and training organisations and institutions; non-governmental organisations; municipalities and municipal regions; social partners; financial institutions, social services providers.

IP 11

Ministry of Labour and Social Policy /MLSP/, Agency for Social Assistance, Agency for People with Disabilities, Labour Inspectorate Executive Agency, Working Conditions Fund, Social Protection Fund, Centre for Human Resources Development and Regional Initiatives, State Agency for Child Protection, National Agency for Professional Education and Training; Ministry of Health and the secondary budget spending units to the Minister of Health; Ministry of Youth and Sports; Commission for Protection against Discrimination; Secretariat of the National Council for Cooperation on Ethnic and Integration Issues via the administration of the Council of Ministers; Secretariat of the National Council for integration of people with disabilities via MLSP; training organisations of the public administration, municipalities and municipal regions, National Social Security Institute;

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9.1.2. The applicant cannot participate independently. **Partnership with an institution (as defined in point 10.2) from at least one other European Union Member State is mandatory!**

Partnership with a Bulgarian organization is permissible but not mandatory.

9.1.3. At the moment of applying, the applicants/partners (Bulgarian and foreign) declare the above-mentioned circumstances in the Declaration of the applicant/partner (**Appendix I**) - **applicable only to applicants and partners other than central administrations - primary and secondary budget spending units as well as municipalities/regions of municipalities.**

Applicants/partners which are central and municipal administrations (Bulgarian and foreign) at the time of application declare the specified circumstances in the Declaration of the applicant/partner for administrations (**Appendix II**) (if applicable).

The requirements are mandatory for the applicant and for the partner (s) who spends the project funds (if applicable).

Circumstances are declared by the person (s) empowered to represent the applicant (s)/partner (s). The declaration cannot be signed by authorized persons.

Before the conclusion of the administrative contract, the declared circumstances shall be proved and an inspection by the Managing Authority shall be carried out, regarding the same:

1. For Bulgarian organizations:
 - with official documents issued by the relevant competent authorities about the circumstances for which such documents are issued, while complying with the requirements of Art. 2, para 1 of the E-Government Act;
 - with declarations - for all other circumstances that have not been declared at a previous stage, or when there has been a change in the already declared circumstances.

2. For foreign organizations
 - with declarations - for all other circumstances that have not been declared at a previous stage or when there has been a change in circumstances already declared.

9.1.4. **The partners (Bulgarian and foreign) are involved in the implementation of the project and the costs incurred by them are eligible to the same extent as the costs incurred by the applicant.** They are reported with primary accounting documents.

An Applicant or Partner in a project proposal may be a partner in more than one project, irrespective of the region if it has the necessary capacity and meets the requirements for

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provisioned minimis aid in accordance with Regulation (EU) No 1407/2013.

At the application stage, the Applicant (s)/Partner (s) are required to certify that they do not fall under the prohibition regime of Regulation (EU) No 1407/2013 by filling in and submitting to the Project Proposal Appendix III Declaration for *de minimis* Aid.

9.2. Specific eligibility requirements for the applicants:

9.2.1. In the direct grant award procedure as applicants can participate only:

- **Ministry of Labour and Social Policy;**
- **Secondary budget spending units to the Minister of Labour and Social Policy;**
- **State Company Bulgarian-German Vocational Training Centre.**

It is permissible separate units³ in the structure of the applicants, except for the European Funds and International Programmes and Projects Directorate General (DG EFIPP), MLSP to apply through the legal entity and to receive funding for different projects and activities. Only in this case can the same specific beneficiary receive more than one grant under this procedure.

The specific beneficiaries should be among the eligible beneficiaries under the respective investment priorities for which they apply (according to point 9.1).

9.2.2. It is mandatory to apply in partnership with an institution (as defined in point 10.2) from at least one other European Union Member State .

Partnership with Bulgarian organizations is permissible but not mandatory.

Important!

The Bulgarian partner (s) should be elected on the basis of a public and transparent selection procedure guaranteeing free and fair competition, equality and non-discrimination of all organizations that would like to participate in the implementation of the project as partners.

In connection with the implementation of the partner selection procedure, the applicant should comply with the following requirements:

1. To prepare and publish on its website and/or local media notice/invitation for the selection of partners that includes at least:

- the name of the programme and the procedure applied for;
- a brief description of the planned activities;
- Requirements to the partners, in accordance with the Conditions for Application and the

³ Units should be understood as administrative units (directorates) according to Art. 4 and Art. 7 of the Administration Act.

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planned activities of the project;

2. The deadline for recruiting partners should be not less than one week;
3. Selection of collected applications on the basis of the criteria in the invitation – it is documented in writing;
4. Signing a partnership agreement with the approved partner (s).

Applicants present at the time of submission of the project proposal evidence of the procedure for the selection of a partner carried out - published notice/invitation for selection.

The choice of Bulgarian and foreign partner (partners) should be well-founded. Partner (partners) must offer specific skills and experience, innovative approaches to the implementation of activities, etc., which would contribute to better implementation of the project than if they were not involved in it.

Applicants describe partners' choice in point 11.4 of the Application form.

9.2.3. In accordance with the requirement of Art. 24, para 2 of Decree of the Council of Ministers 162 / 05.07.2016 the specific beneficiary under this procedure must prove administrative, financial and operational capacity.

Administrative capacity - The Project Management and Implementation Team should be tailored to the specificity and volume of the planned activities.

In point 9 Team of the Application Form must be described in detail the qualification requirements and responsibilities for the respective positions of the Project Manager and other team members. Each of them should have experience in the organization and/or management/implementation of a similar type of activities and/or projects, respectively at least three years as a manager and a minimum of one year for the other team members. No specific names and contacts of the team members should be specified in the Application Form.

For proof of administrative capacity, the specific beneficiary should indicate information in pt. 9 of the Application Form.

Financial capacity - The applicant should be able to provide the necessary funding for the implementation of the project activities.

For a Specific beneficiary – Primary budget spending unit:

This circumstance shall be checked ex officio by the evaluation committee at the time of application in the State Budget Act. It is considered that the specific beneficiary has the

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necessary financial capacity if the approved expenditures on the budget of the primary spending unit in whose structure is the respective beneficiary for the current financial year are higher than the amount of the requested grant.

For a Specific beneficiary – Secondary budget spending unit:

It is considered that the specific beneficiary has the necessary financial capacity if the approved expenditures on the budget of the secondary spending unit for the current financial year are higher than of the amount of the requested grant. To prove this circumstance, the particular beneficiary should submit a letter of support from the respective primary spending unit confirming that the particular beneficiary has the financial resources needed for the current financial year for the project implementation that is higher than the amount of requested grant.

For a specific Beneficiary, other than the state administration – primary and secondary budget spending unit, in this case - State Company Bulgarian-German Vocational Training Centre:

- has to prove that it has the financial capacity (according to the attached Balance Sheet and Revenue and expenditure statement for the current financial year) according to the Appendix: Methodology for Evaluation of the Financial Capacity of the Applicants under the Operational Programme Human Resources Development.

Operational capacity - The specific beneficiary should have at least 1-year experience in project management and/or experience in performing activities similar to those included in the project proposal. The information should cover no more than 3 projects completed in the last 5 years.

In order to prove operational capacity, the applicant should indicate the information in pt. 11.3 in the Application Form.

9.2.4. The Applicants **State Company Bulgarian-German Vocational Training Centre and Centre for Human Resources Development and Regional Initiatives** meet the requirements for de minimis aid in accordance with Regulation (EU) No 1407/2013. Circumstances connected to the requirements of Regulation (EU) No 1407/2013 are accepted at the stage of assessment of administrative compliance and eligibility on a declaratory principle. The detailed examination of the declared circumstances will be carried out before concluding an administrative grant award contract.

9.2.5. **Specific beneficiaries** – secondary budget spending unit - at the time of application

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should submit an analysis of the specific activity of the respective authority on the basis of which it is justified to fall outside the scope of Art. 107, par. (1) of TFEU (The Treaty on the Functioning of the European Union), respectively, outside the scope of the state aid rules.

9.2.6. Other requirements:

- The applicant is directly responsible for the preparation, management, and implementation of project activities and does not act as an intermediary (as evidenced by the distribution of activities and the distribution of the budget funds to the applicant and partners);
- Partnerships established for the purpose of this grant award procedure do not need to be registered in court;
- Each applicant has the right to participate with only one project proposal under this procedure, except in cases where separate units of the applicants' structure apply through the legal entity.

10. Specific eligibility requirements for partners**10.1. Eligible Bulgarian partners**

Partnership with a Bulgarian organization is permissible but not mandatory.

In addition to the general requirements, the partner (partners) must also meet the following conditions:

10.1.1. To be an eligible beneficiary for the respective investment priority on which the project proposal was developed. The eligible organizations for the respective investment priorities are mentioned in point 9.1 of these Conditions for Application ;

10.1.2. The applicant is a person who is an independent legal entity registered and authorized to operate on the territory of the Republic of Bulgaria in accordance with the effective Bulgarian legislation;

10.1.3. To be selected on the basis of a public and transparent selection procedure and to offer specific skills and experience, innovative approaches to the implementation of activities, etc. that would contribute to the better implementation of the project than they would not have been involved in – **to be described in pt. 11.4 of the Application Form;**

10.1.4. If the partner is a municipality or a region of a municipality, it should present a decision of the municipal council approving a partnership for the project application under the LSMLA. If a session of the Municipal Council is not foreseen within the deadline for submitting a project proposal, it is permissible for the decision to be presented during the evaluation or prior to the conclusion of a contract.

10.1.5. Partner (Partners) under this procedure **must prove financial capacity and operational**

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capacity.

Financial capacity:

The requirements for proving financial capacity do not apply to partners who do not spend money on the project!

For a partner – primary budget funds spending unit:

This circumstance shall be checked ex officio by the evaluation committee at the time of application in the State Budget Act. It is considered that the specific partner has the necessary financial capacity if the approved expenditures on the budget of the primary spending unit in whose structure is the respective partner for the current financial year is higher than the amount of the requested grant aid.

For a partner – secondary budget spending unit:

It is considered that the specific partner has the necessary financial capacity if the approved expenditures on the budget of the secondary spending unit for the current financial year are higher than the amount of the requested grant aid under the project. To prove this circumstance, a letter of support from the respective primary spending unit must be submitted confirming that the partner has the financial resource for the current financial year that is higher than the amount of requested grant aid.

For a partner, other than the state and municipal administration – primary and secondary budget spending unit:

Each partner has to prove separately that it has the financial capacity (according to the attached Balance Sheet and Revenue and expenditure statement for the current financial year) according to the Appendix: Methodology for Evaluation of the Financial Capacity of the Applicants under the Operational Programme Human Resources Development.

Operational capacity:

The experience of the partner (partners) is described for each participant individually!

Each partner separately should have at least 1-year experience in project management/implementation and/or experience in implementing activities similar to those included in the project proposal. The information should cover no more than 3 projects completed in the last 5 years.

In order to prove operational capacity, the partner (partners) should indicate the information in

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pt. 11.3 in the Application Form

10.1.6. The Partners other than state and municipal administration - first and second budget spending authority - meet the requirements for de minimis aid in accordance with Regulation (EU) No 1407/2013. Circumstances connected to the requirements of Regulation (EU) No 1407/2013 are accepted at the stage of evaluation of administrative compliance and eligibility on a declaratory principle. The detailed examination of the declared circumstances will be carried out before concluding an administrative grant award contract

10.1.7. Partners which are state and municipal administration - first and second budget spending authority - at the time of application should submit to the Managing Authority an analysis of the specific activity of the respective authority on the basis of which it is justified to fall outside the scope of Art. 107, par. (1) of TFEU (The Treaty on the Functioning of the European Union), respectively, outside the scope of the state aid rules.

If the partner (partners) does not submit the above-quoted analysis, then the amount of funds they will spend on the project will be recorded in the administrative contract/order for grant as a de minimis aid.

10.1.8. Sign Partnership Agreement (Appendix IV to the Conditions for Application procedure) with the applicant and all the other partners at the time of submission of the project proposal.

10.1.9. They participate in the realization of the project and their costs are eligible to the same extent as the costs incurred by the applicant. They are reported with primary accounting documents.

The funds that will be spent on the project should be specified in the partnership agreement for each partner separately.

10.2. Eligible foreign partners

As partners are eligible all mentioned beneficiaries under the respective investment priorities of the OP HRD under which the project proposal has been developed. The eligible organizations under the respective investment priorities are mentioned in point 9.1 of these Conditions for Application.

In addition to the general requirements, the partner (partners) must also meet the following conditions:

10.2.1. Including as a partner **an institution from at least another EU Member-State** is mandatory for the procedure.

For the purposes of this procedure, institution means state, regional or municipal administrations with autonomous legal personality, budget spenders.

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At the time of application, the partners provide evidence - creation documents, extracts of regulatory or administrative acts for their establishment that meet the definition of an institution.

10.2.2. To be established and registered under the current Community legislation and based in the territory of another EU Member State;

10.2.3. They participate in the realization of the project and their costs are eligible to the same extent as the costs incurred by the applicant. They are reported with primary accounting documents.

The funds that will be spent on the project should be specified in the partnership agreement for each partner separately.

IMPORTANT!

If the partners provide their own funds for their participation in the project, this should be specified in the **Partnership Agreement**. Specify the type of source of funding:

- own sources; and/or
- public sources (to be indicated if the funds are from the Community budget); and/or
- other sources (including voluntary participation on own account, providing expertise, work, etc.)

10.2.4. Sign Partnership Agreement (Appendix IV to the Conditions for Application procedure) with the applicant and all the other partners at the time of submission of the project proposal.

10.2.5. Must prove **financial and operational capacity**:

Financial capacity:

The requirements for proving financial capacity do not apply to partners who do not spend money on the project!

For a partner – primary budget funds spending unit:

Partners should provide a document showing the amount of approved spending on the budget of the primary spender for the current financial year. It is considered that the partner has the necessary financial capacity if the approved expenditures on the budget of the primary spending unit in whose structure is the respective partner for the current financial year is higher than the amount of the grant under the project which will be spent by the partner.

Foreign partners - budgeting organizations should prove financial capacity with a relevant document showing the approved expenditures of the partner's budget for the current financial

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year.

For a partner – secondary budget funds spending unit:

It is considered that the partner has the necessary financial capacity if the approved expenditures on the budget of the secondary spending unit for the current financial year are higher than the amount of the requested grant under the project. To prove this circumstance, a letter of support from the respective primary spending unit must be submitted confirming that the partner has the financial resource for the current financial year that is higher than the amount of grant which will be spent by the partner.

Foreign partners - budgeting organizations should prove financial capacity with a relevant document showing the approved expenditures of the partner's budget for the current financial year.

For a partner, other than the state and municipal administration – primary and secondary budget spending unit:

Each partner has to prove separately that it has financial capacity (to present a copy of the relevant accounting document, regulated by the International Accounting Standards or the National Accounting Standards of the respective Member State, for the current year, translated into Bulgarian) according to the Appendix: Methodology for Evaluation of the Financial Capacity of the Applicants under the Operational Programme Human Resources Development 2014 – 2020.

Operational capacity:

The experience of the partner (partners) is described for each participant individually!

Each partner separately should have at least 1-year experience in project management/implementation and/or experience in implementing activities similar to those included in the project proposal. The information should cover no more than 3 projects completed in the last 5 years.

In order to prove operational capacity, the partner (partners) should indicate the information in pt. 11.3 in the Application Form

10.2.6. The Partners other than state and municipal administration - first and second budget spending authority - meet the requirements of the provision of de minimis aid in accordance with Regulation (EU) No 1407/2013. Circumstances connected to the requirements of Regulation

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(EU) No 1407/2013 are accepted at the stage of evaluation of administrative compliance and eligibility on a declaratory principle. The detailed examination of the declared circumstances will be carried out before concluding an administrative contract for grant awarding.

The amount of funds determined for the foreign partner (partners) will be considered as received de minimis aid on the territory of the Republic of Bulgaria.

10.2.7. Partners which are state and municipal administration - first and second budget spending authority - at the time of application should submit to the Managing Authority an analysis of the specific activity of the respective authority on the basis of which it is justified to fall outside the scope of Art. 107, par. (1) of TFEU (The Treaty on the Functioning of the European Union), respectively, outside the scope of the state aid rules.

If the partner (partners) does not submit the above-quoted analysis, then the amount of funds they will spend on the project will be recorded in the administrative contract/order for grant as a de minimis aid. The amount of aid determined for the foreign partner (partners) will be considered as received de minimis aid on the territory of the Republic of Bulgaria.

10.2.8. They must offer specific skills and experience, innovative approaches to the implementation of activities, etc., which would contribute to the better implementation of the project than they would not have been involved in - **the justification is described in point 11.4 of the Application Form.**

10.3. Eligible Affiliate Partners

Affiliate partners are not eligible under this procedure.

10.4. Implementers

Pursuant to Art. 49, para 1 of the ESIFMA grant beneficiaries may assign to contractors - outsiders, implementations and/or project management activities, where provided for in the respective activity.

The choice of contractors is subject to the rules set out in Chapter Four Special rules for determining a contractor from grant beneficiaries of ESIFMA or the Public Procurement Act.

11. Activities eligible for funding

MINISTRY OF LABOUR AND SOCIAL POLICYOperational Programme
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- Information and communication activities

IMPORTANT: In their project proposals the applicants should not describe information and communication as well as organization and management activities, along with direct project activities, but only have to declare that they will do so in the application form (point 11.8)!

The information and communication activities should meet the terms and requirements described in the Beneficiary's Unified Guide to Implementation of the Information and Communication Rules 2014-2020, published on the website of the Operational Programme Human Resources Development.

Eligible activities must be in line with the horizontal principles of the OP and avoid duplication of funding for the same activities from different sources.

The activities envisaged for implementation under each project proposal should ensure that the target of this grant award procedure is directly achieved.

The following activities are eligible for funding under procedure INNOVATIVE TOGETHER:

- Preparation of specific analyses and studies of the experience of other Member States;
- Staff, program and project managers, trainers, stakeholder representatives as well as representatives of the target groups exchange;
- Organization of public events, seminars, workshops, and training to encourage the exchange of experience, information, good practices and innovative approaches between partners and other stakeholders;
- Enhancing the capacity of partners and stakeholders to develop, implement, monitor and evaluate good practices and innovative approaches;
- Building and/or inclusion in partner networks, twinning;
- Joint or coordinated social experimentation by adapting and/or validating innovative models, practices, services, products and assistive systems from other countries;
- **Activities to assess the results in terms of the applicability of its innovative elements – MANDATORY ACTIVITY;**

Important! The evaluation of the achieved results will follow the logical link between the one set out in the Application Form and its actual implementation. The evaluation will follow the

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following parameters in practice:

- Track the achievement of the targets and results of the project, as well as their relation to meeting the needs of the target group;
- Features in the implementation of the planned activities and their relationship to the targets and the achieved results of the project;
- Efficiency and effectiveness of the expenditures envisaged in terms of the targets, activities set and results achieved.

• **Activities to distribute the results (positive and/or negative) achieved** other than the information and communication activities described above - **MANDATORY ACTIVITIES**.

In addition, each project funded under this procedure should contribute to social innovation, i.e. contain an innovative element. This condition is described in pt. 11.7 of the Application Form and is subject to assessment.

Important!

For the purpose of this procedure, "social innovation" and "innovative practice"⁴ are equivalent concepts.

- In choosing social innovation, the Applicant may choose among the following approaches identified in the European Union that should be adapted to the target regions of this procedure:

Innovations to be:

- Process-oriented - developing new methods and/or approaches;
- or**
- Target-oriented - working with different target groups, sectors or at different levels;
- or**
- Content-oriented - a new organization of training, networking, and distribution.

Innovations are based on:

- Prototyping and piloting of social innovation;
- Implementation/deployment of social innovation;
- Sustainability assessment to determine the potential for innovation impact.

In this procedure promote projects contributing to a greater degree to achieve the values of performance, indicators, and results set in the operation.

⁴ European Commission, Guide to Social Innovation, February 2013, p. 6
http://s3platform.jrc.ec.europa.eu/documents/20182/84453/Guide_to_Social_Innovation.pdf

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12. Costs categories eligible for funding⁵**12.1. Conditions for the eligibility of costs**

Only the "eligible costs" will be considered when grant is awarded. They are determined on the basis of the requirements of Chapter Five "Financial Management and Control" of the ESIFMA and the current by-laws of the Council of Ministers, which do not contradict the Law, the provisions of Regulation 1303/2013, Regulation 1304/2013, Regulation 966/2012 and the applicable national legislation on the 2014-2020 financial framework.

According to Art. 57, para 1 of the ESIFMA, in order to be eligible, they must meet the following conditions simultaneously:

- the costs are for activities corresponding to the criteria for selection of operations and are performed by eligible beneficiaries under the respective programme under Art. 3, para 2 of the ESIFMA;
- costs fall into the categories of costs included in the documents under Art. 26, para 1 of the ESIFMA and in the approved project;
- the costs are for actually delivered products, carried out services and construction activities;
- costs have been incurred in accordance with the applicable European Union law and Bulgarian law;
- the costs are reflected in the beneficiary's accounting records through separate accounting analytical accounts or in a separate accounting system;
- an audit trail is available for the costs incurred in accordance with the minimum requirements of Art. 25 of Commission Delegated Regulation (EU) No 480/2014 of 3 March 2014 supplementing Regulation (EU) No 1303/2013 of the European Parliament and of the Council laying down common provisions on the European Regional Development Fund, the European Social Fund the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund (OB, L 138/5 of May 13, 2014) and the requirements for storing documents pursuant to Art. 140 of Regulation (EU) No 1303/2013;
- the costs are in line with the applicable de minimis aid rules.
- to be carried out in accordance with the principle of sound financial management in accordance with Art. (EC, EURATOM) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the European Union and repealing Regulation (EC, EURATOM) No 1605/2002 of the Council (OB L 298, 26.10.2012).

⁵ Where applicable, ineligible costs, as well as relevant information as required by Art. 59, para. 2 of the Law for Management of the Funds from the European Structural and Investment Funds (promulgated, State Gazette, issue 101 of 2015) shall also be indicated.

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12.2. Instructions for completing the budget

The budget is part of the Application Form in the UMIS and includes – pt. 5 Budget and pt. 6 Financial Information - Sources of Financing.

The budget (pt. 5 of the Form) should cover all eligible costs for the implementation of the Project, not just the grant. If the project involves co-financing by the applicant, it should be included in the budget description.

The budget is presented in BGN. Values are rounded to the second character following the decimal point (comma).

When filling in the budget, the applicant must follow the budget framework accurately, and it is not acceptable to add new budget lines and new types of costs other than those indicated. In the Application Form, in the pt.7 Implementation Plan/Project Activities a description of the costs of the specific activity should be given, and in the "Value" field, the total costs necessary to carry out a specific activity should be indicated. In the pt. 5 Budget of the Application Form on the relevant budget lines the total amounts of the planned costs should be indicated.

The total amount of the planned costs for activities should be consistent with values planned in the budget.

All costs shall be entered in the respective lines with VAT, where applicable. The non-recoverable value added tax of the budget sections where it is non-recoverable within the meaning of the Instructions of the Minister of Finance No DNF3 / 23.12.2016 on the treatment of value added tax as eligible costs in the implementation of projects under the operational programmes co-financed by the European Union's ERDF, ESF, CF, and EMFF shall be filled in in the relevant budget section or in the corresponding budget line.

Financial information - sources of funding (pt. 6 of the Form)

In the pt. 6 of the Form – Financial sources – in the field “Requested funding (Grant)” the system transfers automatically the total budget amount from pt.5.

The applicant should fill in the following fields on the table:

- Co-financing by the beneficiary/partners (**funds from budgeted enterprises**) - own contribution to the project budget if provided. If no own contribution is provided, the field is not filled in.
- Co-financing by the beneficiary/partners (funds from beneficiaries which are not budgeted enterprises) - own contribution to the project budget if provided. If no own contribution is provided, the field is not filled in.

The rest of the fields in pt. 6 Financial sources are not applicable to this procedure!

Completing both parts of the project budget in the Application Form – pt. 5 "Budget" and

MINISTRY OF LABOUR AND SOCIAL POLICYOperational Programme
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In the budget is not allowed the existence of costs that are not justified and tied to a specific activity of the project proposal. Organizational and management activities and information and communication activities are not described in the project proposal, but with the signing of the Application Form, the applicant undertakes to do so.

All costs, excluding indirect costs (organizational and management costs and information and communication costs) covered by the project budget, should correspond to the description of the activities in the application form. Activities should set targets that are specific, measurable, achievable, timely and planned with deadlines. The implementation of these objectives is monitored through performance indicators and results for each of the activities.

The amounts planned in the budget should be consistent with the description of the project activities and the stages of their implementation and the resources for the implementation of the actions should be planned in the appropriate quantity and quality and at the best price and described in the description of the activity concerned.

When planning the budget costs, the optimal ratio between the resources used to meet the specific objectives set and the achievement of the planned outcomes should be respected.

12.3. Eligible costs

Eligible costs under the ESF rules, in accordance with the provisions of the ESIFMA and the acting by-laws of the Council of Ministers, which do not contradict the Law (Decree of the Council of Ministers No 189 / 28.07.2016).

I. STAFF COSTS**1. Remuneration costs.**

1.1. Costs for wages and salaries determined by the order of the Civil Servants Act, incl. contributions accrued on behalf of the employer under the Labour Code and SIC to the persons directly involved in the implementation of the funded project activities - here should be included gross wages and social security contributions accrued on behalf of the employer (as well as all additional payments under the applicable national legislation - benefits for unused leave, surcharge for overtime served, etc.).

Planning and reporting of remuneration costs by budget item 1.1. should be in line with the Methodology for Regulating Remuneration under the OP HRD 2014-2020.

Where remuneration is foreseen for experts from other EU Member State (States), they should be justified in the project proposal, with the planning of their individual amount of hourly

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remuneration on an hourly basis not higher than the size of their hourly pay, as determined by their main contract of employment in the country concerned. In cases where the experts do not receive income, the remuneration should be planned in accordance with the market prices of the remuneration for this type of activity in the country concerned as described in the project proposal on the basis of a contract under another scheme, reference to the amount of the average annual income, official data for average wage rates under other European programmes or projects, and others.

2. Business trips costs

2.1. Costs on business trips (travel, subsistence and accommodation) of persons directly involved in the execution of direct activities - this should include the travel, subsistence and accommodation expenses of persons directly involved in the execution of direct activities, in accordance with the Ordinance on business trips in the country and Ordinance on official business trips and specializations abroad and when choosing the most economical route and vehicle.

2.2. Costs on business trips (travel, subsistence and accommodation) of persons in the target group - the travel, subsistence and accommodation costs of the persons in the target group should be included here according to the Ordinance on business trips in the country and the Ordinance on official business trips and specializations abroad and in choosing the most economical route and vehicle.

In cases where business trips (travel, subsistence, and accommodation) of experts and of persons from the target group from other EU Member State (Member States) are foreseen, they should comply with the national legislation of the country concerned.

II. MATERIAL COSTS**3. /**

3.1. Costs of materials and consumables needed to implement the project activities - should be directly related to the activities financed and necessary to achieve the targets set, as well as described in detail and justified in the activities of the project proposal.

III. COSTS OF TANGIBLE ASSETS**4. /**

4.1. Costs of the purchase of equipment - should be directly related to the activities financed and necessary to achieve the objectives set, as well as described in detail and justified in the activities of the project proposal.

IV. COSTS OF INTANGIBLE ASSETS**5. /**

5.1. Costs of intangible assets - should be directly related to the activities financed and necessary to achieve the objectives set, as well as described in detail and justified in the activities of the

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project proposal.

V. COSTS OF INTANGIBLE ASSETS

6. Costs of external services

6.1. Rental costs. Costs for renting halls and other directly related and necessary for the execution of the project activities may be budgeted;

6.2. Costs to assess the results in terms of the applicability of innovative elements in the project, which should amount to **2% of the total eligible project costs**.

6.3. Costs of expertise, monitoring, investigation, analysis and research, and others. directly related and necessary to the preparation and implementation of project activities;

6.4. Costs of conferences, seminars, training and other activities directly related and necessary to the implementation of the project activities;

6.5. Costs of insurance of acquired furniture and equipment, subject to the provisions of Art. 20, para 1 of the Decree of the Council of Ministers No 189/28.07.2016 and for a term not exceeding the term of the project activities.

6.6. Expenses arising from works/service contracts or procurement contracts under the provisions of the OCA (Obligations and Contracts Act), unqualified elsewhere, directly related and necessary for the implementation of the project activities.

In cases where the planned costs are intended to be provided to natural persons and are below the thresholds for the procedures specified in the Public Procurement Act and CM Decree 160/01.07.2016, the remuneration should be set in compliance with the provisions of the Methodology for Regulating Remuneration under the OP HRD 2014-2020.

VI. FLAT RATE

7. /

7.1. Indirect costs - are determined by applying a flat rate determined by applying a percentage to one or more specific categories of costs, in accordance with Art. 67 (1) (r), Art. 67 (5) (a) (i) and (ii) and Art. Article 68 (1) (a) of Regulation 1303/2013.

The flat rate is defined as a percentage of the direct eligible costs. Depending on the total eligible costs of the project proposal (column 1 of the table), the flat rate (column 2 of the table) is set and is as follows:

Total amount of the project proposal (PFB)	Flat Rate
1	2
under BGN 200,000	9%
from BGN 200,001 to BGN 400,000	9%

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from BGN 400,001 to BGN 600,000	6%
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The maximum amount of grant provided per project proposal is subject to the limitations set out in point 8.1 of these Conditions for Application.

For the formation of indirect costs, the applicant must apply one of the percentages indicated in the table, depending on the envisaged grant of the project proposal, to the planned direct costs under the scheme (sum of budget sections I to V inclusive). The total grant amount of the project proposal includes planned direct costs plus indirect costs, defined as a percentage of direct costs. The applicant must plan his indirect costs in budget line 7.1. in absolute value to the second character after the decimal point (comma).

"Indirect costs" are costs associated with the implementation of activities envisaged in the project that do not directly contribute to the achievement of its objectives and results but are necessary for its overall administration, management, assessment and good financial implementation. Indirect costs are the costs related to the remuneration of the project administration staff - project manager, technical assistant, accountant and other expert or technical staff, as well as the administrative costs associated with project management (overheads, team business trip costs, information and communication costs, etc.).

Business trip costs for the team (travel, subsistence, and accommodation) are eligible under the Ordinance on Business Trips in the Country and the Order for Business Trips and Specialization Abroad and in accordance with the approved norms in the beneficiary organization as well as in choosing the most economical route and vehicle.

"Direct costs" are the costs associated with the implementation of the project activities that are directly aimed at achieving its objectives and results.

12.4. Ineligible costs

- expenditure financed under another operation, programme or any other financial scheme deriving from the national budget, from the Community budget or from another donor programme;
- fines, financial penalties and dispute settlement costs;
- commissions and exchange losses on the exchange of foreign currency except for the provision of financial support through financial instruments;
- refundable value added tax;
- purchase of second-hand tangible fixed assets;
- the costs of guarantees provided by a bank or other financial institution, excluding the costs of financial instruments;
- interest on debts, except for grants related, provided in the form of interest subsidies or subsidies for guarantee fees;

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- costs of purchasing infrastructure, land and immovable property;
- costs of consultancy services related to the preparation and/or completion of applications for financial support;
- costs of carrying out construction and assembly works.
- costs of purchasing means of transport.

Pursuant to Art. 57, para 2 of the ESIFMA costs for projects or activities that are physically completed or fully realized before the submission of the application form by the beneficiary are not eligible, whether or not all related payments have been made by the beneficiary.

13. Eligible target groups

Eligible target groups under this procedure are all target groups eligible for the respective investment priorities, depending on the scope and thematic direction of the project. The choice of target groups must match the selected investment priorities in the project proposal.

Eligible target groups on investment priorities:

IP 1

Economically inactive people who are not in education or training, including discouraged ones, job-seekers and disadvantaged groups on the labour market.

IP 2

Economically inactive young people who are not in education or training at the age of 15 - 29

IP 3

Administrative staff involved in the area on the labour market, job-seekers, employers.

IP 4

People willing to start independent business activity; self-employed people; workers in micro companies, who have benefited from the programme.

IP 5

Employed persons, incl. employed and self-employed persons; employers.

IP 6

Employed persons, incl. employed and self-employed persons, postgraduate students and professionals from the healthcare sector.

IP 7

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The main target groups are the representatives of the Roma community; people with a foreign background; people at risk and / or victims of discrimination; people living in areas with low population density, rural and isolated areas, parts of populated areas where there is a concentration of problems creating risk of poverty, social exclusion and marginalisation (high level of unemployment, low income, limited access to public services, spatial segregation, spatial isolation, etc.).

Although the activities are aimed primarily to the representatives of the Roma community and to the citizens with a foreign background, they will not exclude the support of other marginalised groups with similar characteristics and needs.

In view of the specificity of the activities under the investment priority the eligible target groups will include employees of organisations and institutions related to the socio-economic integration of the marginalised communities.

IP 8

People with disabilities and their families; families with children, including children with disabilities; children and adults at risk, employees of providers of social and health services.

IP 9

People with disabilities; people over 65 incapable of self-care; families with children, including children with disabilities; children and adults at risk; children, youth and elderly people, including those with disabilities, placed in specialised institutions and their families; the employees in the specialised institutions; employees in organisations and institutions engaged with the process of deinstitutionalisation; employees of social and health service providers; public employees engaged with the implementation of the reform of the youth justice.

IP 10

People with disabilities; disadvantaged people on the labour market and other socially excluded people; representatives of different communities employed in the social enterprises, cooperatives and specialised enterprises for people with disabilities; people employed in social entrepreneurship institutions and organisations.

IP 11

Employees within the administrations of the Ministry of Labour and Social Policy and the secondary budget spending units to the Minister of Labour and Social Policy; employees within the administrations of the Ministry of Health and the secondary budget spending units to the Minister of Health; employees in the Commission for Protection against Discrimination, employees within the Secretariat of the National Council for Cooperation on Ethnic and Integration Issues (NCCEII), experts on ethnic and integration issues within the regional and municipal administrations; employees within the Secretariat of the National Council for

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integration of people with disabilities; employees in the public administration units providing social and health services; employees of social and health service providers; representatives of the social partners; representatives of organisations and institutions engaged with the implementation of policies in the areas of working conditions, social inclusion, healthcare, equal opportunities and non-discrimination.

Duplication of funding for the same target group from different sources for the same activity is not allowed.

Important!

In cases where the particular beneficiary develops its project proposal on more than one investment priority, the target groups of the individual investment priorities should be clearly distinguished, taking into account the eligibility of the target groups mentioned above.

It is necessary for the applicant to indicate in the project proposal the specific target group (s) to which the activities of the project proposal will be targeted. The applicant should describe which investment priority, from the included in the project proposal, refers to the representatives of the target group. It is necessary to analyse the needs and problems of the target group, as well as to decide which ones the project is targeting. The target group included in the project proposal has to be described with its specific characteristics according to the Conditions for Application and quantified - how many representatives of the target group will be included.

14. Applicable state/de minimis aid regime (if applicable)

Procedure BG05M9OP001-4.002 INNOVATIVE TOGETHER in respect of applicants - MLSP and the secondary budget spending units with the Minister of Labour and Social Policy, with the exception of the CHRDMI (Centre for Human Resource Development and Regional Initiatives), does not fall under the scope of the state/de minimis aid rules.

The Ministry of Labour and Social Policy is a legal entity on budgetary support, with special competence established as a public authority to support the implementation of the state social policy, which is managed and implemented by the Council of Ministers. The Minister of Labour and Social Policy manages, coordinates and controls the implementation of state policy on income and living standards, social security, unemployment protection and employment promotion, the labour market, labour migration and free movement of workers, safety and health employment, social investment, social protection, social inclusion, child and family support, demographic development, integration of people with disabilities, equal opportunities and anti-discrimination. The Ministry of Labour and Social Policy as an authority of the executive power exercises functions primarily of a non-economic character in the exercise of public authority.

The procedure activities - cooperation and experience sharing between EU countries is an effective way to access new ideas, innovative approaches and new skills directly related to the

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activities of the MLSP staff and to improve and upgrade the implemented policies of the Ministry of Labour and Social Policy. In addition, the activities of the procedure aim to contribute to the transfer and implementation of social innovation, good practices, partnership approaches to finding solutions to common problems, building specific partnership skills, etc. in the fields of the labour market, social inclusion, opportunities and non-discrimination, working conditions and the building of administrative capacity in them. The research and study of successful policies implemented by other EU Member States in the areas of the Ministry of Labour and Social Policy will provide a basis for the transfer and implementation of foreign experience, good practices and innovative models of impact and improvement of the administrative capacity of the institutions working in these areas.

In this sense, activities carried out under the procedure with respect to the applicant – MLSP, remain related to the exercise of government powers and therefore fall outside the scope of the concept of enterprise and are therefore outside the scope of the state and de minimis aid rules.

Applicants the State Company Bulgarian-German Vocational Training Centre and Centre for Human Resources Development and Regional Initiatives meet the de minimis aid requirements in accordance with Regulation (EU) No 1407/2013.

For partners that are bodies of the executive and/or local authority, the procedure does not fall within the scope of the state/de minimis aid rules.

The executive power authorities are public authorities created to implement state public authority by supporting the implementation of state policy in their field of competence. The executive power authorities, in the exercise of public authority, perform functions primarily of a non-economic nature.

The procedure is aimed at transferring and introducing social innovation, good practices, partnership approaches to finding solutions to common problems, building specific partnership skills, etc. in the fields of the labour market, social inclusion, equal opportunities and non-discrimination, the labour conditions and building the administrative capacity in them. The activities are directly related to the policies pursued by MLSP and are aimed at their support.

The municipalities and the municipalities regions (except for the municipal enterprises with independent legal personality) are public entities - local authority structures and the main administrative-territorial unit in which the local self-governance takes place. The municipalities and the regions of municipalities are established as territorial authorities of the executive power for the implementation of the state policy in the interest of the territorial community of local importance.

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In the implementation of local policy, the municipalities and municipalities regions support the activities of the central executive power in the exercise of public powers and perform functions primarily of a non-economic nature.

At the application stage, each applicant/partner (with the exception of the Ministry of Labour and Social Policy) - an authority of the executive and local power, should prepare and submit to the MA an analysis concerning the specific activity of the respective authority on the basis of which it is justified to fall outside the scope of Art. 107, par. (1) of the TFEU, respectively, outside the scope of the state /de minimis aid rules. When drawing up the analysis, it should be borne in mind that state aid rules do not set a threshold of economic importance to non-economic activity and therefore cannot be used as an argument for the inapplicability of the state aid regime to an entity. Moreover, according to the provisions of the European Commission's (EC) Notice on the concept of state aid referred to in Art. 107, par. (1) TFEU and the EC's clarification of the application of points 17 and 18 of the eState aid WIKI platform, if a Member State introduces market-based mechanisms for a particular activity but continues to do so, it cannot rely on exercising powers of public authority because it is in competition with market operators for that activity. The EC accepts that *economic activity is inseparable from the exercise of public powers when it is necessary for the exercise of public authority, including if economic activity is not strictly necessary for the exercise of public authority but greatly facilitates and supports it*⁶. In view of this, we recommend that you base your analysis on the inapplicability of state aid to the above-explained EC explanations.

If the applicants (with the exception of MLSP) and the partner (s) - executive and/or local authorities do not submit the above analysis, then the amount of funds they will spend on the project will be recorded in the administrative contract/grants order as a de minimis aid.

Under this procedure, the de minimis aid rules within the meaning of the Regulation (EU) No 1407/2013 of the Commission of 18 December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid, published in Official Journal of the European Union L 352 of 24.12.2013.

The activities envisaged for financing under the procedure are of an economic nature and there is an existing market for them. Consequently, all partners' costs (with the exception of the executive and/or local authorities) - related to the implementation of the project proposal are of an economic nature and will be considered as de minimis aid.

When preparing a project proposal under this procedure, please note that the total amount of grant funds spent by the applicants State Company Bulgarian-German Vocational Training

⁶ Case C-113/07 P Selex Sistemi Integrati v Commission, pt. 76

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Centre and Centre for Human Resources Development and Regional Initiatives and partners in the implementation of the actions.

The funds to be spent by the Bulgarian partners under the procedure should be set out in the Application Form, Section 3 “Partner Data”, “Financial Contribution” field, as well as in the Partnership Agreement.

The funds to be spent by foreign partners should also be included in the Application Form, Section 3 “Partner Data”, “Financial Contribution” field, as well as in the Partnership Agreement.

The amount of the de minimis aid granted under this procedure will be entered in the administrative contract/grant order.

The amount of the de minimis aid granted to the foreign partner (partners) will be deemed to have been received and accumulated within the territory of the Republic of Bulgaria.

Important!

The maximum amount of de minimis aid applied for together with the other de minimis aid received by the same enterprise within the territory of the Republic of Bulgaria may not exceed the BGN equivalent of EUR 200 000 and the BGN equivalent of EUR 100 000 in the case of an enterprise which carries out road freight on a foreign account for a period of three budget years.

Where the same enterprise carries out road freight transport on a foreign account or for reward and other activities for which the ceiling of EUR 200 000 applies, the ceiling of EUR 200 000 under this procedure will apply to the same enterprise, which follows to maintain an analytical accounting system for each activity by distinguishing revenue and costs associated with each activity, ensuring that the aid for truck freight transport does not exceed the equivalent of BGN 100 000 and that the de minimis aids are not used for the acquisition of trucks.

The amount of the de minimis aid received is defined as the sum of the aid applied for and the de minimis aid received on the territory of the Republic of Bulgaria from:

1. the applicant/partner enterprise;
2. the enterprises with which the applicant/partner forms the "same enterprise" within the meaning of Art. 2, par. 2 of Regulation (EU) No 1407/2013;
3. all enterprises which have entered, merged with or were acquired by one of the enterprises forming the "same enterprise" with the applicant/partner under Art. 3, par. 8 of Regulation (EU) No 1407/2013;

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4. enterprises forming "the same enterprise" with the applicant/partner who has benefited from de minimis aid received prior to division or separation, in accordance with Art. 3, par. 9 of Regulation (EU) No 1407/2013.

Within the meaning of Regulation (EU) No 1407/2013 "same enterprise" means all enterprises that maintain with each other at least one kind of the following relationships:

- a) an enterprise owns a majority of the shareholders or partners voting rights in another enterprise;
- b) an enterprise has the right to appoint or remove a majority of the members of the administrative, management or supervisory authority of another enterprise;
- c) an enterprise has the right to exercise a dominant influence over another enterprise by virtue of a contract concluded with that enterprise or a provision in its statutes or constitutive instrument;
- d) an enterprise which is a shareholder or partner in another enterprise independently controls, by agreement with the other shareholders or members of that enterprise, a majority of the shareholders or partners voting rights of that enterprise.

Enterprises maintaining one of the relationships referred to in points (a) to (d) above through one or more other enterprises are also treated as one and the same enterprise.

Enterprises carrying out one of the aforementioned relationships between themselves through a natural person or a group of natural persons acting jointly shall also be regarded as one and the same enterprise. In this case, a natural person shall be treated as an enterprise within the meaning of Regulation (EU) No 1407/2013 if he carries out an economic activity in any form, i.e., is a sole trader and/or freelancer and/or participates in the management and control of the business of one of the enterprises.

Ineligible to receive de minimis aid under this procedure are partners operating in:

- a) the area of the fisheries and aquaculture covered by Regulation (EU) No 1379/2013 of the European Parliament and of the Council of 11 December 2013 on the common organization of the markets in fishery and aquaculture products, amending Regulations (EC) No 1184/2006 and (EC) No 1224/2009 and repealing Council Regulation (EC) No 104/2000 (OJ L 354 of 28.12.2013);
- b) the area of the primary production of agricultural products⁷.

⁷ "Agricultural products" means products listed in Annex I to the Treaty, with the exception of fishery and aquaculture products covered by Regulation (EC) No 1379/2013;

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The procedure does not provide aid to an applicant/partner and where its provision results in a violation of the provisions of Regulation (EU) No 1407/2014, including Art. (1) (c), (d) and (e) of the Regulation.

Important!

In order to certify that they carry out their economic activities in the eligible sectors, the Bulgarian partners (who are not authorities for the executive and/or local power) should submit together with the project proposal a Certificate for a code of economic activity (basic economic activity and additional economic activity) by the National Statistical Institute by data for the last completed financial year. The classification CEA-2008 (adopted by Order No. ПД 07-317 / 29.11.2007 of the Chairman of the National Statistical Institute) (Appendix for information to the Conditions for Application) is used to determine eligibility.

Aid granted in several instalments (i.e. where the applicant intends to use an advance and/or interim payment (payments)) shall be discounted to their amount at the time of the grant. Eligible costs are discounted to their value at the time the aid is granted⁸. The interest rate to be used for discounting is the discount rate applicable at the time the aid is granted, in accordance with Art. 3, para 6 of Commission Regulation (EU) No 1407/2013 of 18 December 2013.

The de minimis aid granted under Regulation (EC) No 1407/2013 may be cumulated with the de minimis aid granted under Commission Regulation (EU) No 1408/2013 of 18 December 2013 on the application of Articles 107 and 108 of the Treaty on the functioning of the European Union for de minimis aid in the agricultural sector (OJ L 352, 24.12.2013) and Commission Regulation (EU) No 717/2014 of 27 June 2014 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union of the European Union to de minimis aid in the fisheries and aquaculture sector (OJ L 190, 28.6.2014) Corresponding to the respective amount specified in Art. 3, para 2 of the Regulation, with the

accumulation of the de minimis aid by type of activity up to the respective threshold. In the case of enterprises falling within the scope of Commission Regulation (EU) 360/2012 of 25 April 2011 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid for enterprises providing services of general economic interest (OJ L

“Processing of agricultural products” means any operation carried out on an agricultural product from which also an agricultural product is obtained, except for the activities carried out on the spot on the farm necessary for the preparation of an animal or plant product for its first sale

⁸ On a final payment, the Managing Authority checks whether the discounted value of the grant to the discounted value of the eligible costs is within the permissible intensity applying the following formula: $PV = FV / (1 + i)^t$, where PV is the discounted value, FV is the real value, i is the interest rate, and t - the implementation period in years.

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114 of 26.04.2012), the applicable threshold for the accumulation of the de minimis aid is the BGN equivalent of EUR 500 000.

De minimis aid shall not be cumulated with state aid granted for the same eligible costs or with state aid for the same risk financing measure if such cumulation may exceed the highest applicable aid intensity or aid amount fixed in the specific circumstances in each case by a block exemption regulation or by a decision accepted by the Commission.

When with the provision of new de minimis aid, the respective ceiling laid down in paragraph 2 of Art. (3) of Regulation (EU) No 1407/2013 may be exceeded, no part of this new aid can fall within the scope of this Regulation.

The data about the de minimis aid received should be duly indicated by the applicants/partners in the Declaration for De Minimis Aid (Appendix III to these Conditions for Application). At the time of evaluation, an eligibility check regarding the maximum allowable threshold for minimum aid received, as defined in Art. 3 (2) of Regulation (EU) No 1407/2013 will be made on the basis of the data provided in the Declaration for De Minimis Aid (Appendix III). In accordance with the requirement not to exceed the threshold set out in Article 3 (2), the MA will make an official adjustment to the amount of the grant to all proposed for financing project proposals at the evaluation stage so as not to breach the thresholds under the Regulation.

Important!

Prior to concluding the administrative contract/order issuance, the Managing Authority will carry out a substantive examination of the de minimis aid declared by the approved applicants/partners, in accordance with Art. 6, point 3 of Regulation (EU) No 1407/2013.

De minimis aid is considered provided at the time of signing the administrative contract/ order issuance, irrespective of the date of its payment to the enterprise.

If the requirements of Regulation (EU) No 1407/2013 are not met, the applicant/partner (partners) reimburses the full amount of the funds provided under this procedure together with the legal interest from the time of receipt to the final payment. The reimbursement of unlawfully granted de minimis aid is carried out under Art. 3.77 to 3.82 of the Administrative Contract.

The reimbursement of the amounts unduly paid and overpaid, as well as of the unlawfully received or unlawfully absorbed funds, shall be made in accordance with the Instructions of the Ministry of Finance, Art. 37 of the Law on VAT and Section II of Ordinance No. H-3 / 08.06.2016 of the Minister of Finance on setting the rules for payments, verification, and certification of the costs, recovery and writing-off of unlawful costs and for accounting, as well as the deadlines and the rules for the closure of the accounting year under the operational

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programmes and the European Territorial Cooperation programmes.

The applicant/partner (partners) document and collect all information regarding the implementation of Regulation (EU) No 1407/2013. The documents thus drawn up must contain all the information necessary to demonstrate that the conditions laid down in Regulation (EU) No 1407/2013 have been met. The documentation on individual de minimis aids shall be kept for a period of 10 budget years from the date of their submission. Documentation on de minimis aid schemes shall be kept for a period of 10 budget years from the date on which the last individual aid was provided under such scheme.

The state aid Administrator shall inform the Minister of Finance within three days of the provision of any aid falling within the scope of de minimis aids through the IS De Minimis Aid Register.

At the request of the European Commission, the Applicant/Partner (Partners) provide through the Minister of Finance all the information and accompanying documentation that the European Commission considers necessary for the purposes of monitoring the implementation of Regulation (EU) No 1407/2013. The information and documentation shall be submitted to the Minister of Finance within 15 working days unless otherwise specified in the request of the European Commission or in the instructions of the Ministry of Finance.

15. Horizontal policies

The procedure is carried out in compliance with the horizontal principles set out in the Operational Programme.

In the preparation and implementation of the activities of each project proposal, all three horizontal principles must be complied with and applied.

- ***Equal opportunities and non-discrimination***

Pursuant to Art. 96, para 7 (b) of Regulation (EC) No 1303/2013 of the European Parliament and of the Council of 17 December 2013 during the various stages of the implementation of the OP HRD 2014-2020, and especially with regard to access to finance, specific actions and measures will be undertaken to promote equal opportunities and to prevent any discrimination based on sex, race, colour, ethnic or social origin, genetic characteristics, language, religion or belief, political or other opinion, property status, origin, disability, age or sexual orientation, taking into account the needs of the different target groups at risk of such discrimination.

- ***Gender Equality***

Equality between men and women and integration of the principle of equal opportunities will be promoted during the various stages of the implementation of the operational programme, especially as regards access to finance.

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In particular, the programme will support actions to promote reconciliation of work, private and family life, the promotion of flexible forms of employment and flexible working time, the provision of opportunities for distance learning and work, the promotion of economic activity and the independence of women, support of the company practices to promote equality between men and women at work and reconciliation of professional and private life, the elimination of gender stereotypes in society, etc.

By integration of the principle of gender equality, efforts are not limited to the implementation of certain actions directed at women but are pursued to achieve gender-sensitive equality for both men and women.

- ***Sustainable Development***

Through the investment priorities to which the support of the OP HRD 2014-2020 is directed, support also will be provided for the transition to a low-carbon, climate-resilient, environmentally sustainable and resource-efficient economy. The OP HRD 2014-2020 provides for specific measures aimed at protecting the environment and supporting green growth within the respective priority axes, as well as integrating environmental protection, resource efficiency, climate change mitigation and adaptation requirements to it, the sustainability of natural disasters, and the prevention and management of risk at horizontal level in the selection and implementation of the projects under the programme.

16. Minimum and maximum duration for project implementation

The activities under each project under this procedure should be completed by 30.06.2023

17. Procedure for evaluation of the project proposals

Project proposals are assessed in accordance with the criteria outlined in the approved Conditions for Application. The evaluation is carried out in the UMIS 2020 and is documented by filling out evaluation tables.

In accordance with Art. 44, para 4 of ESIFMA and Art. 24, para 8 of Decree of the Council of Ministers 162/05.07.2016 on establishing irregularities, incompleteness and/or inconsistencies of the documents under Art. 44, para 1 of ESIFMA and Art. 6 of Decree of the Council of Ministers 162/05.07.2016, the respective Managing Authority shall send to the particular beneficiary a notification of the established irregularities, incompleteness and/or inconsistencies and shall set a reasonable time for their elimination, which shall not be shorter than one week.

The notification also contains information that failure to remedy them in time may lead to the termination of proceedings in respect of the particular beneficiary. In this case, the term under Art. 44, para 2 of ESIFMA and Art. 24, para 4 of Decree of the Council of Ministers

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162/05.07.2016 shall cease to run until the date of their removal.

In accordance with Art. 44, para 2 of ESIFMA and Art. 24, para (4) of Decree of the Council of Ministers 162/05.07.2016, the evaluation of a project proposal shall be made within three months from the date of its submission or the deadline for its submission if it is specified in the documents under Art. 26, para 1 of ESIFMA and Art. 5, para 1 of Decree of the Council of Ministers 162/05.07.2016.

In order to be eligible for direct grant awarding, the project proposal must meet all the evaluation criteria, as set out in the Appendix "Table of Evaluation of the Project Proposal under a Direct Award Procedure" under the relevant procedure.

18. Criteria and methodology for evaluating project proposals

Project proposals under a direct award procedure are evaluated on the basis of the criteria in the "Table of Evaluation of the Project Proposal under a Direct Award Procedure", which is an appendix for information to the package of documents under this procedure.

19. Way of submission of project proposals

A project proposal under this grant award procedure should be submitted only electronically with a Qualified Electronic Signature (QES) using the Information system for management and monitoring of the EU Structural Instruments in Bulgaria (UMIS 2020) - <https://eumis2020.government.bg>, where the General User Guide for the E-Application module is also available.

The submission of the project proposal is done by filling in a web-based application form and submitting it by the particular beneficiary and the project proposal and attached documents are signed with a qualified electronic signature (QES) by the person authorized to represent the applicant.

Within 3 days of the submission of the project proposal in MIS 2020, applicants must also send a letter of notification to the Head of MA of OP HRD that they have submitted their project proposal by indicating the number and date of registration issued by the system.

Before submitting the project proposal, the Application Form must be signed with an electronic signature with a detached signature from the representative of the particular Beneficiary or a person authorized by him/her. The signing of documents with qualified electronic signature has been adopted in the present procedure because according to Art. 13 para 3 of the Electronic Document and Electronic Signature Act, the Qualified Electronic Signature has the meaning of a handwritten signature.

The preparation, submission and registration of the project proposal in UMIS 2020 is done

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in following way:

- The particular beneficiary enters UMIS 2020 through the e-services module at <https://eumis2020.government.bg>,
- The particular beneficiary registers to the system as a new user and then accesses it through a user name (e-mail) and password. Please note that the e-mail you specify when registering as a user will be used for correspondence with you during the evaluation of the project proposal.
- The particular beneficiary chooses the procedure for applying BG05M9OP001-4.002 of the available open procedures.
- The particular beneficiary withdraws a new application form from the relevant procedure.
- The particular beneficiary fills his/her UIC / BULSTAT number on the form.
- In case of technical possibility, the system verifies whether the applicant is registered with UMIS 2020, and also checks the BULSTAT register and the Commercial Register maintained by the Registry Agency and retrieves the necessary data.
- If information on the particular beneficiary is lacking as a candidate, the system provides the opportunity to input the data.
- After extracting and loading the data from the BULSTAT Register and the Commercial Register, the system allows their change.
- The specific beneficiary fills in the application form under the appropriate procedure BG05M9OP001-4.002, following the Instructions of the Managing Authority to fill in the application form (Appendix for information in the Conditions for Application). The system provides the opportunity to correct, save and complete the form while it is in working mode (draft). The form can be written locally to a file in a special format that can only be opened by UMIS 2020. The system allows the loading of a locally saved application file and editing file by another user who is registered in the system when this is necessary.
- The user attaches to the application form the documents required by the Managing Authority (referred to in item 20 of these Conditions for Application) in a special separate section.
- The applicant indicates in the system that he/she finalizes the application form. Before finalizing the application form, the applicant can check it for errors by a button "Check the form for errors" in the menu at the bottom of the screen.
- The system allows recording the created application form on the applicant's working computer, signing it with QES of the particular beneficiary and attaching the generated files.
- In the correct execution of the described actions, the applicant sends the application form and the documents to it through the system.
- The system registers the submitted project proposal and generates a registration number.
- The system sends a notification to the user's email address that the project proposal is registered with the respective registration number.

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– Upon completion of the evaluation committee's work, the applicant has the possibility to withdraw his project proposal by submitting a written request from the applicant's representative to the Managing Authority in hard copy, this fact being noted in the UMIS 2020 by a user of the system with the respective rights.

The application form and the applications are filled in Bulgarian.

20. List of documents to be submitted at the application stage

Particular beneficiaries participate with a project proposal in this procedure using the Application Form published in the UMIS and the associated attachments attached to the form. Particular beneficiaries must adhere strictly to the Form that is generated in the UMIS, as well as fill in and attach to the system the appendices in field 12 "Attached electronically signed documents" to the Application Form.

The application form and the appendices must be filled in Bulgarian language, except for the fields, which are required for filling in English.

The application form must be filled in carefully and in a clear manner so that it can be properly assessed in the UMIS 2020.

The particular beneficiary must submit through the UMIS 2020 the application form signed by Qualified Electronic Signature (QES) by the person representing the applicant or a person authorized by them.

The Applicant should attach the following documents to the UMIS 2020:

1. APPENDIX I: Declaration of the applicant/partner - To be filled in by the person (persons) empowered to represent the particular beneficiary/partner (**applicable only to applicants and to Bulgarian and foreign partners who spend project funds and are different from the central and municipal administrations - primary and secondary budget spending units**).

The declaration is signed by the empowered person on hard copy (paper), scanned and attached to the UMIS 2020. The declaration of the applicant/partner cannot be signed by authorized persons as it declares data that are declared in personal or respectively as data for the administration, as a criminal responsibility is born for their truthfulness, which is also personal.

2. APPENDIX II: Declaration of the applicant/partner for administrations - To be filled in by the person empowered to represent the particular beneficiary/partner (**applicable only to applicants and to Bulgarian and foreign partners who spend the project funds and are central and municipal administrations - primary and secondary budget spending units**).

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The central authorities - primary and secondary budget spending units shall declare the circumstances under items 1, 2 and 4 of the declaration.

The declaration is signed by the empowered person on hard copy (paper), scanned and attached to the UMIS 2020. The declaration of the applicant/partner cannot be signed by authorized persons.

3. APPENDIX III: Declaration for de minimis aid signed by the representative of the particular beneficiary/partner (Bulgarian and foreign) - **applicable only to Center for Human Resource and Regional Initiatives Development, State Company Bulgarian-German Vocational Training Centre and for Bulgarian and foreign partners who spend project funds and are different from the central and municipal administrations - primary and secondary budget spending units.**
4. APPENDIX IV: Partners agreement
5. An order/act of authorizing the person (persons) who will represent the particular beneficiary of the particular project, will submit the project proposal, and sign all the documents related to the implementation of the project (if applicable);
6. Letter of primary budget spending unit to confirm the financial capacity of the particular beneficiary/Bulgarian partners - Applicable only to applicants and partners who are secondary budget spending units (for partners - only in case they spend the project funds);
7. Letter/document from the foreign partner, a budget spender showing the amount of approved costs on the partner's budget for the current financial year (for partners only if they spend project funds);
8. Account balance sheet and Revenue and expenditure statement for the current year, signed by the manager and compiler, scanned and attached to UMIS - applicable to the State Company Bulgarian-German Vocational Training Centre and Bulgarian partners who are not primary and secondary budget spending units (for partners - only if they spend budget funds);
- 8.1. For foreign partners - a copy of the relevant accounting document regulated by the International Accounting Standards or the National Accounting Standards of the respective Member State for the current year, translated into Bulgarian (applicable only to foreign partners who are not budget spenders and only if spend project funds);
9. Certificate of current status issued not earlier than 3 months before the application deadline - scanned and attached to UMIS (**applicable only to applicants/Bulgarian partners other than central and municipal administrations - primary and secondary**

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budget spending units);

* In the event that the applicant is registered under the Commercial Register Act, this circumstance will be checked ex-officio, according to Art. 23, para 6 of the Commercial Register Act.

10. Certificate of current status of the foreign partner or other relevant document issued not earlier than 3 months before the application deadline, scanned and attached to UMIS . It should be clear from the document that the foreign partner is eligible as well as who represents them. The document is presented with a Bulgarian translation.
11. Certificate of economic activity codes of the enterprise (main economic activity and additional economic activity) issued by the NSI according to data for the last completed financial year - scanned and attached to UMIS (not applicable to the newly registered/newly established organizations) - applicable only to the State Company Bulgarian-German Vocational Training Centre and Bulgarian partners other than the central and municipal administrations - primary and secondary budget spending units;
12. In cases where a Bulgarian partner is a MUNICIPALITY AND/OR MUNICIPALITY REGION, when submitting the project proposal it is necessary to present a copy of the Municipal Council Decision for:
 - approval of partnership under the project, in accordance with LSLAA (in case of a partnership);

The copy of the solution is scanned and attached to UMIS 2020 (if applicable).

13. The applicant provides evidence of the partner selection procedure as a published announcement/invitation for project partner selection - scanned and attached to UMIS .
14. An analysis of the specific activity of the respective authority on the basis of which it is justified to fall outside the scope of Art. 107, par. (1) of the TFEU, respectively, outside the scope of the State aid rules – **(applicable only to the particular beneficiaries (excluding MLSP)/partners (Bulgarian and foreign) who are budget spenders and only in case they spend the project budget).**
- 14.1. In the event that an analysis under item 14 is not presented, the relevant organization should submit to the project proposal. APPENDIX III: Declaration for de minimis aid signed by the representative of the particular beneficiary/partner (Bulgarian and foreign).

21. Deadline for submission of project proposals

The project proposal should be submitted no later than 31.12.2020.
Applicants can submit their project proposal within the period up to the end of 2020.

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Within 3 days of the submission of the project proposal in UMIS 2020, the applicants must also send a letter of notification to the Head of MA of OP HRD that they have submitted

their project proposal by indicating the number and date of registration issued by the system. Otherwise, the MA will not be informed of the availability of a new project proposal in the system.

In accordance with Art. 44, para 2 of ESIFMA and Art. 24, para (4) of Decree of the Council of Ministers 162/05.07.2016, the evaluation of a project proposal shall be made within three months from the date of its submission or the deadline for its submission if it is specified in the documents under Art. 26, para 1 of ESIFMA and Art. 5, para 1 of Decree of the Council of Ministers 162/05.07.2016.

Up to 10 days before the deadline for submitting the project proposal, the particular beneficiary may request substantive clarification regarding the completion of the application dossier.

Questions are asked in writing and sent to the following e-mail: inovativni@mlsp.government.bg

The answer will be given in writing within 5 days of receipt of the inquiry.

22. Additional information

22.1. Decision of the Head of the Managing Authority on the grant award

In accordance with Art. 45, para 1 of the ESIFMA, if there is a positive result of the evaluation, the head of the Managing Authority shall decide within a week after the end of the evaluation to provide the GFA.

Prior to concluding the Administrative Contract/ the issuing of the grant award order, the particular Beneficiary/Partner should provide:

- Financial Identification Form (APPENDIX VI) - Applicable only to the particular Beneficiary;
- Current Applicant/Partner Declaration (APPENDIX I) - Applicable only to foreign partners who spend project funds and are different from central and municipal administrations – primary and secondary budget spending units - only if there is a change in circumstances
- (APPENDIX II) - Applicable only to applicants and to Bulgarian and foreign partners who spend the project funds and are central and municipal administrations - primary and secondary budget spending units - only if there is a change in the circumstances.
- Declaration of irregularities signed by the representative of the particular beneficiary/partner (Bulgarian and foreign);
- Declaration for De Minimis Aid signed by the representative of the particular

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beneficiary/partner (partners) (Bulgarian and foreign) (if applicable);

- A certified copy of an order authorizing the persons laying on the first and second signature - only for applicants (if applicable);
- Power of attorney where the particular beneficiary is represented at the conclusion of the contract by a person other than his legal representative - an original or a notary certified copy (if applicable);
- Application for Beneficiary Access to UMIS 2020;
- Certificates of criminal record of all persons authorized to represent the applicant/ Bulgarian partner (partners), no matter if they represent the applicant/ Bulgarian partner (partners) together and/or separately with a term of validity at the date of signature of the contract - copy certified by the applicant/partner for grant with a signature and with a text "true to the original" (**applicable only to applicants and Bulgarian partners other than central administrations - primary and secondary budget spending units**);
- Certificate confirming that the applicant/partner has not been declared in liquidation proceedings by the relevant court not earlier than 3 months prior to the date of submission - a copy certified by the applicant/partner with a signature and with a text "true to the original" (**applicable only to applicants and Bulgarian partners other than central administrations - primary and secondary budget spending units**);
- **Decision of the Council of Ministers approving the bilateral/multilateral treaty/agreement/convention with other EU Member State (States) or public institution (institutions) of other EU Member State (States)** (only in cases where the foreign partner will spend the project budget funds).

The inspections of tax obligations and compulsory social security contributions within the meaning of Article 162, paragraph 2, item 1 of the TIPC and the interest thereon shall be made ex officio. (Applicable to applicants and Bulgarian partners who spend project funds and are different from central and municipal administrations.)

In the process of preparation of the grant award contract, the Managing Authority will carry out an audit of the reliability of the circumstances under Art. 2, para 2 of Regulation (EU) No 1407/2013 ("the one and the same enterprise") declared by the applicant and the Bulgarian partners in the Declaration for De Minimis Aid (if applicable). In connection with the verification of the specified circumstances, the Managing Authority may request from the Applicant and the Bulgarian partner (partners) some of the following documents:

- Statute or another equivalent document;
- Shareholders' Book - applicable to joint stock companies with registered shares;
- Up-to-date information on the capital distribution of the company - applicable to joint stock companies;
- Company Agreement - applicable to limited liability companies, sole limited liability

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companies (constituent act), general partnerships and limited partnerships;

- Shareholders' Book and Statute - applicable to limited partnerships with shares;
- agreement or contract under the Obligations and Contracts Act;
- contracts for the provision or limitation of rights;
- contracts for entering into rights and obligations;
- others.

These documents shall be submitted as a copy certified by the applicant/partner in the event that they are not disclosed in the Commercial Register. In the event that the said documents are disclosed in the Commercial Register, they shall be verified ex officio in accordance with art. 23, para 6 of the Commercial Register Act.

The circumstances under Art. 3.2 of Regulation (EU) No 1407/2013 for the existence of other aid to foreign partners are proven by presenting an up-to-date Declaration for De Minimis Aid.

In accordance with Art. 45, para 2 of the ESIFMA the decision of the Head of the Managing Authority to provide a grant under para 1, item 1 shall be recorded in an administrative contract with the beneficiary, respectively in an order containing the requisites under Art. 37, para 3. The approved project and the documents under Art. 26, para 1 of ESIFMA Art. 5, para 1 of Decree of the Council of Ministers 162/05.07.2016 in the part laying down the conditions for implementation are an integral part of the contract, respectively of the order.

Within 14 days from the date of concluding the Administrative Contract/Issuing the Grant Award Order, the Managing Authority shall publish on its website, in the UMIS 2020 and on the Single Information Portal, the following information: Beneficiary's name; name of the project; project summary; start and end date of the project; total project value in BGN; Union co-financing rate; place of performance of the activities; intervention category; date of the last update of the list of operations.

22.2. Conditions applicable to project implementation, after signing the contract/issue of a direct grant award order

The Head of the Managing Authority signs Administrative Contract/issues a direct grant award order (see Appendix to the Conditions) on the grounds of Art. 45, para 2 and para 3 of the ESIFMA.

The obligations that arise for the particular beneficiary are described in the appendices to the Administrative Contract/grant award order.

Within 30 days from the date of concluding the Administrative Contract/issuing the direct grant award order, the Managing Authority shall organize introductory training for the Beneficiaries

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for the implementation of the projects under the respective

procedure, except in cases where the Beneficiary explicitly stated that that will not take advantage of this opportunity.

During the implementation of the project activities, the particular beneficiary should follow the "Guidance for Beneficiaries of Contracts under the OP HRD (for the particular procedure), which is/will be published on the website of the Managing Authority.

23. Appendices to the Conditions for Application

23.1. Appendices at the time of application

Appendices to fill in:

Application form (electronic form available in UMIS 2020)

APPENDIX I: Applicant/Partner Declaration

APPENDIX II: Applicant/Partner Declaration for administrations

APPENDIX III: Declaration for De minimis Aid

APPENDIX IV: Partnership Agreement

Supporting documents:

According to pt. 20 of the Conditions for Application

23.2. Appendices at the time of signing Administrative Contract/issuing a direct grant award order

APPENDIX V: Administrative Contract/direct grant award order

Application form (electronic form available in UMIS 2020)

APPENDIX VI: Financial identification form

APPENDIX VII: Declaration of irregularities

APPENDIX VIII/ APPENDIX VIIIa: Application for Beneficiary Access to UMIS 2020;

Supporting documents:

According to pt. 22.1. of the Conditions for Application

23.3. Appendices for information

- Table of Evaluation of the Project Proposal under a Direct Award Procedure
- Methodology for Regulation of Remunerations under the OP HRD
- Instructions of the Minister of Finance No Nf-3/23.12.2016 for the treatment of value added tax as eligible expenditure for the implementation of OP projects co-financed by the ERDF, ESF, the Cohesion Fund and the European Union's EMFF for the programming period 2014- 2020

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| <ul style="list-style-type: none">- Methodology for evaluating the financial capacity of the applicants under the Operational Programme Human Resources Development 2014 - 2020 (if applicable)- Instructions for filling in the Application Form. |
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